

'Next' Practices

An industry “best practice” can best be defined as a method, process or technique that has consistently shown results superior to those achieved by other means. If successful, it becomes the standard for a particular business practice or process. Unfortunately, many of our best practices have turned F&I into something customers must endure in order to buy a vehicle.

Our process is still built on an approach that begins with an artificial customer interrogation. Even worse, the entire process is designed to take advantage of the uninformed, the ignorant, the unsophisticated and the people who don't like to negotiate. It's an antiquated method, and it's time to change.

Today's F&I sales process needs to reflect heightened customer expectations, their instant access to information and the current regulatory environment. That's why we must replace some of those old processes with what I like to call “next” practices. Let's take a look at 10 such practices that every F&I professional needs to embrace.

Practice No. 1: **Be Easy To Do Business With**

Customers have to buy *you* before they'll buy your products. If the customer likes you, trusts you and feels like you know what you're talking about, they're going to be interested in what you have to say. If they think you're trying to sell them something they don't want and don't think they need, they'll stop listening.

When it comes to selling F&I products, the “next” practice is about helping that person on the other side of the desk make better decisions. We have to educate them about the options available to them, and we need

to help them make the right decision for themselves and their families.

Practice No. 2: **Come Down Off Your Throne**

Greet customers in the salesperson's office, and be of service. Start by offering them a drink. You'll be amazed at how a customer's attitude changes when they feel you're there to serve them, rather than sell them. It's also critical that we bring customers back to the F&I office immediately. We have to stop wasting their time and discover their needs as we prepare their paperwork. We have to be totally transparent, and we have to demonstrate that the F&I process is expediting the delivery process, not slowing it down.

Practice No. 3: **Maximize Your Menu's Effectiveness**

Menus don't sell products, F&I professionals do. That's why you need to stop wasting time sitting in your office customizing a menu before you've even presented it. Customers need to see that you're there to help. Try customizing your menu while you discuss their options.

It also is important that you stop the stair step. The payments on your menu should never go from big to small, or small to big. No restaurant, service department or other menu is set up that way. Besides, isn't the goal to get customers to look at the menu, not direct their attention to the cheapest option?

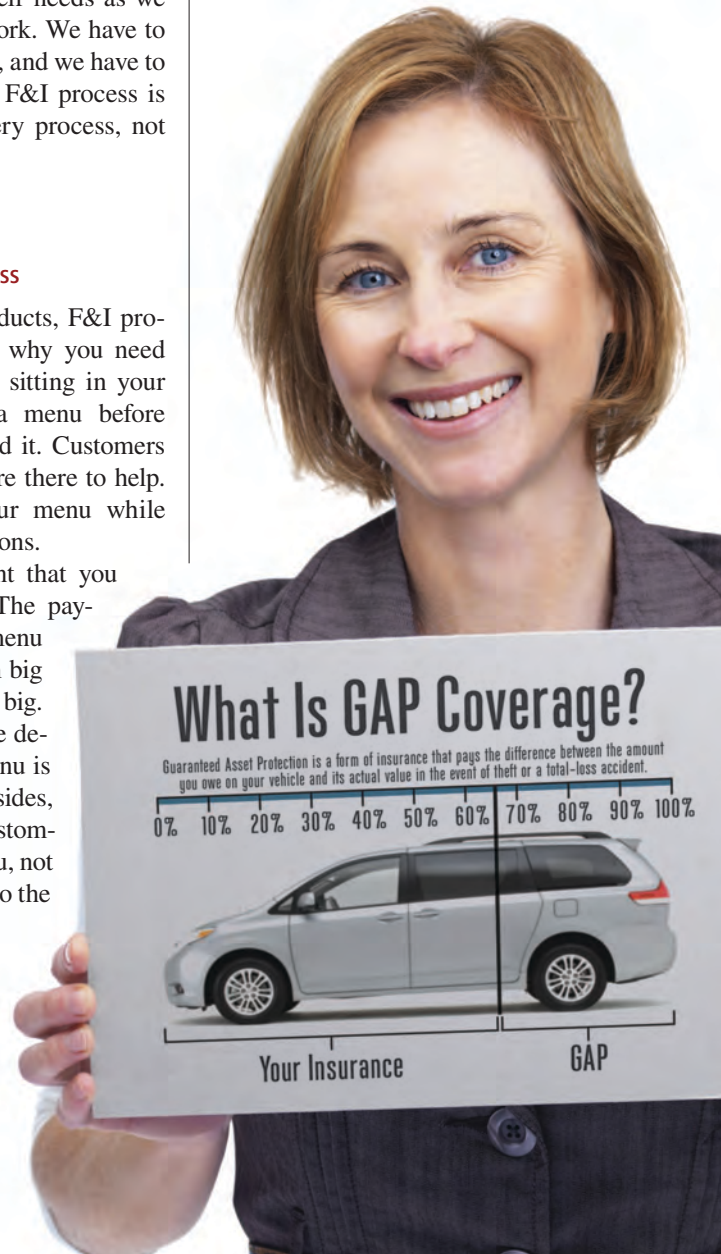
Practice No. 4: **Make the Invisible Visible ▶**

