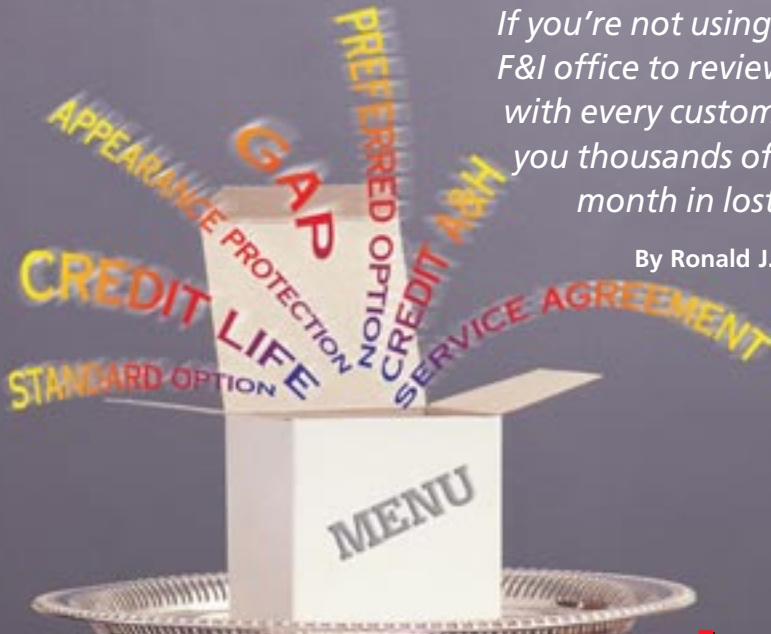


If you're not using a menu in the F&I office to review every option with every customer, it's costing you thousands of dollars every month in lost income!

By Ronald J. Reahard



What We've Learned (And You Need to Know!) About Menu Selling

A professional F&I manager has a responsibility to the dealership — and to a customer — to review all of the customer's repayment, risk management, and vehicle protection options, so they can make an informed decision about the options available in connection with their purchase. A menu-based presentation allows us to do that in a minimum amount of time, and takes the pressure out of the process.

A menu doesn't sell anything. It's a piece of paper... not a magic bullet. What it will do is get all of the customer's options on the table, so you can discuss with them why — in their particular situation — each product is especially important.

A menu-based presentation can greatly

reduce the amount of time customers spend in the F&I office. Rather than selling one product at a time, customers can select an option package, avoiding the need to sell those products individually. In fact, customers will typically buy more products than we can sell them. After deciding to buy one product, customers will often pick a package that includes the product they want, along with two or three additional products.

Over the past six years of working with F&I professionals around the country, we've learned a lot about what to do, and what not to do, when it comes to using a menu to sell F&I products. The following are 12 things we've learned, and you need to know, about using a menu.

YOU MUST HAVE BUY-IN

If you expect an F&I manager to use a menu to present F&I products, it must be tailored to the products offered by your dealership, with product packages created by the manager or managers who will be using it. It has to be their menu, not yours.

You can't shove a menu down someone's throat and expect them to embrace it. You must have buy-in from your F&I manager(s), and you only get buy-in when they're involved in the decision. They must help create the menu they're expected to use, as well as decide what product packages they want to offer.

MAKE SURE YOU'RE LEGAL

Once you have a menu you like, make

sure it's legal! Simply using a menu in the F&I office does not automatically ensure compliance with all applicable laws and regulations. Any menu used to sell F&I products should not be deceptive or designed to misinform, mislead, or confuse a customer.

For example, using the term "Mandatory Disclosure" on your menu could be construed as implying that its use is mandated by federal law or state statute, which is not true. One F&I manager even went so far as to include an outline of the State Seal on his menu in an effort to make it appear as though it were a state-mandated form. Very effective... and very illegal!

Dealers should consult with an attorney to ensure their menu (especially if it has been created in-house!) and their manager's menu presentation complies with the various consumer protection laws applicable to F&I products, and includes all the necessary disclosures. These include a statement to the effect that the sale or financing of the vehicle is not contingent on the purchase of any F&I products, and the purchase of any products will not influence the customer's interest rate, credit approval, or ability to obtain financing.

