

# Achieving F&I Excellence!

Management Certification Program

SELF-STUDY GUIDE

PARTICIPANT: \_\_\_\_\_

DATE ENROLLED: \_\_\_\_\_

DEALERSHIP: \_\_\_\_\_



# SELF-STUDY GUIDE

A Customer Focused F&I Presentation

Reviewing the Customer's Options

Creating Customer Interest

Benefits of Dealership Financing

Benefits of Vehicle Service Agreements

Benefits of Guaranteed Asset Protection

Benefits of Tire & Wheel Road Hazard Protection

## A Customer Focused F&I Presentation

A customer-focused F&I presentation requires treating every customer as if they were already a friend, because when an F&I Professional makes a sale, they should make a friend. Keep in mind, when a customer leaves the F&I office, they should depart in such a way that when you meet again, they will be glad to see you, and you them.

1. **Greet the Customer in Salesperson's Office**  
Be enthusiastic! Shake everyone's hand. Get on a first name basis if possible.  
SMILE!
2. **Put the Customer at Ease**  
Introduce yourself! "I'm the Financial Services Manager. It's my job to complete the paperwork for the Motor Vehicle Department, arrange the financing, if any, and take care of all the legal documents, which will take about twenty or thirty minutes. Can I get you a cup of coffee or something to drink?" "If you want to come back to my office, we'll get started."

**Be urgent to SERVE – not urgent to sell!**

3. **Reinforce Commitment to Customer Delight**  
Say "Thank You!" It doesn't matter how you say it... as long as you say it!  
Make the customer feel good about buying from your dealership. Let them know your service department hours. Emphasize any unique features of the dealership, (ie. free shuttle service, Saturday service hours, etc.)
4. **Confirm Purchase & Verify Figures**  
Verify figures and information on Buyers Order is correct.
5. **Discover Customer Needs**  
Examine Buyers Order, Customer Statement, and Credit Bureau Report to discover customer needs. Ask open-ended questions as you enter customer information into the computer to learn their wants, needs, and concerns.

**Become genuinely interested in the customer.**

6. **Explain Factory Warranty Coverage**  
We must review what they get, so we can discuss what they need. This leads us into our review of their options.

**The customer has to know that you know that they know.**

## A Customer Focused F&I Presentation (continued)

### 7. Review the Customer's Options

Use the Financial Services Overview to review the customer's Repayment, Risk Management, and Vehicle Protection Options. Every customer is entitled to know what their options are!

**Every Day... Every Time... Without Fail... No Exceptions.**

### 8. Fill the Customer's Needs

Why does this unique human being need this particular product? If they don't need it, you can't sell it to them!

**Concentrate on what is truly best for the customer.**

### 9. Arrive at an Acceptable Payment

Add value – Help customers make the right decision based upon their needs. Have them sign the Financial Services Overview.

### 10. Print Forms / Disclose the Installment Loan Agreement

Confirm the options the customer has selected. Disclose everything on the contract. There should be absolutely no surprises.

# Reviewing the Customer's Options

## Financial Services Overview

A menu-based presentation allows us to review the customer's options in a minimum amount of time, and takes the pressure out of the process. Unfortunately, a menu doesn't sell anything. It's a piece of paper. What it will do is get all of the customer's options on the table, so we can discuss with them why, in their particular situation, each product may be especially important.

Example of a Financial Services Overview or Menu

## The Lead In Prior to Presenting the Menu

*"John, before I type up the paperwork, I need to go through this disclosure form with you. I'm required to review your repayment, risk management, and vehicle protection options, and answer any questions you may have. Would that be okay with you?"*

## Response to an Objection While Reviewing Their Options

*"No problem! These are all options. You can take all of them, some of them, or none of them. At ABC Motors, we feel we have a responsibility to review all the options available in connection with your purchase, and answer any questions you may have. Is that okay with you?"*

## 3 Questions That Will Begin a Dialogue After Reviewing the Menu

1. "Which of these options would work best for you and your family?"
2. "Which of these options do you think would be the most important to you and your family?"
3. "Which of these options would you like to know more about?"

