

F&I Is A Selling Position

Written by Jan Kelly
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Recently at one of our seminars, an attendee proclaimed she was not in sales, nor was she ever going to be in sales. She was a mortgage banker. Mind you, this person had been acting as a finance manager in a dealership for the past 16 years. The only profit center was finance reserve, because as she said it, It is so difficult to get the lenders to approve the extras. The attendee also confided that she was a salary employee and not paid commission.

As I was listening, it was all I could do to remain standing. This dealership has a sales volume of about \$25 million. The anticipated additional revenue from the F&I department is four to six percent of the sales volume. Do some quick math and that equals \$1.5 million of additional revenue without selling any additional units and without flooring any additional inventory. That \$1.5 million is a result of selling the standard products and services available in most F&I departments.

With this type of income at stake, every F&I course should spend time teaching the skill sets that will improve department productivity. Time should be spent on sales presentations and overcoming customer concerns. Additionally, it is essential to spend time discussing new income opportunities for the F&I department, focusing on the process and not the specific product.

Finance managers sell all the time. They sell loans to customers and they sell customers to lenders. They sell their value to the sales personnel as well, so the sales personnel will turn each customer over with open ears. F&I managers sell their worth to the accounting office, and they make their paychecks by selling ancillary products and services to the customer after the commitment of the unit. Every time you hear the words consider this, someone is selling. Selling is another word for persuasion- and I am proud to be known as a sales professional.

On the other hand, F&I clerks maintain clerical positions. They do not sell and they are paid hourly. They are not F&I managers. They hold entry-level positions and provide a valuable service by securing documentation. They do not necessarily add revenue to the profit and loss statement. Clerks, however, do provide time for the one who is selling to focus on the customer and to produce additional revenue for the dealership.

As an F&I educator, if you send clerks to an F&I educational event, please tell them they are attending the seminar with the intent for them to sell afterward. Advise them that their

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pay will change to commission, and as with any sales job, their paycheck will reflect their performance. In other words, the more they sell, the more they are paid.

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