APPEARANCE COUNTS

A professionally created menu, whether pre-printed or computer-generated, with each option package presented in a different color, is much more effective than a black and white menu. Color makes it easier for a customer to differentiate one product package from another, and color selection conveys a subtle yet powerful message. The use of product-specific icons on a menu also helps make F&I products more tangible, while allowing the F&I manager to gain customer commitment simply by circling the appropriate icon.

A brief explanation of what each product is, and what it does, allows the customer to make an informed decision. Including a list of benefits under each product, however, turns a menu into a pre-printed sales pitch, which is a real customer turn-off.

The absolute worst (and least effective) menus are the poorly designed homemade versions that inevitably end up being nothing more than a bad photocopy of another bad photocopy.

PROPER INTRODUCTION

A menu should be a checklist designed to introduce F&I products in a consistent, non-confrontational, consultative approach that allows every customer to make a well-informed decision about the various products available in connection with their purchase. Like any other form presented to the customer in the F&I office for their signature, a proper introduction and explanation is critical.

"Nancy, before we finish up the paperwork, I need to go through this disclosure form with you. I'm required to review your repayment, risk management, and vehicle protection options, and answer any questions you may have. Would that be okay with you?" The menu must be properly introduced and a reason given for its use prior to reviewing it with a customer.

CONFIRM THEIR PAYMENT

When using any menu, always disclose the "base" or principal and interest payment that the customer agreed to first! The customer must see the payment they agreed to prior to reviewing or discussing any options. They need to be reassured the payment they were given is correct, and they can take delivery of the vehicle for that amount.

Remember, until and unless you get a customer to like you and trust you, you can't sell them anything. And while that payment is correct, they do have several options available in connection with their purchase.

COLLAPSE CONFRONTATION

Should a customer object to a particular product or payment either before or while reviewing their options on the menu, it's critical that we immediately collapse confrontation by always giving the customer an out. "No problem! These are all your options. You can take none of them, some of them, or all of them. Here at ABC Motors, we feel like we have a responsibility to review all the options that are available to you in connection with your purchase, and answer any questions you may have, so you can make the right decision for you and your family. Would that be okay with you?"

Giving the customer an "out" reduces their fear of the decision-making process, and eliminates any sales pressure they may have been feeling.

GIVE 'EM OWNERSHIP

Instead of "pitching" products that the dealership offers, recommends, or has available, always give the customer ownership when reviewing their options. "These are your options, available in connection with your purchase. My job is to review your options and answer any questions you may have. Your first option is your vehicle service agreement..."

Customers want to know what their options are. They just don't want somebody trying to "sell" them something. By always referring to F&I products as their options, psychologically, we're transferring ownership from us to them. We're not trying to get them to buy these products; we're reviewing their options and helping them decide which are the most important to them and their family.

NO SELLING THE FIRST TIME

There can be no "selling" the first time through the menu. Simply tell the customer what each product is and what that product does. When the customer doesn't get the sales pitch they were expecting, they start asking questions and will volunteer reasons as to why they don't think they need a particular product. This opens up a dialogue about the product, allowing you to focus on what is important to the customer, and why—in their particular situation—this product is especially important.

NEVER attempt to overcome any objections the first time through the form. If a customer perceives that you're trying to sell them these products, they don't want to buy. People want to know what their options are. They just don't want to hear another sales pitch.

BEGIN A DIALOGUE

As you begin discussing their options, customers will start asking questions, making comments, or raising objections. Let them! That is exactly what we want them to do! We want the customer to feel like they're in control by first discussing those options they're interested in. "Which of these options would work best for you and your family?"

However, if they don't want any of the options, we must be capable of opening up a dialogue with the customer, so we have an opportunity to discuss why in

