

# F&I's 10 Commandments

Starting out in F&I is never easy, but the magazine's resident expert lays out a game plan to get F&I 'newbies' off on the right foot.

By Rick McCormick

**T**here's nothing like those first few days of being an F&I manager. You feel like you can sell anything to anybody. Unfortunately, that feeling wears off once you realize that most customers aren't initially interested in your products and it will take some effort to overcome those walls of resistance.

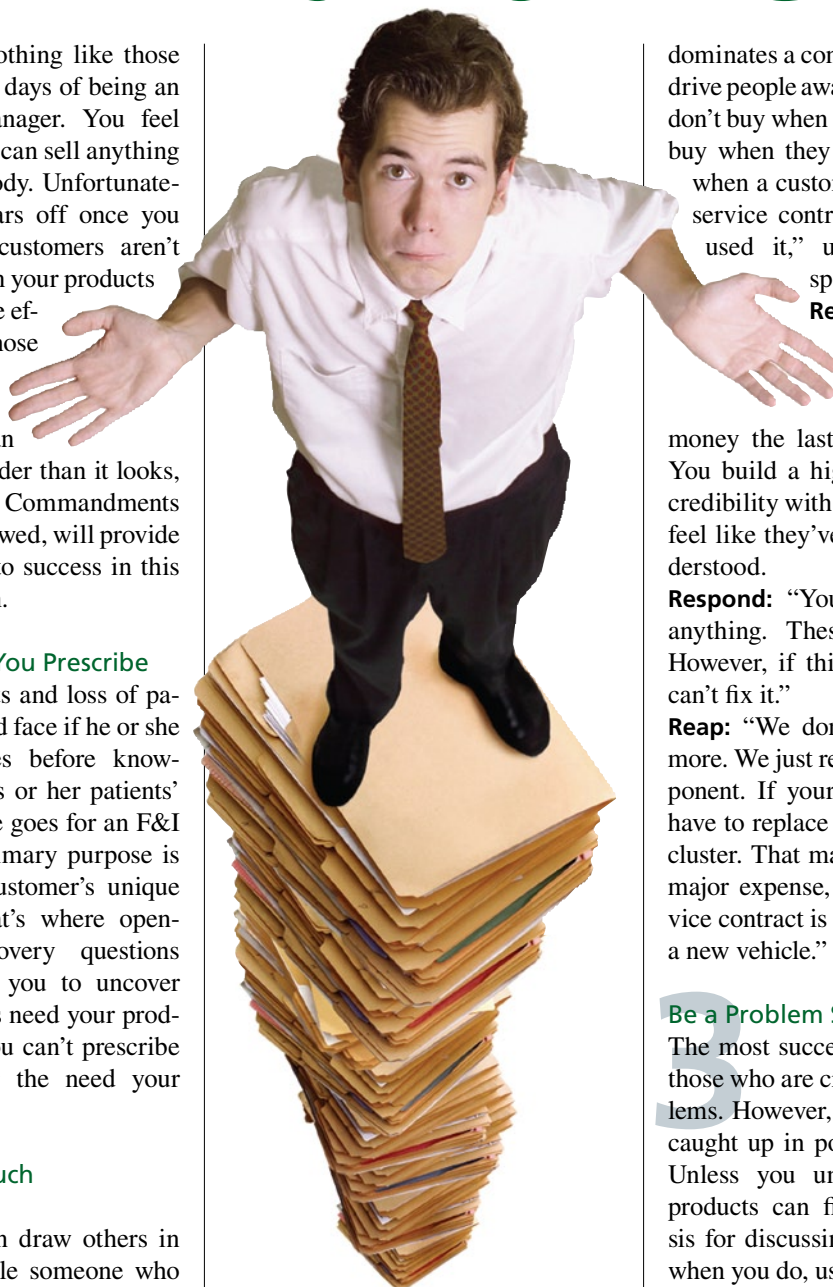
Now that you know working as an F&I manager is harder than it looks, let's review the "10 Commandments of F&I" that, if followed, will provide a helpful roadmap to success in this challenging position.

## 1 Diagnose Before You Prescribe

Imagine the lawsuits and loss of patients a doctor would face if he or she prescribed remedies before knowing the cause of his or her patients' problems. The same goes for an F&I manager, whose primary purpose is to discover each customer's unique circumstances. That's where open-ended, needs-discovery questions come in, allowing you to uncover why your customers need your products. Remember, you can't prescribe without diagnosing the need your products will fulfill.

