

**F&I****Rick McCormick**

## What Were you Expecting?

An F&I manager will usually rise to the level of the expectations that are clearly communicated to him

I will never forget the first time my general manager came into my office and expressed his disappointment in my production. It totally took me off guard. I was new to F&I and I actually thought I did very well to have just been in that position for a couple of months. I responded honestly, “What exactly were you expecting?” His response clearly showed that the number I thought was acceptable and his numbers were a long distance apart.

Expectations must be consistently communicated. Expectations can create a vision for where we should be going and enable us to make a substantive plan on how to get there. However, they must be clearly communicated and reviewed often. The F&I manager should set goals at the beginning of every month that include not only their \$PVR goal, but goals for every product. They should have a PPRU (Product Per Retail Unit) and a product dollar goal as well. However, here is where most dealership teams fail. These goals should be shared with others in management that will review them and hold them accountable. Now we have a team all working together for the same goal — a top performing F&I department.

I have worked with dealerships in every area of the country and those that are top performing regularly communicate and review expectations. If an F&I manager is left to themselves, they will divorce themselves from their numbers. Weddings are beautiful and divorces are ugly! An F&I manager should own and be married to their numbers. Here are the statements of a “divorced” F&I manager:

“Customers are different in my area. My finance penetration is low, the average credit score is high and my customers pay 25% or more down on average.” “Those numbers may be possible somewhere else, but not here!”

They have totally divorced themselves from their numbers. Yet most times, another F&I manager selling the same brand across town is running great numbers. When expectations are communicated and required to be met or exceeded, it brings out the creativity and problem solving skills of the determined.

Raise the level of expectations and accountability together and you will be on your way to record production ahead.

Expectations must be challenging. There should be an expectation of continuous improvement month after month. It doesn't matter as much where the numbers are now as it does if they are expected to increase next month. Consistent improvement doesn't happen accidentally. I heard a manager say to an F&I manager, “I sent you to school last year and I expected better performance.” Training must be a process, not an event. An F&I manager that is studying copies of repairs orders and visiting the service department each month and learning about specific parts (what happens when they fail and how much they cost to replace), will sell more service contracts.

We must expect F&I managers to spend 30 minutes every day practicing and researching their craft. All professionals practice to improve. Even Little League baseball thrives on the mantra of “You play like you practice.” We are expecting the results without expecting the daily habits that will assure that we get them. The future increase in an F&I manager's production is hidden in their daily activities. Change what they do on a daily basis and you will change what they produce.


Develop a monthly training calendar with activities that will challenge the F&I manager to learn new information and role-play their presentation regularly. Videotape their efforts and review them together to identify strengths and areas of needed focus. Challenge your F&I team with high expectations and then provide the tools to get them there.

Expectations met, must be celebrated. When an F&I manager practices their skills and applies their talents and meet or exceed expectations, their efforts should be acknowledged. Expectations celebrated will be met repeatedly. People simply perform at their best when they feel their work has significance. It may be something as simple as a personal handwritten note on a paycheck from the dealer acknowledging a job well done.

Everyone enjoys winning a reward trip or

getting a financial bonus for setting record production levels. However, I have received some of the most appreciative comments from F&I manager's just because someone noticed the work they were doing. Acknowledging training effort can be as motivational as any effort to move someone to exceed expectations.

Training effort many times will precede an increase in numbers. I recommend that once a training calendar is implemented with expectations of 100% compliance, that a small bonus be included in their compensation to reward their effort. Consistent training will lead to more production and acknowledging the effort to get there will make the arrival to record levels more likely.

You may not always get what you want in your dealership, but you will almost always get what you expect. Are you expecting that your team practice their skills daily, see consistent improvement month after month and be married to and accountable for their production each month? Then you will see it come to pass before your eyes. However, if you are expecting anything less, then you will probably see that as well. What are you expecting? 

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