Mr. and Mrs. Customer		Town and Country Motors	
Unprotected Prod. \$273.15	Unprotected Prod. \$273.15	Unprotected Prod. \$273.15	Unprotected Prod. \$273.15
Platinum	Gold	Value	Economy
Life Coverage Joint Life Insurance Selected If buyer passes away pays off loan balance so free and clear title passes to Beneficiary	Life Coverage Joint Life Insurance Selected If buyer passes away pays off loan balance so free and clear title passes to Beneficiary	Not protected Life Insurance STOP	Not protected Life Insurance STOP
Accident & Disability Coverage 14 Retro Selected You won't make a payment if you get sick or hurt and can't work	Not Protected with Accident & Disability Insurance STOP	Not Protected with Accident & Disability Insurance STOP	Not Protected with Accident & Disability Insurance STOP
Mechanical Breakdown Coverage Fixed payments for 60 months or 75,000 miles You won't have to budget cash for costly repair bills later	Mechanical Breakdown Coverage Fixed payments for 60 months or 75,000 miles You won't have to budget cash for costly repair bills later	Mechanical Breakdown Coverage Fixed payments for 60 months or 75,000 miles You won't have to budget cash for costly repair bills later	Mechanical Breakdown Coverage Fixed payments for 60 months or 75,000 miles You won't have to budget cash for costly repair bills later
Guaranteed Asset Protection You are protected If your car gets stolen or totaled you won't have to pay the difference between what your insurance check is and what you owe the bank	Guaranteed Asset Protection You are protected If your car gets stolen or totaled you won't have to pay the difference between what your insurance check is and what you owe the bank	Guaranteed Asset Protection You are protected If your car gets stolen or totaled you won't have to pay the difference between what your insurance check is and what you owe the bank	Not Protected with Guaranteed Asset Protection STOP
Joint Insurance Single Insurance \$2.96 per Day \$2.44 per Day Monthly \$261.32(9) Monthly \$146.92(9) 1 x 10,000.00 (optional) 1 x 10,000.00 (optional)	Joint Insurance Single Insurance \$2.37 per Day \$1.79 per Day Monthly \$201.14(9) Monthly \$177.05(9) 1 x 10,000.00 (optional) 1 x 10,000.00 (optional)	Joint Insurance Single Insurance \$1.47 per Day Monthly \$177.25(9) 1 x 10,000.00 (optional)	Joint Insurance Single Insurance \$1.29 per Day Monthly \$102.19(9) 1 x 10,000.00 (optional)

ILLUSTRATION COURTESY F&I MENU WIZARD

their situation, each option may be of particular importance.

SELL BASED ON THE CUSTOMER'S AGENDA

After presenting the customer's options, it's critical that the customer feels they're in control. You cannot go down the line and sell whatever product you make the most money on, followed by your next most profitable product, and so forth. The customer feels forced to endure a features and benefits presentation of that product, whether they like it or not.

We must follow the customer's lead by first discussing those products they're most interested in knowing more about. In other words, if they want to know what GAP insurance is, we explain GAP first. Or, if they indicate they may not have enough life insurance, we need to discuss their credit life insurance needs first.

SELL FROM A POSITION OF STRENGTH

Customers today want to do business with someone who listens to them, who understands their needs, and who cares enough to help them identify solutions to

those needs. If the customer indicates they don't want or need any of the products, concentrate on what is truly best for the customer, based upon the needs you've discovered.

Always start with the product they need the most, not the product you make the most money on. If they don't need it, don't try to sell it to them! If they don't want it, and they don't need it, they won't buy it anyway. Once they buy one product, you're more likely to sell a second product, and they may just pick a package!

MAKE 'EM THIRSTY

After your initial needs discovery, you should have several good reasons why the customer needs your products. The key is to make the customer want to know more about the product(s) you're offering, so you're responding to their request for information vs. making a sales pitch.

We do that by making a statement that piques the customer's curiosity and makes them thirsty to know more. That way, you're always responding to the customer's request for information, rather than pitch-

ing a product. You're helping the customer, not selling the customer.

CONCLUSION

Increasing F&I income and customer delight requires continually trying to improve your ability to find and fill customer needs. The key is a genuine commitment to help people. And the best way to do that is through a professional, menu-based F&I presentation designed to ensure every customer is being offered every product every time, and take the pressure out of the F&I process. ■

Editor's note: Ron Reahard is president of Reahard & Associates, Inc., providing regional and in-dealership F&I training programs, consulting services, and real-world solutions designed to increase F&I income and customer delight. Ron is an AFIP Certified Course Instructor, and helped produce the new AFIP Certification Course CD. He also conducted the F&I Workshop "16.3 Ways To Explode F&I Income... and Delight Customers!" at the 2002 NADA Convention in New Orleans. He can be contacted at 866-REAHARD, or www.ron@go-reahard.com.