

F&I =

Future-Oriented & Innovative

*To stay at the top of your game in this ever-changing industry,
redefine the way you do F&I.*

By Ron Martin

There has never been a better time to be in the F&I business — our opportunities are better than they've ever been before.

Bank mergers, credit unions' use of indirect lending, and Internet use for quick, on-the-spot loan approvals have all fueled the need for a centralized location for coordinating customer financing. The F&I office is that centralized location.

Some would like to change this trend, but we will have no such thing — at least in the short run. F&I people are in the most convenient and cost-effective location to handle loan contracting for the vehicle purchase and I don't see anything on the horizon to replace this.

The F&I manager's role in the dealership has never been more important. However, with the profit opportunity this role brings comes the importance of being responsible.

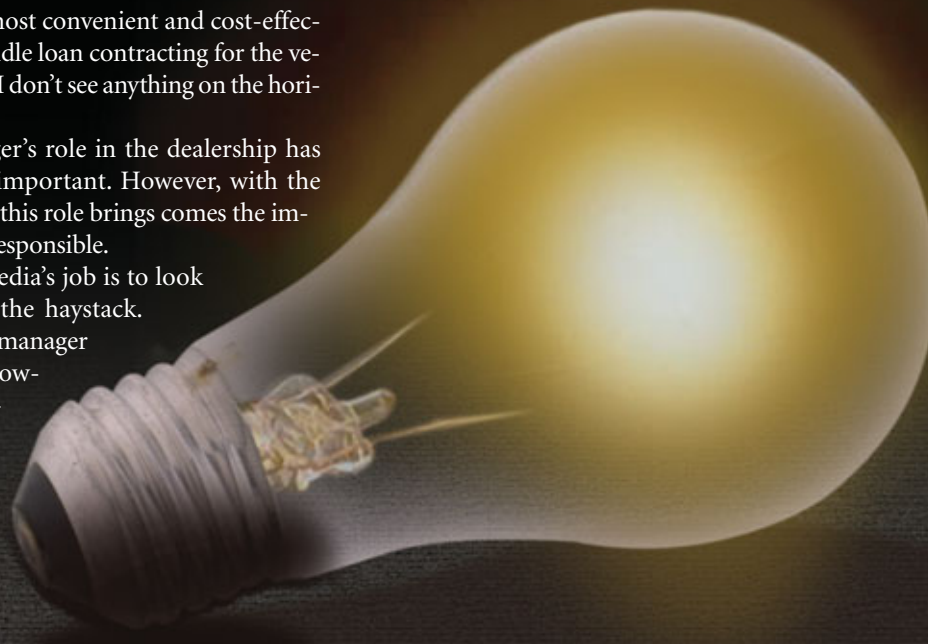
Sure, it is the media's job is to look for the needle in the haystack.

Every time an F&I manager chooses to sell a low-cost product for excessive profit it sets us back. And the media tries hard to paint a negative image of F&I. However, I

choose to look forward. Eventually, the "old school" thought pattern of manipulating customers to make profit should wither away. In the meantime, we need to start shaping the future of F&I today.

BEGIN WITH THE END IN MIND

The forward-thinking F&I manager gets the best results. He or she asks, "How will my choices today affect my future? What can I do to give myself and my dealership the best chance for success?"



How you see yourself as an F&I manager helps answer those questions. You have to take one deal at a time, but knowing there is a greater cause helps you get past the rejection you'll undoubtedly receive from customers. How you see yourself as an F&I manager should factor in all your contributions to the department (sales ability, management skills, network capabilities, legal compliance and so on).

Future-oriented F&I managers are always looking for ways to expand their F&I identity. Although each manager's path will be unique, every successful manager will possess certain characteristics.

BE CAREER-DRIVEN

Many F&I managers get their foundational training from one of the many F&I


has no value." Even the savviest of con artists will eventually give in and decide this business isn't really for them. I only hope they make that decision sooner rather than later!

Do the products you offer have value? Are they a win for the customer and a win for the dealer? That's the real question. Which ones are? That's not a question anyone can answer for you. Put it to the test: Is selling someone a window etch product that costs the dealer less than \$50 for a \$2,000 profit a "win" for the customer? Is selling a life insurance product to a customer for a price that is regulated by the state insurance commission a win for the customer? Now turn the question around and ask if these offers are a win for the dealer. There's your answer.

I know of five products that definitely

How important are you to the quality process? You play a major role. Making the 25 minutes customers spend with you more pleasurable for them is crucial. Using innovation to meet that goal is what the smart F&I manager does.

In 2003, only 17 percent of loans were processed in less than 10 minutes, according to Consumers Marketing Group. Your can enhance your quality process by out-innovating your competition in this area. Use an online approval process whenever possible to make more efficient use of your customer's time. By not making customers take two trips to the dealership to make their purchases, you'll make the time with customers more efficient and even free up more of your time.



Selling something without believing in it will lead you to either manipulate customers or leave the profession.

courses, but that's usually where the training ends. It should be just the beginning. Improving your sales ability must be ongoing. Read industry literature such as sales training and motivational material or trade publications. Attend seminars and workshops. Watch or listen to sales and motivational tapes. These will all help further your F&I career.

A career is not a job; it's a way of life. Today's F&I manager must be knowledgeable in many areas. You won't be highly effective unless you see your function not only for the money but for the reward and satisfaction it brings you.

BELIEVE IN WHAT YOU DO

It's very difficult to have long-term success if you don't have a cause. Selling something without believing in it will eventually lead you to either manipulate customers or leave the profession.

Your subconscious mind will always win over. Meaning, every time you deceive someone into purchasing the product, you're telling yourself, "This product

pass that win-win test for me. They are the ones I own myself, and because I do, every time I sell them my subconscious tells me, "There is value to your offer." This reinforces the value each and every time. Which products are they? It doesn't matter what I think. What matters is what you perceive as valuable because you're the one selling the products. Ask yourself the questions. Then once you've made your choices, be enthusiastic about presenting the value to the customer each time.

OUT-INNOVATE THE COMPETITION

World-class service is what customers are looking for. Attaining that will keep you ahead of your competitors and keep the customer coming back to you.

Consider these factors:

- Approximately 80 percent of your customers are either financing or leasing their automobile.
- Customers spend about 20 percent of their time making their purchase in the F&I department.

Incorporate e-mail into your daily routine — your lenders are! It is an excellent tool for communicating quickly and inexpensively. E-mail clients, if even just to tell them about an upcoming sale at your dealership. You can also use e-mail to communicate with sales or office personnel, especially when interaction isn't necessary.

Menu-closing software is another way to innovatively enhance the quality process. It enables you to be an effective closer and minimizes the time the customer must spend in the F&I office. When you spend less time getting the customer to close, which is most often the hardest part of the process, you will have more time to help customers understand the benefits of the products so they can make informed decisions.

It's your choice. You can help shape the future of F&I or let it be shaped for you! ■

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