

12 Steps to F&I Success - Step X Follow UP



Just because customers decline a product or service at the time of purchase doesn't mean they won't reconsider if asked again.

Some think follow up with customers is only for sales department prospecting. But follow up should also be a large part of what F&I managers do every day. Follow up can be related to many activities, including deal approvals, securing deal stipulations from the lender, the funding package, and missed sales.

This article will look at each of these areas and the opportunities they provide for additional communication with customers.

Get Approvals Faster

With Dealer Track, Route One and other venues for submitting deal information to lenders, approvals are coming at a faster rate than ever before. Still, some follow-up is required since neither life nor loan approvals simply flow as they should into lovely approvals with no limits.

Instead of waiting for a response, most F&I managers verify the information was received and are proactive about the deal. Most dealerships pull credit bureau reports on the customer when the deal is being worked, so the F&I manager is fully equipped to conduct a credit interview. Knowing about any negative credit prior to a lender viewing it can give you a direction of where to send the deal. It can also tell you what documentation to ask the customer for prior to the lender asking. Information and documentation is key to securing approvals in an expedient manner.

Securing additional documentation at the lender's request is essential; time in this case is our enemy. The level of urgency fades in the mind of a customer with each passing hour. So, if the lender is going to require proof of income or residency, secure it as soon as possible. If you wait, it may be too late. With some customers, employment can change in a blink of an eye, and with a change in employment status your deal can be jeopardized. Following up on a funding package is critical. Did the lender receive all the documentation? Is it processing the documents? Funding is received by what method? The deal is not over until full payment is received.

Create Second Chances

Perhaps the customer chose not to purchase a service agreement at the point of delivery. "No" simply means "not at this juncture;" it doesn't have to mean "never ever."

At the time you print financial recap for the deal, you should also print out two copies of a follow-up letter. One to prepare to send to the customer and another for a tickler file in order to follow up with a telephone call.

Mail alone has a return of only about 2-3 percent. When mail is teamed up with a telephone call, the return on your efforts will run about 10-15 percent. Follow up is essential to customer satisfaction and building customer retention. You can also follow up on protective coatings, or when your department has a new security system, and send a follow-up letter to your past customers.

You should send these letters about 120 days after delivery on new vehicles. Send them at the beginning of the month and make follow-up telephone calls when your customers are at home.

Another follow-up venue is the service drive. When a vehicle comes into the service department and the service advisor has written up the work order, he should ask the customer, "May I see a copy of your service agreement so that I may validate it?" When the customer replies that he does not have a service agreement, the service advisor should reply with an "Oh, I'm sorry. Many of our customers do have one. Let's see if you still qualify for the protection, shall we?"

If the vehicle is within factory warranty period, turn the customer over to the F&I center. In the meantime, the vehicle is in the dealership's service department having the proper maintenance or repair completed.

Implementing a positive follow-up plan can capture those lost opportunities, add critical profits to the bottom line and strengthen your customer base.

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