## 2 Listen Twice as Much as You Speak

A good listener can draw others in like a magnet, while someone who



dominates a conversation will always drive people away. Remember, people don't buy when they understand; they buy when they feel understood. So, when a customer says, "I bought a service contract before and never used it," use the "Repeat-Respond-Reap" method:

**Repeat:** "So, what I hear you saying is you feel like you just wasted your money the last time. Am I right?" You build a high level of trust and credibility with customers when they feel like they've been heard and understood.

**Respond:** "You don't have to buy anything. These are just options. However, if this vehicle breaks, we can't fix it."

**Reap:** "We don't fix anything anymore. We just replace the failed component. If your gas gauge fails, we have to replace the entire instrument cluster. That makes a minor repair a major expense, which is why a service contract is critical, especially on a new vehicle."

## 3 Be a Problem Solver

The most successful salespeople are those who are creative at fixing problems. However, be careful of getting caught up in pointing out problems. Unless you uncover a need your products can fill, you have no basis for discussing your solution. But when you do, use creative techniques

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to illustrate how your products can fulfill your customer's need.

### Practice Purposefully

If you ever played Little League, you'll remember the phrase, "Practice like you play." Well, skills that are not practiced will never find their way into your customer interactions. That's why it's important to attend every training class you can, whether in person or online. And once the lesson is done, be sure to practice what you learned so you can reach a comfort level that will allow you to put your newfound techniques to use with real customers. Practice doesn't always make perfect, but professionals who practice purposefully produce more profits.

### Go the Extra Mile for Your Dealer and Your Customer

Anyone can do what is expected of them. However, it takes commitment to go the extra mile. Enterprise became the nation's No. 1 car rental company by telling its employees, "You can rise through the ranks and make remarkable money, but only after you demonstrate an ability to knock the socks off every customer that comes through the door." So, knock the socks off your internal (i.e., your dealership colleagues) and external customers and your value will increase. Remember, great companies and great F&I managers provide great customer service.

### Stay Focused On What You Can Control

Don't waste time trying to fix things you can't control. Yes, there always will be issues of concern, but don't let them distract you from your main purpose — which is to help customers make good decisions. Focus on coming up with more effective ways to sell your products. Yes, customers are more reluctant to buy F&I products, but that's easily overcome with a selling process that draws interaction from the customer. Remember, an active customer is one who is more willing to buy.



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### Choose Your Associates Wisely

Who you spend time with during the workday will have a huge impact on your outlook. Every company has its fair share of whiners and complainers, so be sure to avoid that crowd. They have a tendency to destroy their coworkers' motivation. Instead, seek out those with a more positive outlook, those who are always looking to improve their skills. Better yet, why not try to become that person at your dealership?

### Lose Productively

How you react to setbacks and losses will do more to shape your career than almost anything else. Every sales position — especially those that sell intangibles — will experience a slump. It's how you react to a slump, not the cause, that will determine its length and depth. So, rather than get down on yourself, use the slump as an opportunity to review your process. Role-play your presentation, record it and review the video. Remember, setbacks should make you better, not bitter.

### Never Stop Learning

A recent survey revealed that 42 percent of former college students never pick up a book after they graduate. I guess it's because they learned it all

in college. Well, that can't be the case in the F&I office. Being motivated to learn all you can about your products and why people buy isn't a problem when you're new. It's when you've been around the block a few times that learning tends to lose its luster. So, make it your goal to read a book about sales each quarter. Devour *F&I and Showroom* magazine every month and engage in the magazine's F&I Forum to exchange ideas with other F&I managers.

Next, visit your dealership's service department and learn about at least two parts on a vehicle. Make sure you know what they do, what happens when they fail and what the cost is to replace them. Remember, the more you learn the more convincing you'll be when explaining why your customer needs your products.

### Seek Input From Others

S. Truett Cathy, the 89-year-old founder of Chick-fil-A, recently gave a presentation to high-level executives. After he was done, someone from the audience came up to thank him for his presentation. After thanking him, Cathy said, "Please tell me one thing I could have done better."

You see, Mr. Cathy has been asking that question since the day he launched his restaurant chain, and it has been one of the keys to his success. It takes a humble individual to open up himself to the input of others. But to be good at what you do, you need to strive to be that person.

Regularly reviewing these 10 commandments will definitely help an F&I "newbie" get off to a great start. But even a seasoned veteran can benefit from doing the same. Heck, it might be exactly what you need to get your career back on track. ■

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