



BY RICK MCCORMICK

# The Message from The Mess: Listen Up F&I!

Here are three parts of the message coming from the midst of the mess we have been living through for the last couple of years.

**What a mess we have been in for the last couple of years.** I will never forget where I was when the first notices of shutting down the entire economy was announced. Then this avid traveler was told to stay home for three months. And now the automotive industry is struggling to have inventory to offer for sale. What a mess. We will gain tremendous insight if we listen to the message. Here are three parts of the message coming from the midst of the mess.

## WE ARE A RESILIENT INDUSTRY

The obituary of the modern automotive business was written several times during the height of the covid era. The F&I process had to adjust to do most of its work remotely, using Zoom technology and at times selling value over the phone — something many had never done before. “That (meaning the change needed to survive) will never happen,” they said. And yet it did! Many around the country kicked their creative side into overdrive and more innovation took place in the F&I space in 24 months than has happened in the last 24 years. We stretched, operated out of our comfort zone, and made changes that had been needed for some time.

I will never forget the insight shared with me by an F&I manager. He was delivering 80% of the customers over the phone and never seeing their face. He said, “I cannot see their negative body language or see them rolling of their eyes. So, I just keep going when normally those things would shut me down. Wow, what an advantage to not see them.” He was being creative and

taking an adverse situation and turning it into a positive. That’s the resilience our industry has developed in a nutshell.

## TRUST HAS TRIUMPHED — BUILD UPON IT

We have entered an era where customers are more at risk of an expensive, budget-busting event than ever before. They have turned on their “truth seeking radar” and are looking for someone that can make

ing action by transferring the risk to someone else. Before COVID, they most likely would have heard “there are a lot of computers on this car.” We are sharing more in-depth knowledge than ever before — the truth is triumphing in our offices and customers love it.

## TOUGH TIMES MAKE YOU BETTER

Many times, we cursed the waves of bad news that kept coming one after another. Dealerships were forced to close, then open only to online and offsite deliveries. However, we survived the first year of COVID. Then we were hit with a shortage of computer chips and the new car inventory dwindled to a trickle. So, what did we do? We finetuned our used vehicle reconditioning process and became experts on building our used car inventory and ordering a new vehicle.

As a result, F&I offices have refined their efforts on selling core products such as service contracts on older vehicles, with more customers paying cash and helping the customer who ordered a new vehicle protect their ownership experience in a more computer

driven vehicle that they plan to keep longer than their last vehicle. Simply, we got better. That’s what tough times do. They make you better and that is better for everyone involved. ■

### ABOUT THE AUTHOR

Rick McCormick is the national account development manager for Reahard & Associates, which provides customized F&I training for dealerships throughout the U.S. and Canada. He has more than 20 years of auto retail and finance experience.



sense of this crazy market. When they find it, they buy more than we could ever sell them.

When you have the unproven reliability of non-serviceable parts, raw material shortages coupled with the largest spike in cost of replacement parts in history, it is critical that you transfer the risk of a failed component to someone else.

That is the truth. And it is worth tak-