



**xyz motors**  
Purchase Options

Customer: Larry Doyle, Lucy Doyle      Vehicle: 2006 BMW 325i, F1468

Sales Information		Finance Option			
MSRP	\$21,453.00	Term:			
Added Equipment	\$0.00	Additional Down Payment	48	60	72
Cash Price	\$750.00				
Total Consumer Discount (cash rebate & cash award)	\$750.00	\$0.00	\$610.42	\$673.11	\$882.04
Trade Value	\$17,900.00	\$1,000.00	\$795.91	\$822.76	\$884.45
Trade Allowance	\$16,465.00	\$2,000.00	\$761.44	\$812.43	\$844.86
Net Price	\$1,114.00	Average APR%	6%	6%	6%
Taxes	\$175.00	<small>These payments are based on an average interest rate. The actual interest rate may vary based on credit. The actual amount of cash rebate or cash award may vary based on credit. Please see the dealer for details.</small>			
Loan Fee	\$200.00				
Doc Fee	\$25.00				
Title & Reg	\$25.00				
Lease Option		Cash Option			
Gross Car Cost	\$11,555.00	\$11,555.00	\$11,555.00		
Cap Cost	\$1,700.00	\$1,700.00	\$1,700.00		
Residual	\$985.00	\$985.00	\$985.00		
Acquisition Fee	\$300.00	\$300.00	\$300.00		
Term	36	36	36		
Monthly Payment	\$300.00	\$300.00	\$300.00		
Residual Value	\$20,742.00	\$18,265.70	\$18,265.70		
Money Factor	0.00075	0.00075	0.00075		
Total Amount Due at Lease End	\$2,242.47	\$2,044.27	\$2,044.27		
<small>These payments are based on an average interest rate. The actual interest rate may vary based on credit. The actual amount of cash rebate or cash award may vary based on credit. Please see the dealer for details.</small>					

This menu closing technique was derived from other F&I selling approaches, including step selling, assumptive selling and traditional menu selling.

#### THE HYBRID MENU CLOSING METHOD

The first step toward customer satisfaction and high F&I profits is preparation. This begins prior to the customer walking into the finance office. The F&I professional should have the deal completely loaded into the computer and all necessary forms pulled. You need to set yourself up for success, and not limit yourself by deciding, even if it's subconsciously, which products you are likely to sell. Your expectation needs to be that you are going to sell all the products.

Once you are completely prepared, which includes making sure your office is organized and professional looking, it's time to get the customer. Yes, go out and get customers even if it means walking to the used-vehicle building across the lot. This gives you a chance to establish a little rapport while you are escorting them to your office. It also ensures that customers aren't brought to you until you are ready for them.

When the customers are settled in your office, begin like this:

*Mr. and Mrs. Doyle, I'm sure you want to get on with your day with your new automo-*

*bile, so I'm going to make sure I get your legal documents completed as efficiently as possible. I have your information completely loaded into the computer and all the necessary documents here for your review, but before we sign the paperwork, I'd like to take a couple quick minutes of your time to thank you for your business. My dealer actually requires I do it. We understand you had a choice about where to purchase your vehicle and we are glad you chose us. What is most important to us is that*

*you'll chose us the next time you need an automobile, that you will be able to send your family and friends here, that you use our award-winning service department and our body shop and parts department. We want to be your choice for all your automotive needs.*

*We have found that whether any of this happens is partly a result of how happy you are with your automobile, but mostly it is a result of how you were treated during the sales process. My part of the process is the financial process. When you leave here I would like you to be able to say that I was prompt, efficient and straightforward, but most importantly, that I have described the financial benefit packages that are available to you. And, I would like to take a couple minutes of your time to review those two benefits.*

At this point, I will normally lead with the service contract.

*I'd like to begin by asking you a question, Mr. and Mrs. Doyle. How would you like to prevent having to pay most future repair bills for the next five years?*

This question is meant to break preoccupation and get the customer to think or say, "Why must I listen to you?"

I then proceed with a planned presentation where I give customers some information, ask a question and then listen to their response. This will eventually lead to a closing question designed to get customers to make a decision.

## BE AGGRESSIVE, NOT DECEPTIVE

Successful F&I managers don't have to deceive customers because they know how to present their products in an appealing, convincing way. While deceptive employees don't believe in what they do or the products they offer, those who are aggressive believe in their products so much that they think it would be a tremendous disservice to customers to not present the benefits.

Aggressive F&I professionals have four characteristics:

**1** They put the customer first. Customers' time and needs are placed over their own. They treat customers with respect and courtesy whether they are financing and buying all the products or paying cash and aren't interested in any of the products offered.

**2** They are always looking to increase their knowledge of their profession. This makes them confident that no matter what question customers may ask, or what objection they may get, they are prepared to respond. They show interest and understanding, and are encouraged by these questions and objections.

**3** They have the "driving edge." That's a subtle difference between being good at something and being very good at something. It begins with expecting to win, not setting limits and having a plan. They go to work every day and work toward their goals, regardless of the outcome or the situation. That subtle difference is the difference between achieving \$500 per retail unit in F&I income and \$1,000 per retail unit.

**4** They have a planned presentation. Yes, all customers are different, but winging it never works. There will be deviations from the plan, but they always get back on track to their end result: closing the sale.

