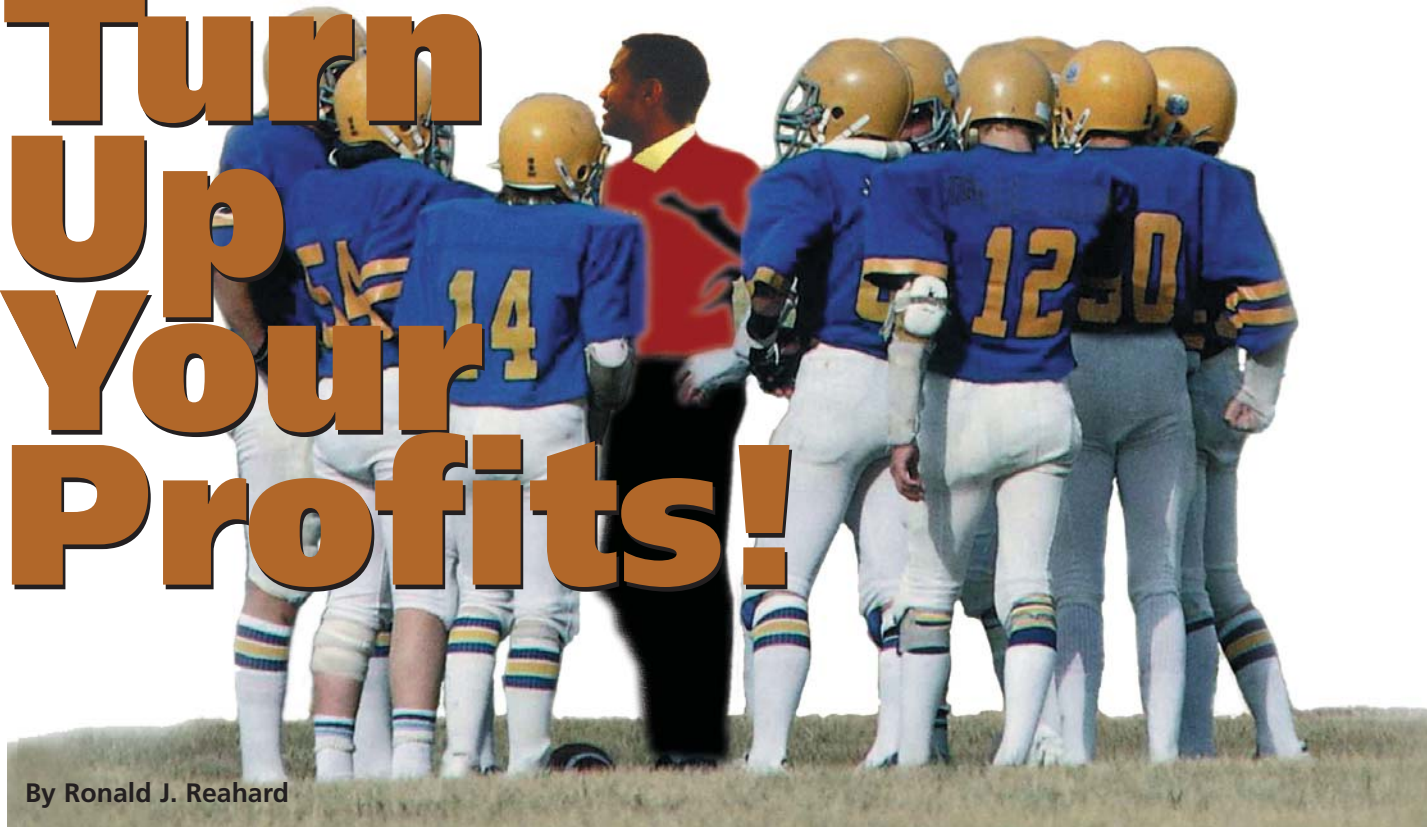


Turn On Your Team... Turn Up Your Profits!



By Ronald J. Reahard

Sales and F&I are supposed to be on the same team. Unfortunately, in many dealerships you wouldn't know it, because there is virtually no communication between managers on a deal before, during, or after it goes to F&I.

“The secret of successful managing is to keep the five guys who hate you away from the four guys who haven't made up their minds.”