## Creating Customer Interest

We want the customer to feel like they're in control by first discussing those option(s) they're interested in. If they don't want any of the options, we must open up a dialogue with the customer, so we have an opportunity to discuss why in their situation, each option may be of particular importance.

### Statements That Create Customer Interest

- "That surprises me. Especially in your situation."
- "I do find that somewhat puzzling, based on what you told me earlier."
- "That's not a problem, if that's what you want to do. Although I personally find that a bit of a concern, since you are putting this vehicle in both names."
- "That surprises me. Especially since you had a payoff on your last vehicle."
- "I do find that a little unsettling, especially since you are financing this for 60 months."
- "I do find that a little unsettling, especially since you are leasing this vehicle."
- "That's not a problem. You don't have to take any of them. Although since you're both working full time, that could create some serious financial difficulties in the future."
- "No problem. These are all options. Although I do find that somewhat unusual, especially since you're buying a vehicle built since 2013."
- "I find that a little surprising, especially since you're buying a new car."
- "Really! That's interesting, especially since you live here in \_\_\_\_\_."
- "Wow! I'm a little shocked, especially since you're not putting any cash down."
- "I do find that somewhat disturbing, since this vehicle is four years newer than your last one."
- "I do find that a little surprising, especially since this is a front-wheel drive vehicle."

# Benefits of Dealership Financing

## Bank / Credit Union Conversions

**Always use a professional financial advisor! Do NOT run the credit union down.**

- Convenience – “It looks like we have everything we need right here. What day of the month would you like the payment to fall on?”
- Establish 2nd, 3rd, 4th line of credit
- “We’re an agent for Last National Bank / Federal Credit Union.”
- No loan fees
- Higher advances
- Lower down payment
- Privacy / Confidentiality
- No right of offset – “Never use as your primary source of borrowing the bank where you have your checking and / or savings account.”
- Never have to worry about the escalation/acceleration clause at your bank/CU
- Local bank / CU more likely to prevent you from taking collateral out of state
- Never keep all your eggs in one basket. “If your bank were to be bought out by another bank, your loan officer were to leave, or they just say “No...”
- Nationwide line of credit with GMAC, FMCC, TMCC, etc.
- Flexible terms – deferred first payment, balloon payments, etc.
- Maximum line of credit at your bank / CU – “Just like on your Visa card.”
- Save your bank / CU for an unsecured “signature” loan.
- With BMWFS, AHF, NMAC, you’re not required to pledge any other assets
- Risk management options – credit life, disability, and GAP protection
- Leave with two additional assets – establish another source of credit, plus credit still available at your own bank / CU
- Extensions available (up to three)
- No cross-collateralization or co-mingling of assets
- Better terms – “We deal with six different lenders.”
- Use an example

**We do not sell RATE!**

## Benefits of Dealership Financing

### Cash Conversions

#### Always Use a Professional Financial Advisor!

#### Use only those advantages that apply:

- Will accumulate a substantial amount of assets over five years
- Will not deplete your savings account
- Save cash for an emergency, vacation, or business opportunity
- Establish or re-establish a credit rating
- Risk Management Options – Credit life and disability insurance
- Money taken from savings seldom if ever replaced
- The best time to borrow is when you don't need to, so that when you do need to, you can!
- Invest your money in appreciating assets, invest someone else's money in depreciating assets.
- Always pay for a depreciating asset as you use it!
- The present value of money is greater than the future value of money.
- Leave here with three assets, not one – the cash, the car, and a nationwide credit rating through GMAC, FMCC, TMCC
- Should something happen to either of you, spouse is left with four assets: cash, interest earned, vehicle paid for with CL, plus a nationwide credit rating
- "Some people work for money; others let money work for them." –J. Paul Getty

Cash customers have to "SEE" a reason to finance their car.

## REMEMBER

Paint a picture with words and  
put the customer in the picture!



