

**F&I**

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## Making F&I Valuable to Customers

Finally, the car business is fun again for dealers. We're selling cars. And hey, profits aren't too bad, either. Unfortunately, buying a car isn't always fun for the customer. In fact, several of the manufacturers' CSI surveys indicate customers are very dissatisfied with the current F&I process.

You would think having access to multiple lenders through a dealer's onsite finance and insurance department would be seen by customers as a valuable resource. Yet in far too many dealerships, the F&I sales process is built around maximizing dealer revenue, with little or no consideration given to maximizing customer value.

So, how can dealers ensure the F&I experience is viewed as being valuable to the customer? First, start with "Why?" Simon Sinek, a professor at Columbia University, found the truly great companies think, act, and communicate who they are and what they do from the inside out. By that Sinek means, what is your purpose, what is your cause, what is your belief, what is your reason for being?

That's what dealers must do with regard to F&I. Why do you even have an F&I department? "We have an F&I department to help our customers. At this dealership, we only offer products and services that provide outstanding value for our customers. We believe each of these products and services will improve our customer's ownership experience."

How does it help the customer? "We feel every customer is entitled to know all of the options available in connection with their purchase, and have all their questions answered by a trained professional, so they can make an informed decision with regard to those options."

What is an F&I manager supposed to do? "An F&I professional helps our customers obtain acceptable financing, then reviews their repayment, risk management, and vehicle protection options, and helps them make the best decision for them and their family."

Profit must not be the primary reason to have an F&I department. Profit is the result of helping customers. If you want to make

more money, help more customers. The focus should always be on helping customers, not selling products. In my experience, customers don't buy what you do, they buy why you do it. So if you want to sell more F&I products, first, start with why you offer them.

Second, for the F&I process to be relevant to a customer, your F&I manager has to be actively involved in arranging the financing. The F&I manager should personally review the credit application and credit bureau report with the customer, preferably before the application is submitted to a lender, or at the very least, before the loan approval and any lender qualifications are conveyed to the customer.

In a perfect world, the F&I manager would take the credit application. In the real world, the F&I manager should, at a minimum, review the credit application with customer prior to submission to a lender. If that's not possible, once the financing has been approved, the F&I manager must be the person who communicates the lender's terms, APR and exact payment to the customer. Otherwise, the F&I manager is not perceived by the customer as having helped them with their financing.


It's absolutely critical that your F&I manager confirm the information on the credit application and in the credit bureau is correct and gain a clear understanding of the customer's financial situation, prior to submission to a lender. The F&I manager should be viewed by the customer as their personal advocate with the lender. If your F&I manager is not perceived as helping arrange their financing, then any time they spend with that person is adding no value to their purchase experience. He or she is merely slowing the process down.

Finally, your F&I sales process must expedite the delivery process, not extend it. That means your F&I manager can't keep customers waiting while they waste time customizing menus based on what they think they can sell, or what they make the most money on. F&I managers should always customize the menu with the customer, not before they've even presented it to them! That's a waste of time. The customer has to see the F&I manager help them by adjusting the products

and coverage based on their wants, needs, and concerns.

We have to stop forcing customers to endure a contrived showroom interview designed to benefit us, not them, and then make them wait while an F&I manager manipulates product options on their computer trying to create the perfect menu. Your F&I manager has to be trained how to ask needs-discovery questions as they're preparing the customer's paperwork.

We also have to stop wasting the customer's time by pitching products the customer has expressed no interest in. What we're always looking for in any needs discovery process is "You told me earlier..." This allows your F&I manager to use the information they learned about the customer as the basis for their discussion of that product. If they don't want it, and don't need it, why are we even talking to them about it?

Today, every F&I department must add value to the customer's purchase experience beginning with "why" your dealership even offers these products and services. Your F&I manager must be actively involved in arranging the customer's financing, and your F&I sales process must expedite the delivery of the vehicle, not prolong it. The success of any business depends on its ability to help customers. Only when the focus is on helping people, does F&I become truly valuable to your customers. 

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