

Streamlining The F&I Process

Written by Jan Kelly
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Since the NADA convention in San Francisco, there has been a lot of chatter about streamlining the F&I process. There are some who even plan to make major changes in their business models.

The current model includes a sales department with a manager who oversees the sale through a representative. Then when the figures are agreed upon, the sales business manager is called in to complete all the legal documentation and present all the ancillary products to the customer.

Instead of this old model, try splitting the sales department into teams of five consultants and one manager. With this model, the manager is responsible for the duties of both the sales manager and the sales business manager. The customer stays put and the sales consultant takes the deal from start to finish with no change of face. The sales manager is available to make ancillary product presentations at the sales consultants desk.

In order for this new model to be successful, the sales consultants must be supportive of all the ancillary products. In most cases, the sales process is built on a relationship. The sales consultant knows the customer. They attend the same church or live in the same neighborhood. There is built-in trust and accountability between the two parties. In this situation, a solid recommendation goes a long way in shortening the presentation time and securing the sale of additional products and services.

Technological advances have made this new model possible. Electronic applications can now be transferred to the sales manager tower via wifi. Then the sales managers tower can capture the credit application information, auto-fill the fields in the Dealer Track system, pull credit, submit the information to lenders for approval, and transmit the sales figures back to the sales consultants screen, all without the customer ever being left alone. The only thing missing is the 30-second word tracking opportunity the sales manager used to have with the sales consultant. This process, however, requires solid education of the sales personnel and sales consultants who are confident in their negotiating skills.

Many sales business managers are being moved into the sales manager/team leader position. This is a great move because they are skilled in reading credit bureaus and they have relationships with the lenders. With their knowledge and the new technologies now available, they can now structure the deal so that rewrites are a rare occurrence instead of a daily chore.

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As I have written before, rewrites cost the dealership. They cost the dealership profit, customer satisfaction, and the time of dealership personnel. Yet some sales managers still get the customer committed to a sales structure that doesn't make sense to any lender. Remember, a sale is only as good as the ability to secure payment. If the deal cannot get approved or funded, what good is the customer's commitment to purchase?

It all comes down to placing customers in the right vehicle the first time. Customers, no matter their credit worthiness, should be treated with respect and in a professional manner. Professional team leaders who know that customers who cannot get approved today will get approved some day, so they leave the door open and the light on for the customer to return when the time is right.

How much time this process will save is unknown. I am still waiting for eContracting. I envision a process where the credit application will be taken electronically and then sent to the team leader via wifi (on a secure network of course). Then the information will be used to obtain a credit bureau and the sale will be negotiated through computers. Finally, when the sale of the vehicle is complete, the ancillary products will be demonstrated by an avatar on a computer screen. A menu will provide choices and the customer will select the payment plan with which he or she is comfortable. With one signature on a signature pad, all the documents will be printed at the sales consultant's work station. Then the customer will click OK. Upon that click, the contract will be emailed to the lender for flash funding. The ancillary products will also be registered and paid for via a click. Now that will certainly streamline the F&I process!

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