

Using All the Tools in Your **'TOOLBOX**

Make sure you use all the available information about a customer to build your case about the value of your products. The time to start is during the needs-discovery process.

By Ronald J. Reahard

"Nothing is particularly hard if you divide it into small jobs."

— Ray Kroc, McDonald's founder

Every occupation requires specialized tools designed to increase an individual's effectiveness and allow him to deliver professional results. Architects have computer-aided drafting (CAD) programs.

Dentists have X-ray machines. Even the most experienced and knowledgeable mechanic can't fix anything without any wrenches.

Professional F&I managers also have tools they must use to do their job effectively. Whether you're using a step-sell approach or a menu-based approach, the most important part of the F&I sales process is discovering the customer's needs *before* presenting your products. Needs-based selling is not only the best way to sell products, it's the only way to sell products to today's informed consumer.

Today's consumers are extremely resistant to feature-advantage-benefit presentations in the F&I office. They not only recognize it's a sales pitch, they resent being forced to listen to it. People don't buy F&I products because of a great sales pitch. They buy F&I products because of what those products will do for them. The whole idea of needs-based selling is to allow F&I managers to show customers how a

product will benefit them specifically, versus making a generic sales pitch. That means you have to discover a need that product will fill, or a problem it will solve, so there is basis for your discussion of that product with the customer.

The more you learn about the customer, the better your chances are for making a successful sale. The questions you ask, when and how you ask them and your ability to use the information you learn about the customer will determine whether you will be able to help him or her see the need for the product being discussed. The key is to use all the tools available throughout the F&I process to discover the customer's needs, so you can help

products as a solution to those needs.

For example, "I see we're registering this in both names, is that correct?" "Yes." Now you can follow up with one or more needs-discovery questions, such as:

"So, what made you decide to get a new car today?" They may have had problems with their previous vehicle.

"Who is going to be the primary driver?" The people who will be driving the vehicle must be able to see themselves in a situation where the vehicle service contract would be of benefit to them.

"What other vehicles do you own?" You need to discover if this is their primary vehicle, only vehicle or if their other car is a hoopdee!

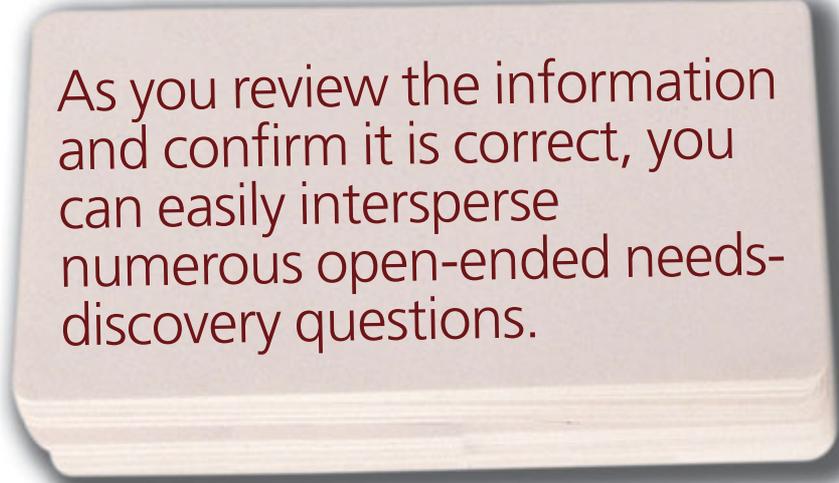
put on a lot of miles." This will elicit an explanation as to why they put on so many miles. You now know how many miles per year they drive and their driving habits. Some additional needs-discovery questions might include:

"What percent of your vehicle use is for business?" If they use their cars in their business, they definitely need substitute transportation. Plus, they may be able to write off the vehicle service agreement as a business expense.

"How long do you normally keep your vehicles?" This can be followed by, "Really? Why do you keep them that long?" There's a big difference between people who trade every four to five years so they don't have problems versus customers who trade because they just want something new.

"What type of repairs did you have to do on your old car?" Always assume they had some type of repairs. If they did have a repair, don't forget to ask, "What happened?" so they can relive the experience.

"Do you have room in the garage for the new car? Where do you normally park at night? What about during the day?" This can help discover the need for environmental protection and a theft deterrent product.



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him or her make informed decisions about the options available in connection with the purchase. Using these tools will allow you to ask dozens of questions in the normal course of the conversation without making the customer feel as though he or she is being interrogated.

USE THE BUYER'S ORDER

The first tool that an F&I professional must use to full advantage is the buyer's order, deal sheet or write-up. This document is a terrific tool to discover customer needs because it includes valuable information about the vehicle being purchased, as well as the trade in. As you review the information and confirm it is correct, you can easily intersperse numerous open-ended needs-discovery questions that will allow you to discover the customer's needs and position your

"So, where are you going on your first trip in your new car?" Nobody wants to have a breakdown away from home!