— Casey Stengel

Some days it seems like that is what we're trying to do in the F&I office. Keep the new sales people who haven't made up their mind about F&I away from the oldtimers who view our products as a rip-off, and sales managers who treat F&I as a secretarial service for the sales department.

Yet sales and F&I are supposed to be on the same team. Unfortunately, in many dealerships you wouldn't know it, because there is virtually no communication between managers on a deal before, during, or after it goes to F&I. And when sales and F&I managers do communicate, they play the blame game. “Sales are down because our F&I department couldn't get Bill Gates bought with a cosigner.” “F&I income is off because the sales department is giving customers exact payments and interest rates on the showroom floor.”

And God help the poor sales person who sells a



car and happens to wander into the F&I office with a deal that isn't absolutely perfect. He or she gets caught in the crossfire. The F&I office becomes the place where they get their butt chewed, not the place where they get a pat on the back.

The story is told of a young couple that was trying to housebreak their new puppy.

Every time the puppy had an “accident” in the house, they would march it over to the poop, rub its nose in it, swat it on the backside with a newspaper, and then throw it out the window into the back yard. Well, after three days, that puppy was trained. Every time it pooped in the house, it would turn around, sniff it, and jump out the window.

To turn up profits in F&I, it's critical that you turn on your team by encouraging them and recognizing their efforts, not by rubbing their nose in their mistakes. It's easy to catch sales people and sales managers doing something wrong. Virtually every deal that comes into the F&I office has something wrong with it — an error in the figures, some of the paperwork missing or incomplete, or a salesperson or sales manager has made commitments to the customer with regard to their financing that can adversely affect F&I income.

And no matter how many times you tell a salesperson it is their responsibility to turn every customer over to F&I at point of commitment, no matter how many times you tell them to complete the paperwork before they turn the customer over to F&I, and no matter how many times you tell a sales manager they simply cannot commit to an exact payment or interest rate until the loan has been approved by a lender, they never seem to get the message.

The role of a professional F&I manager is not to find fault and assign blame within their team, but to determine why a person is behaving as they are, and modify the consequences to encourage the desired behavior.

Turning up F&I profits requires that you recognize the efforts of your teammates.

A manager must understand a person's behavior from their perspective, even when that behavior appears unproductive, irrational, or even self-defeating.

As unbelievable and frustrating as it may be to you, a sales person's and a sales manager's actions make perfect sense to them. And the only way to get them to change their behavior is to get them to want to change it.

THE ABCS OF HUMAN BEHAVIOR

The first step to turning on your team is to remember the ABCs of human behavior. People do what they do because of the consequences they experience as a result of their actions. So the first step is to determine what set the stage (the Antecedent) for the behavior, the Behavior that you seek to change, and the Consequences that currently result from the behavior.

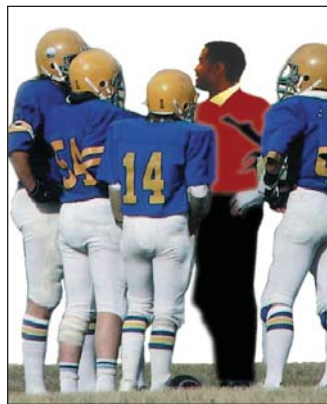
Keep in mind, while a person's immediate needs, goals, or objectives begin behaviors, it is the consequences, or lack thereof, that maintain those behaviors. While those consequences can be either positive or negative, positive reinforcement maximizes performance, while negative reinforcement results in a level of performance that is just enough to get by, thereby avoiding an unpleasant consequence.

So how do successful F&I managers change and maintain behaviors and turn on their team to turn up and maximize F&I

profits? By utilizing the three fundamental principals of working with people; 1st-don't criticize, 2nd-make the other person feel important, and 3rd-arouse in people a desire to help you.

CRITICISM PUTS OTHERS ON THE DEFENSIVE

It's been said, "Any fool can criticize, condemn, and complain — and most fools do." Unfortunately, that's the way a lot of F&I managers try to solve their problems with the sales department. "The sales department is making commitments to customers regarding their monthly pay-



ment and interest rate before we even have their loan approved!" So what are you doing to solve the problem? "I'm complaining about it!"

Rather than complain, put yourself in the sales manager's place. Try to see the problem from his perspective. Attempt to understand his situation. What is the antecedent — what is causing this behavior to occur? Just because it's the 15th of the month and the sales department only has 10 cars sold, they suddenly forget all about F&I!

