



THE PERFECT HANDOFF

Like a relay race, winning the F&I profit race comes down to a perfect customer handoff from sales and a strict adherence to the process. F&I trainer offers a few process tips to ensure the baton doesn't get dropped. **By Rick McCormick**

With Tyson Gay — considered the fastest U.S. sprinter since Carl Lewis — anchoring the men's 4x100-meter relay team at the 2008 Beijing Olympics, the United States was supposed to run away with the gold medal. Unfortunately, those hopes were dashed when the team was disqualified from the finals because Gay failed to receive the baton during a qualifying heat. Well, in F&I, even the best front-end team can disqualify themselves from a profitable deal if a customer-centric and intentional process is not followed with every customer.

As I'm sure you're aware, a lot of attention of late is being paid to the quality of the customer's transition from sales to F&I. I would argue that the F&I process is so intertwined with the sales process that both actually start at the same time, which is the minute the customer steps onto the lot. And there are several critical parts of the process that have a dramatic effect

on the total profit of each deal. So let's take a look at some of the best practices I have seen on how to effectively pass the baton at each intersection.

Lap 1: The Mental Switch

Some deals end up on the F&I desk with an unrealistic payment expectation or with the consumer placed on "too much car." Ideally, the salesperson should at least get the customer to entertain the idea of purchasing another vehicle up front, not after it is discovered he landed on more car than he can afford. What that'll do is allow the customer to save face if he's forced to consider another car. Now here's a word-track your salespeople can use:

"We find a lot of customers who come in looking for a new Impala LTZ decide to buy a certified pre-owned LS Malibu instead. They can save \$3,000 to \$4,000, and have a payment that's \$75 to \$100 less per month. Before we drive your new LTZ, is that something you would like to consider as well?"

When the customer says "Yes," fol-

low up with this: "Great, let's drive the CPO LS Malibu first; we can always come back to the LTZ."

Lap 2: The F&I Turnover

The most unstructured part of a dealership's front-end process is the period after customers commit to a purchase and before they enter the F&I office. In fact, the time it takes to get into the F&I office is often listed by consumers as the most frustrating part of the car-buying process. So to eliminate the wait and improve the handoff to F&I, both "runners" — the salesperson and F&I manager — must be very intentional about what's going to happen.

For salespeople, my firm has introduced "welcome packs" that include every form a salesperson needs to complete a deal. On the cover is a picture of the dealership with "Welcome to the Family" prominently displayed. The next form can be a letter from the dealer thanking the customer for his or her business. These packs should be shrink-wrapped and handed to the customer to open. Not

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only does this welcome package create a more efficient way to complete paperwork and keep the deal moving along, it reduces time wasted chasing down missing paperwork.

Now, once the deal reaches the F&I manager, he or she should immediately go out to meet the customer. In fact, one of the most talented F&I managers I know says he realized his largest performance increase after customer wait times were reduced to less than five minutes. Skill and sales ability are huge contributors to overall profitability in the F&I office. However, the customer's demeanor in the F&I office is critical and greatly affected by the amount of time they waited to see you.

Lap 3: Turning to the Menu

We all know what happens the moment customers see the menu come out. They put up their walls of resistance, right? So how do we change that? Well, here are four ingredients to an effective menu process that will help get customers to relax and not be so quick to go on the defensive:

1. The first ingredient is the needs-discovery process. Hey, you need to uncover your customer's unique situation to understand how your products can help, right? The best thing about this process is it allows you to reengage the customer in a discussion about products when you get that first "No." Remember, you can sell more effectively with questions than answers.

2. The second ingredient is full disclosure when introducing the menu, starting with a review of the principal and interest payment before disclosing products. By doing this, you're telling the customer you're not hiding anything and that you can be trusted. And as we all know, customers won't buy from you if they don't trust you.

In fact, I know of an F&I manager who is realizing record production simply because he added the following "bridge" statement to act like a buffer between the base payment and the products: "This is a simple interest loan and you can pay this off at any



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time without penalty. You will receive a monthly statement from ABC Financial that will keep you updated on where you are in repaying your loan. You will love doing business with them. Now here are your options."

3. The third ingredient is resisting the urge to sell anything the first time you run through the menu. See, by stopping at any product on the menu in an attempt to get a purchase commitment from a customer, you're being like every other F&I manager who tried to sell him or her on a product. The best F&I managers restrain their desire to sell until they can use the customers' needs as a basis for the discussion.

4. The last ingredient is simply asking the customer, "Which option works best for you?" This assumptive question makes saying "Yes" easy for a customer who already wants a particular product or package. Many F&I managers tell me they prefer to get an initial "No" from their customers so they feel like they win. And when they get it, these F&I pros then work to change the customer's mind. That's not how great F&I managers operate, however. Instead, they make it easy to get a "Yes" so they can focus on additional products.

Lap 4: Turning a "No" Into a "Yes"

The last ingredient is to make the customer thirsty for more information before you share it. Sounds easy, right? Well, if you drop the baton at this point in the relay, you will disqualify yourself and the dealership from making any additional profit.

More importantly, the customer will leave without the products he or she needs.

Now, there are several key words that can draw customers back into a product discussion after they've objected to your products. Here's an example: "That surprises me. Earlier, I was doing something very important. I was *listening* and I *heard* what you said. There were a *couple* of things I thought were critical, especially after something you said earlier."

When customers feel you have *listened* to them, they are more likely to listen to you. When you say there are a "couple of things," you are setting up the discussion to involve multiple products. Lastly, when you can remind customers about something they said earlier, you make it easier for them to see why they need your products.

The race to record F&I profits is one that begins the minute the customer arrives on the lot. While you are tuning up your process to help more customers see the need for your products, don't forget to work on the first two laps in the process. Skip any of those steps and you will disqualify deals before they reach you. Remember, the best relay race is one where every handoff is effective. Now run and win the race. ■

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