"You're not putting any cash down, is that correct?" "Yes." "What other cash assets do you have that you could use to repay this obligation?" If you need cash down, you've got to find it.

Another way to ask this question is: "What other *cash* assets do you have that would be available in an emergency?" Even if they don't have any cash, it demonstrates they need your products.

When reviewing the trade-in information, you can find out a huge amount of information that can help you discover their need for a service agreement. For example, "Your trade in is a 2003 with 78,671 miles, is that correct?" Then ask, "Did you buy it new?" If they answer yes, you can follow up with a comment like, "Wow, you

USE THE CREDIT APPLICATION

The credit application is another great tool an F&I professional can use to discover customers' needs, locate additional down payment and begin building your case for approval by a lender. Even the abbreviated credit applications that many dealerships use can still be a major source of customer information if you review it with the customer and ask the right questions. Questions you should ask when reviewing the credit application include:

"It says you're a farrier. What all is involved in your job?" Every job has its hazards. If you want to sell credit life and/or disability insurance, it's your job to figure out what's hazardous about their jobs.

"When you're not working, what do you do for fun?" Maybe they ride a motorcycle, or as they're known in the insurance business ... a donor cycle.

"I see we're putting the loan in both names. Do you depend upon both incomes to meet your monthly obligations? In the event one of those incomes were to

cease, what other sources of income would you have available?" If they answer "none," you've just discovered they need disability insurance.

"How soon are you expecting an increase in salary?" Insufficient capacity is the number one reason a deal is rejected by lenders.

"It shows here you have three dependants. How old are your kids?" Depending on their ages, they may need fabric protection, or a vehicle service agreement if they will soon be of driving age.

USE THE CREDIT BUREAU REPORT

Many times a customer who has had credit problems is basically a good, honest, decent person who because of a situation beyond his or her control, was unable to meet some financial obligations. If the circumstances and justification can be documented, and they are not likely to re-occur, every lender will take extenuating circumstances into consideration when making a decision. Although previous credit history is certainly a strong indication of a customer's creditworthiness, the primary consideration is whether this is a good loan, and whether the customer is now a good risk.

Properly used in your customer interview, the credit bureau report can significantly increase your chances of obtaining an approval. It can also help you discover customer needs for your products. While you cannot give customers copies of their credit bureau reports, you may use the information as the basis for the interview. Some typical needs-discovery questions include:

"Did you ever have an account at Sears?" followed by "Did you ever have a problem with that account?" and finally, "What was the reason for the problem?" Every customer has a story. It's your job to listen to the story and document it, prior to submission to a lender.

"What documentation do you have that supports that?" If they can document their story, it could mean an approval.

"How soon could you bring in a receipt or canceled check to show that bill has been paid?" If so, they're telling the truth.

"It shows here you have a medical collection from St. Luke's Hospital. What happened?" All customers with a medical

collection on their bureau reports are automatics for credit insurance! Unexpected medical expenses have already damaged their credit.

USE INSURANCE INFORMATION

While confirming and entering the insurance information into the computer, or when the customer is signing the Agreement To Provide Physical Damage Insurance, you can also establish the need for GAP, theft deterrent product and even a tire & wheel road hazard product. After confirming who they have their insurance through, some questions you can ask include:

"What type of deductibles and liability coverage will you have on this vehicle?" In most states, GAP would pay their de-

they are liable for the deficiency, something most customers don't realize or have never considered.

"What type of roadside assistance coverage does your insurance company provide?" Do they really want to file a claim for a flat tire with their insurance company?

Needs discovery is the most important part of the entire F&I process. By using all the tools in your toolbox, the buyer's order, the credit application, the credit bureau report and insurance information, you can ask all the questions you want, allowing you to continuously discover customer needs throughout the F&I process. Customers are much more likely to buy a product when you can communicate how that product will ben-

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ductible, in the event their vehicle is a total loss. If they have less than a \$500 deductible, they may want to raise their deductible. The savings on their insurance will help pay for GAP.

"Have you, or anyone in your family, ever had an accident?" If so, ask them "What happened?" You want them to relive the experience, so they recognize it could happen again. If they've never had a claim, they sure wouldn't want to file one for road hazard.

"What type of theft deterrent system did you get on your vehicle?" This sets the stage for additional "layered" protection.

"If you were in an accident or your vehicle were stolen and declared a total loss, where would you get the money to pay off the deficiency?" You establish the fact that

benefit them specifically, versus forcing them to listen to a generic feature-advantage-benefit presentation. Remember, every day, with every customer and with every F&I product, it still comes down to that all important question: "How will this product help this customer?" ■

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