# Benefits of Vehicle Service Agreements

## Reasons to Buy

- Peace of mind
- Coverage tailored to your needs
- Today's vehicles give you NO WARNING they are about to break down
- No cash outlay – can be included in your monthly payment
- Ensures the quality of future repairs – repairs made by trained technicians
- Repairs can be made when needed, not when you can afford them
- May provide for rental car. It's like getting two cars for the price of one!
- Pays for towing. Prevents you or your family from being stranded.
- Budgets repair costs over time of ownership.
- Protects against the rising costs of repairs – hedge against inflation
- Increased resale value – (See NADA book)
- A used vehicle with no warranty is virtually unsalable today.
- Limits out of pocket expenses to the deductible
- Good anywhere in the U.S. and Canada
- Toll-free 800 number for claims
- Today's vehicles are too sophisticated to repair or even diagnose what the problem is - plus they require special tools, equipment, and training
- Today's vehicles are much more expensive to repair – pick on the weak spot!
- Especially on a pickup, front-wheel drive, etc., it's a good idea...
- Unlimited number of claims
- Factory warranty only covers defects in parts and workmanship
- Protects you from being ripped-off by unscrupulous repair facilities
- Most important option available on your new vehicle
- Component parts – Use one in the F&I office!
- Use an example – paint a picture with words, and put the customer in the picture!
- Makes us friends!

# Benefits of Guaranteed Asset Protection

## Reasons to Buy

- Peace of mind – financially protected in the event vehicle is stolen or declared a total loss
- Ensures total loss does not become a financial catastrophe
- Ensures you won't still be paying for a vehicle you no longer own
- Provides protection against thousands of dollars of potential liability in the event of a total loss
- Helps maintain present lifestyle and transportation in the event vehicle is stolen
- Enables you to afford a replacement vehicle in the event vehicle is totaled
- Protects savings account from being used to pay negative equity
- Helps avoid potential credit problems if customer is unable to pay the negative equity
- Eliminates liability for excessive depreciation or negative equity in the event of a total loss
- Facilitates vehicle replacement – May allow the customer to get into a new car faster with less financial strain.
- Pays both insurance deductible and negative equity
- New cars depreciate at an accelerated rate in the early years of a sale or lease
- Extended term loans, balloon payment loans, and lease contracts reduce the unpaid balance or adjusted capitalized cost slowly compared to the rate of depreciation
- Reduces risk – there is normally a deficiency balance throughout the term of the loan or lease agreement
- Coverage available up to \$ \_\_\_\_\_\* (\*varies by company/state)
- It's critical on today's vehicles for two very important reasons:
  1. Component parts
  2. Crush or "crumple" zones
- 5 Reasons most people choose NOT to get it through their insurance company:
  1. Deductible
  2. File a claim – rate can go up
  3. File too many claims – they can cancel you
  4. You lose your GAP coverage if you change insurance companies
  5. \*\* They are less likely to total your car. \*\*

## Benefits of Tire & Wheel Road Hazard Protection

### Use only those benefits that apply:

- Road debris causes 25,000 wrecks (and countless flat tires!) a year
- Deteriorating roads – up to 1/3 of the nations roads are listed in “poor or mediocre condition.”
- Repairs or replaces factory tires & wheels damaged due to road hazard (tires must have a minimum of 3/32” of tread remaining)
- Also pays for mounting, balancing, valve stems, and taxes
- Pays up to \$50 or \$100 for on-the-spot tire repair or...
- Pays up to \$50 for installing a spare or...
- Pays up to \$50 for towing if tire is not repairable and the spare is not usable
- Replacement tires are also covered
- Terms of 3 and 5 years
- No deductible
- Coverage tailored to the customer’s needs
- May avoid a claim on your car insurance
- Transferable to subsequent owner
- Today’s vehicles have larger diameter (and more expensive!) wheels
- Alloy wheels are more susceptible to damage
- Factory alloy wheels are more expensive than comparable aftermarket wheels
- Low profile tires are more susceptible to damage
- Steel-belted radials only have steel belts on face of tire, not on sidewalls
- Few vehicles have a full-size spare
- Most vehicles no longer have a matching “spare” wheel
- “Especially here in\_\_\_\_\_.”
- “Wouldn’t you like to have the franchise on those orange construction barrels?”
- Toll free number for claims (with most policies)
- Unlimited number of occurrences

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