Remember, criticism merely puts the other person on the defensive, and makes them work twice as hard to prove they are right. Criticism also hurts their sense of importance, creating resentment, animosity, and making negative emotions surface or explode.

If you want to create resentment that will last a lifetime, just give a sales manager or sales person a little stinging criticism in front of his peers. You will have made an enemy for life, no matter how justified the criticism may be.

Benjamin Franklin, when asked the key to his success, replied, "I will speak ill of no man, and speak all the good I know of everybody." Successful F&I managers don't criticize and complain. They motivate, encourage, and "turn on" their team.

GET THEM TO WANT TO DO IT

There is only one way to get anybody to do anything. Get them to want to do it. Sure, you can make someone cooperate by threats and intimidation — until your back is turned. You can make a young child do what you want with a spanking or some other punishment. But sales people and sales managers tend to fight back. The only way to get people to do what you want is to give them what they want.

Besides the maximum commission possible, what does every sales manager and salesperson want? The same thing we all want. The deepest urge in human nature is the desire to feel important, the craving to be appreciated, the need for recognition.

Turning up F&I profits requires that you recognize the efforts of your teammates. Many years ago, in the movie

"The Jerk," Steve Martin's character was overjoyed when the new phone book came out. Why? Because his name was in it! He was somebody! It was a funny scene, because we have all opened up the new phone book just to find our name.

Why do automobile dealers put their name on the dealership? The need for recognition. When the quarterback has a record-setting game, and the reporter shoves a microphone in his face, who does he recognize for outstanding effort — himself? No, he talks about what a great job the offensive line did, how the receivers were catching everything in sight, and the defense was on fire. Never himself.

When you have a great month, let the members of your team know how much you appreciate them. If you recognize their achievements and contributions, they will eventually do what you ask of them, because they all crave recognition.

As Kenneth Blanchard says in *The One Minute Manager*, "Help people reach their full potential. Catch them doing something almost right, until they learn to do it exactly right!" With a new salesperson, it may be hard to find anything they did right. But even if every piece of paperwork is wrong, they still did something right... they sold a

car! Tell them how much you appreciate their efforts. Make them feel important before suggesting that next time they write the mileage from trade-in on the buyers order, not their hand.

Charles Schwab once said, "I have yet to find a man who did not do better work and put forth greater effort under a spirit of approval than under a spirit of criticism. Andrew Carnegie, one of the wealthiest men in history, even praised his assistants on his tombstone after his death. He wrote his own epitaph, which read, "Here lies one who knew how to gather around him men who were cleverer than himself."

Successful F&I managers recognize the efforts of others, and make them feel important! When you go fishing, you don't put licorice on the hook, just because you love licorice. You put a worm on the hook. Because the only way to catch fish is by giving them what they want.

The only way to get people to do what you want is to find out what they want, and then show them how to get it. Before you

attempt to persuade anybody to do anything, ask yourself, "How can I make this person want to do it?" Many F&I managers today are not earning the kind of money they are capable of earning because they're thinking about what they want, not what the other person wants.

To be successful in the F&I office, you have to think about what the customer wants, what the sales department wants, what the lender wants, and then arouse in them a desire to help you, because it will enable them to get what they want.

Successful F&I managers arouse in their team a desire to help them, because the consequences of helping F&I will enable them to get what they want. As an F&I professional, turning up F&I income depends to a great degree upon your ability to turn on your team by encouraging them, recognizing their efforts, and through positive reinforcement.

Leadership is about supporting, empowering, and motivating your team to achieve their goals so they have a genuine

desire to help you achieve your goals. To turn on your team and turn up F&I profits, don't criticize, blame and complain. Instead, recognize their efforts.

Catch them doing things almost right, until they learn to do it exactly right. Make them feel important, and arouse in them the desire to help you. Only if you help the sales department achieve their goals, will the sales department help you achieve your goals. ■

Editor's note: Ron Reahard is president of Reahard & Associates, Inc., providing regional and in-dealership F&I training programs, consulting services, and real-world solutions designed to increase F&I income and customer delight. Ron is an AFIP Certified Course Instructor, and helped produce the new AFIP Certification Course CD. He also conducted the F&I Workshop "16.3 Ways To Explode F&I Income... and Delight Customers!" at the 2002 NADA Convention in New Orleans. He can be contacted at 866-REAHARD, or www.ron@go-reahard.com.