

**F&I**

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The Three Non-Negotiables of F&I Success

I recently received word from a general manager who had to let three of his six F&I managers go, on the same day, due to compliance issues. There was no negotiation or discussion as to the outcome of the offenses. They had broken one of the non-negotiable rules of their employment. Behavior has consequences and hats off to those that hold their people accountable. However, there also are non-negotiables on the sales side of the F&I presentation. Your F&I manager may not lose their job if they neglect these essentials; however, they will lose the confidence of their customers and the resulting sales and profits. Let's take a look at three non-negotiables in the F&I office.

Diagnose before you prescribe

Shortcutting the process of discovering why each particular customer needs the products that you offer is F&I malpractice! Customers view their money differently since the recent recession and they are not interested in buying products that they feel they don't need. The mantra of today's customer is: "nothing extra." How do we move the resistant customer from "No" to "Yes"? We must utilize a customer focused process that takes the time to enable them to self-discover their need for a particular product. The most powerful statement in any F&I office is "You told me earlier." When observing a presentation and I hear that phrase, I know a diagnosis has been made and the likelihood of products being sold goes up dramatically.

Customers don't buy products based on what they hear you say, customers buy when they feel *they* have been heard. That requires a conversation takes place with open-ended questions served up consistently so the customer does the talking. It's not an interrogation, it's a conversation. When an F&I manager repeats back to them information they shared earlier, they know they have been heard and are open to how that information is relevant to their new purchase. I have never seen a successful F&I manager that was not exceptional in this skill.

Use an interactive and visual process.

Two things can be secured by using a 100% verbal effort to overcome a customer's objection: a high level of rejection of the product(s) offered and a high level of frustration in the F&I manager. The F&I manager had the perfect response to the customer's objection, it contained the most recent and relevant information available on the subject and they had a masterful delivery. And the customer still said no!

Every F&I manager has been there and at times seems to live there. However, customers are more likely to stick with their original "no" to the product if we attempt to "say" our way to success instead of "show" our way there. One of the symptoms of an F&I slump is the F&I manager monopolizing the conversation. Talking about how expensive a repair can be provides limited information. Instead the F&I manager should hand a customer a failed part to hold and a copy of the repair order that shows the cost incurred. That will involve the customer in the presentation. To consistently produce at high profit levels, F&I managers must get the customer out of the "bleachers" and make them part of the presentation. An involved customer is a buying customer!


Train intentionally and consistently

Training creates champions! It's true in sports and it's true in the F&I office. It is frustrating to watch a talented F&I manager that has a vast amount of knowledge fail to use it effectively. Unfortunately, many attended a class several years ago and have not been involved in regular training exercises in some time. In professional sports, this would get you cut from the team. The only thing it will cut in the F&I office is profits!

The further the distance between information learned and the use of it consistently, the more general our statements become. F&I managers begin to exaggerate and make statements like, "the cost of one tire & wheel on the vehicle you are buying is around \$1000." When general information is used as opposed to specific, customers think we are exaggerating. If instead the statement is, "The cost of one tire and wheel on the vehicle you are

buying is \$753. Here is a repair order of one similar vehicle", then we are believable. And, if we are not believable, customers will not embrace the information being shared.

Training must not be a one-time event but an ongoing process. Intentional and consistent training will assure that we will use relevant information we have learned effectively with customers. J.D. Powers stated in June 2012 that vehicles today are 24% better in overall quality than they were just six years ago. However, there is one exception – the in-vehicle technology area has seen a 41% increase in issues. That's great information that will build value in the service contract. Where does information like that come from? It comes from intentional effort by the F&I managers to research their craft and regularly expose themselves to new information. This will guarantee that every customer is provided a fresh, up-to-date and compelling presentation. And remember, just like any professional athlete will tell you, record breaking months are built during practice, not on the field!

The Business Dictionary defines non-negotiable this way: "Not able to be bought, sold, exchanged, or transferred." Great F&I professionals know that these efforts must not be exchanged for a verbal based process that leaves the customer on the sideline. A fact filled, interactive and customer centric process will produce customers that are glad they purchased the products our dealership offered. Anything less should not be up for negotiation! 

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