Because we're selling intangible prod-

ucts, we need to use visual aids to help customers “see” the need for these products. A simple drawing illustrating how GAP works or what happens when a low-profile tire hits a pothole is much more effective than simply telling the customer what happens. In the F&I office, one picture is worth a thousand dollars, right?

Practice No. 5: **Engage the Customer**

Today, we have to get customers to participate in the F&I process and



for F&I

Don't let so-called 'best practices' get in the way of your performance or your customers' needs. The magazine's resident F&I expert lists the 10 'next practices' that are driving processes at top dealerships. **By Ronald J. Reahard**

self-discover the value of our products. Rather than tell customers when they're going to be out of their factory warranty, why not make them tell you? Don't talk about technology, hand them an engine control unit. Comparing an old owner's manual with a new version that's three to four times thicker is a great way to demonstrate how much technology is packed into today's vehicles.

Listen, if "let me show you something" ever slips out of your mouth, reach up and slap yourself in the face. See, what you're really saying with that statement is: "I'm smart, you're stupid. Let me prove it." Instead, let the customer discover your point for themselves by having a couple of demonstration pieces available in your office.

Practice No. 6: **Champion Your Products**

We must eliminate the perception within the dealership that the reason F&I exists is simply to make more money on each deal. Every customer deserves the opportunity to have his or her repayment, risk-management and vehicle-protection options reviewed. Each option should be explained, and each of the customer's questions should be answered every time they purchase a new or used vehicle from your store. Be a champion for your products within the dealership and demonstrate your commitment to those products daily.

Practice No. 7: **Become More Valuable**

The key to success in any occupation is to build your own value. The more

valuable you become, the more successful you will be. So, let's review the F&I office's four main value propositions:

- A valuable F&I manager protects the dealership and helps ensure compliance by everyone involved in the sales and F&I process.

- A valuable F&I manager ensures that every vehicle sold gets delivered, and that front-end gross profit remains intact.

- A valuable F&I manager helps lenders approve as many deals as possible by providing them with the information they need to make a favorable decision.

- A valuable F&I manager creates an atmosphere in which customers want to buy.

Practice No. 8: **Control the Chaos**

It is absolutely essential that you interview each customer prior to submitting the deal to a lender, confirm that the information on the app is correct, and learn the details and circumstances surrounding any adverse information on the credit report. This will allow you to provide your paper buyer with sufficient reasons to justify an approval. Doing so will also provide the foundation for your needs-based product presentation.

Practice No. 9: **Create Customer Interest**

What we're always looking for in our needs-discovery process are those "You told me earlier" opportunities. But those little nuggets of information you pick up about your customer can't work alone; you need to be able to make a statement or ask a question that will pique the customer's curiosity and make him or her want to know what you know.

Remember, you'll sell a lot more products when customers want to

hear what you have to say, as opposed to forcing them to listen. Selling F&I products requires that you make customers want what you have, and what you have is knowledge and expertise to help them make a better decision. But if they don't want to hear it, you're wasting their time.

Practice No. 10: **Implement an Ongoing Training Program**

A professional strives to become better at his or her craft every day, embraces every opportunity to improve his or her skills and actively seeks out new ways to improve his or her selling techniques. Continuing education is critical to your growth as a professional. Remember that training is a process, not an event. Your daily activities should include 20 minutes of practice.

You simply can't expect your performance to improve without implementing a plan to get there. A true professional subscribes to industry publications and reads articles about F&I because he or she is committed to learning as much about his or her craft as possible.

No matter how many years you've been in F&I and no matter how well you've been trained, increasing F&I profits still requires that you utilize the "next" best practices on a daily basis. F&I professionals know the better they become at helping people, the more money they make. But most of all, the 10 "next" practices I've detailed here require a commitment to achieving F&I excellence. And that commitment starts with you. ■

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