



Expanding F&I in a Contracting Economy

BY RICK MCCORMICK

Make customers your partners in the process, not an audience.

“You never know how strong you are, until being strong is your only choice.”
– Bob Marley

The economy around us is contracting. Inflation is rising, interest rates are steadily going up, and the average cost of a vehicle has increased by 30% since 2019 to over \$50,000. All these factors have led many in the F&I space to decide to just hold on and hope for a brighter day ahead. Let me be clear: I am not going to participate in this “stinking thinking.”

When customers are faced with economic challenges, they will choose to only spend their money on things they see true value in. What an opportunity! The more skilled we become in showing the value of the products we offer, the more valuable we are. And a contracting economy just makes us more valuable. Here are three efforts to help expand F&I:

Personal – Every customer interaction must be about the customer and his or her needs. What we want must decrease, and what they want must increase. This demands that we ask great needs-discovery questions because we genuinely are interested in them and their situation. The more you learn about them, the deeper your ability to help them. In a contracting economy, customers don't need to be sold; they need help making the best decisions for their situations. “Yes” becomes easy when they feel they are saying yes to coverages that will benefit them. The person who does the most talking is where the focus is. Customers should be talking 70% of the time, and when they do, they know the focus is on them. The minute you realize it's not about you, it becomes all about them, and everything gets better, for everyone!



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Empathy – Customers want to be understood, not struggle to understand us. When customers see our desire to understand their feelings and experience, we connect with them at a level they rarely experience. When we are driven by the desire to help them, trust and a feeling of safety to make decisions infuses the process. Genuine interest in the person on the other side of the desk is a compelling skill that separates the good from the great. In today's economy, customers are looking for one fewer thing to worry about, and the F&I process has been worrisome for meaning. When they encounter genuineness, empathy, and a helper, not a seller, in the F&I office, they open up, great discussions take place, and great decisions are made.

Solutions – When we present options for customers to consider, questions, concerns or objections may arise and demand answers. This is where our knowledge and expertise will be valuable, and they will see quickly if we understand them and if we have been listening to their responses and statements. Most of us have been taught to verbally explain and build value in our

offering. And we are good at it. Problem is, customers don't want to sit on the sidelines and watch us perform. They want a visual and interactive effort they can participate in and enjoy. Visual and interactive efforts to compel customers to act are 10 times more effective than a verbal, one-sided effort. The minute you show third-party information to a customer, you engage them in a process that can move the most resistant. And when you place something in their hands, you immediately start selling more products. An interactive process provides solutions instead of selling products. Great F&I managers don't sell products – they help customers find solutions. That's what they want!

This contracting economy is challenging. It is challenging us to grow our skills and expand F&I. Great F&I managers see this economy as an amazing opportunity to distinguish themselves from others. Accept and meet the challenge! ■

ABOUT THE AUTHOR

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