*Mr. and Mrs. Doyle, there are two ways you can pay for this: You could pay \$1,695 cash or you can include it in your monthly payments which would be \$29 per month additional, plus your interest charges, whichever you prefer.*

Then I wait for a response. The customer will answer in one of three ways:

1. Give you an objection or say no to your response. You should handle that objection and re-close.

2. Say yes to your offer.

3. Ask the magic question: "What does that make my payment?"

Your response should be:

*Good question. I'll get to that in just a minute. Let me briefly describe the other benefit and then I will break out your options to the penny.*

Remember, they already know the payment, which they received on the sales floor.

*The other benefit package available to you is the loan protection package. It includes: life insurance, accident and health insurance and GAP coverage options.*

You will then describe the features and benefits of these options. Once you have finished this description, it's time to menu close.

*Mr. and Mrs. Doyle, here is a list of payment options to help you make your decision.*

This is the first point that customers view the choices for their decision and pick from the menu. Once they have made an informed decision, you can step sell them to another product choice.

This way of presenting the menu gives you the best assurance that customers have listened to all product presentations before they choose their options. It gives the F&I manager a comfortable approach to aggressive selling, by limiting the bumping that step selling creates. The approach of, "I have one more thing to talk to you about," wears out the F&I manager and customers.

### GIVE PRODUCTS THE WIN-WIN TEST

If you're going to add another product, make sure it first passes the win-win test. If it's a win for the dealership and the customer, then arrange it within your benefit packages. For example, a maintenance and

appearance package can be presented on a lease.

The appearance package also sells very well in a two-step process at point of sale. Incorporate it by transitioning it with the we-owe (or due bill).

*Mr. and Mrs. Doyle, it shows here that we will have the vehicle filled with gas and cleaned up prior to delivery. It doesn't show that you took advantage of the 20-percent discount that you can get if you purchase the appearance package right here at the dealership. Did the salesperson happen to mention that? How would you like to keep your automobile looking new and also help maintain its value?*

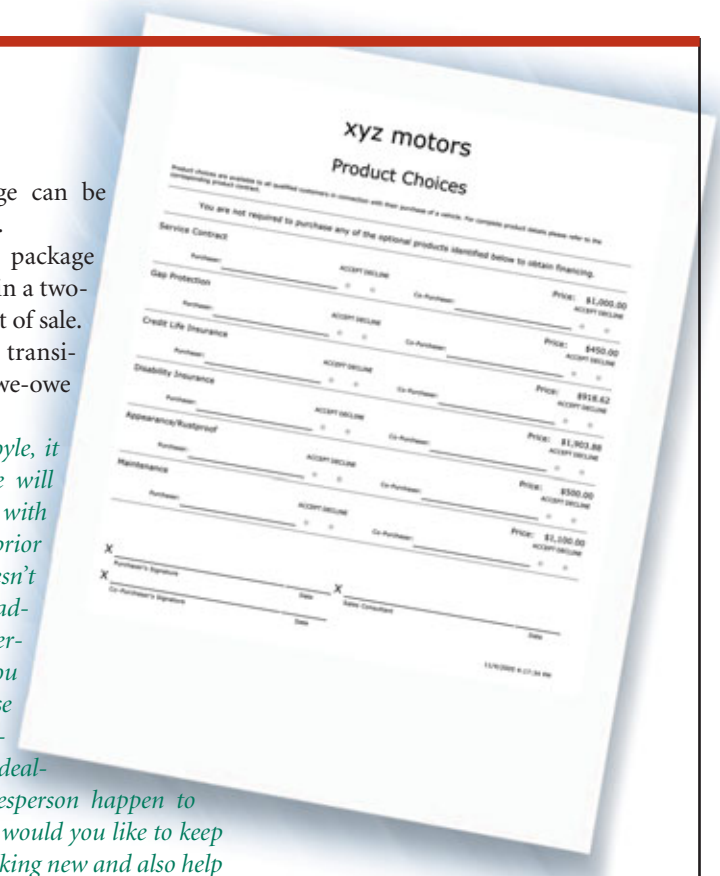
This transition leads you right into your presentation without the customer feeling any pressure.

### CHOOSING THE BEST MENU

Many dealers tell me, "We need to menu sell in the F&I department." When I ask them why, they almost always respond the same way: "I want to be compliant."

I agree that they should use a menu, but it isn't necessary to be compliant. You can't be any more compliant as long as the retail installment contracts and lease agreements follow Regulation Z, Truth in Lending and Regulation M, Truth in Leasing requirements, respectively. A menu can reinforce compliance if used properly, but can promote payment packing if it's not.

Is profit and compliance better served with an electronic or handwritten menu? If I were a dealer, I would definitely invest in an electronic menu. It reinforces compliance and gives F&I managers the flexibility they need to maximize profits. Why? F&I sales are subject to change when the customer arrives and during the presentation. The options you offer a customer, using menu closing, will vary depending on the customer's responses to the features



and benefits presentation. For example, if customers don't want the service contract after you have handled their objections, you would be better served adjusting the options you are showing them. You might offer them 30-day retro and 14-day retro accident and health options to choose from.

The flexibility of an electronic menu allows you to change options on the fly, while a handwritten menu doesn't. The electronic menu also gives the F&I professional the ability to create a new menu when customers change the amount of their down payment at the time of delivery.

From a compliance perspective, a handwritten menu can expose a dealer to payment packing. This happens when F&I managers give themselves a cushion on the base payment to make it look like the products don't cost as much as they actually do. An electronic menu eliminates this from happening, since the software always determines the exact base payment. ■

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*Ron Martin is president of The Vision of F&I Inc. Ron conducted the workshop "Menu Selling Effectively" at the F&I Conference & Expo in November. Contact him at (800) 413-9902 or thevisionoffi@msn.com.*