

## 6 Things F&I Managers Need to Stop (Or Start) Doing

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All of us seek role models, and we expect our role models' lives to be an example of what they speak. Like it or not, co-workers and customers will believe what you do long before (and long after) they will believe what you say. Too often people who call themselves "managers" will say one thing, but do another. Leaders lead by example. They believe in what they say, they live what they believe and they become successful because their actions clearly demonstrate their values.

Like it or not, we're all role models. As an F&I manager, your sales force will quickly determine whether you truly believe in your products, or whether you're just trying to squeeze extra money out of customers. Being an F&I professional requires that you possess the qualities of someone worthy to be a role model: a positive attitude, a commitment to your craft and a genuine belief in your products. You can always tell you're in the presence of an F&I professional by the way he or she treats every customer, as well as every co-worker. His or her primary goal in every interaction is to help the other person, not just themselves.

F&I professionals never brag about how much money they made on someone. F&I professionals know that when your focus is on helping customers, you don't have to worry about making money; you'll make more than you ever thought possible. To be an F&I professional, there are six things you need to stop (or start) doing, because whether you like it or not, you're a role model.

### 1.STOP Disparaging Your Products

It's amazing how many times I still hear F&I managers describe credit insurance as "choke and croak," environmental protection as "mop and glow," and theft deterrent products as "etch-a-sketch." Denigrating your own products to anyone tells everyone you really don't believe in them.

Remember, every F&I product we offer has real value for the customer. F&I professionals can reinforce this belief by telling the customer, "At this dealership we only offer F&I products we believe in." You must demonstrate your belief in F&I products daily. It's easy to tell whether or not an F&I manager really believes in his or her products. He or she buys them — all of them! If you don't buy all of the products you sell, you're telling every salesperson in the dealership you don't believe in them. {+PAGEBREAK+}

### 2.START Treating F&I As Career

Professionals join their associations and adhere to the ideals, tenets and practices they promote. Doctors are members of the American Medical Association. Dealers are members of their local, state and national associations. Being an F&I professional requires that you join your association, the Association of Finance & Insurance Professionals (AFIP). It also requires that you become AFIP Certified as soon as possible to ensure you know the laws and regulations governing the F&I office.

Continuing education is critical to your growth as a professional. An F&I professional strives to become better at his or her craft every day, embraces every opportunity to improve his or her skills and actively seeks out new ideas and ways to improve his or her consultative sales techniques. F&I professionals subscribe to industry publications such as F&I Management and Technology. They look forward to reading articles that pertain to F&I. They also attend their industry's conventions and trade shows, such as the annual F&I Conference and Expo. Why? Because F&I professionals are committed to learning as much about their craft as possible.

### 3.STOP Making Customers Wait

You are not an F&I god who only talks to customers when you're good and ready. An F&I professional's job is to wait on customers, not make customers wait. Once a customer has made a commitment to purchase a vehicle, immediately go out and greet the customer in the salesperson's office where they're comfortable.

Be enthusiastic and put the customer at ease. Introduce yourself by saying: "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 20 or 30 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." {+PAGEBREAK+} Stop making customers wait while you load their deal into the computer or create the perfect menu. It's not like we're doing secret agent spy stuff in F&I. Bring them back to the F&I office now! Review the credit application and credit bureau report to determine the customers' financial situations prior to submitting their application to a lender. Ask questions to discover their needs while you load their deal and prepare their paperwork.

It's not the time it takes to complete their paperwork that customers hate. It's the time they spend waiting to get into the F&I office that drives people crazy. Every minute a customer waits to get into your office equals 10 minutes in your office. Be urgent to serve, not urgent to sell!

#### **4.START Training the Sales Team**

It's critical that you train your sales managers and F&I managers on the laws and regulations that impact both of those departments on a daily basis. Laws that pertain to sales managers alone include the Equal Credit Opportunity Act (ECOA), the Fair Credit Reporting Act (FCRA), credit scoring, Reg. Z, Reg. M, the Used Car Rule, the Gramm-Leach-Bliley Act and the USA Patriot Act requirements.

When taking a credit application, are your salespeople aware that they cannot ask customers about the separate maintenance payment, alimony or child support they receive unless they're first told they don't have to provide this information if they won't rely on these payments to get credit? Do your salespeople know that inflating a customer's income to improve his or her chances of obtaining a loan is not fudging the numbers, it's a felony? Do they understand what a tying arrangement is, and that certain tying arrangements are considered to be illegal activities?

You must also train your sales team that quoting inflated monthly payments on the showroom floor as a negotiating tactic is simply not an option anymore. Customers are entitled to accurate, non-misleading monthly payments. Quoting inflated payments is an unfair and deceptive trade practice in every state.

Your sales manager and salespeople need to understand that every time they tell a customer we're going to get them the "best rate," they create legal liability for the dealership. Your sales team needs you to train them so they know what they can and cannot do when it comes to quoting monthly payments. {+PAGEBREAK+}

#### **5.STOP Criticizing Your Team**

It's been said, "Any fool can criticize, condemn and complain — and most fools do." Unfortunately, that's the way a lot of F&I managers try to solve their problems with the sales department. They criticize and complain about them.

It's easy to catch salespeople and sales managers making mistakes. Virtually every deal that comes to F&I has something wrong with it. As an F&I professional, it's not your job to find fault and assign blame within your team. It is your job to determine why a person is behaving as they are, and then modify the consequences of their actions to encourage the desired behavior.

Criticism merely puts the other person on the defensive, and makes them work twice as hard to prove they are right. Criticism hurts a person's sense of importance, creating resentment, animosity and negative feelings toward you. If you want to create an enemy for life, just give a sales manager or salesperson a little stinging criticism in front of his or her peers. No matter how justified that criticism may be, he or she will work long and hard to get even.

Ben Franklin, when asked the key to his success, replied, "I will speak ill of no man, and speak all the good I know of everybody." Successful F&I managers don't criticize their team. They motivate, encourage and recognize the efforts of their teammates to ensure their support of the F&I department. I have yet to find anyone who did not work better and put forth greater effort under a spirit of approval than under a spirit of criticism.

## 6.START Practicing Your Craft

When was the last time you practiced your craft? Not with a customer — I consider that the actual game. I'm talking about reviewing your training manual, writing out a customer-focused response to a problematic objection, or role playing with one of your salespeople? It doesn't matter whether you're a professional athlete, actor or F&I manager, professionals practice every day. Spending 20 minutes a day practicing your craft should be a regular part of your daily activities.

Product knowledge is a fundamental skill that requires daily practice. Can you relate 10 benefits of financing through the dealership vs. the customer's own bank or credit union. Can you list 10 advantages of financing vs. paying cash? Can you do the same for credit life? What about accident and health? How about the other products your dealership offers? An F&I professional can.

Your daily practice should include a review of open-ended questions that will help you discover customer needs, self-testing to ensure continuous improvement in your product knowledge, and using visual aids to help customers "see" the need for a particular F&I product. Your daily practice should also include rehearsing your presentation to improve your ability to respond to customer concerns, overcome objections and deliver a needs-based product presentation.

F&I professionals know that selling F&I products isn't just about helping the dealership, it's about helping that human being on the other side of the desk. They also know the better they become at helping people, the more money they'll make. Achieving spectacular success in the F&I office is possible only when you stop disparaging your products and start treating F&I as a career, not just a job. Remember, F&I professionals don't make customers wait. They also continually train their sales team rather than criticize them. They also have the self-discipline and commitment to their craft to practice on a daily basis. Because whether we like it or not, every day, in every dealership, the F&I manager is a role model.

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