

People, Process, Profit

November 2012, F&I and Showroom - Feature
By Stephanie Forshee



Regardless of what change is in store for the industry, head trainers from six F&I product companies were all in agreement when they told a packed room at Industry Summit 2012 that the key to overcoming any challenge is a good process. They each had their own spin on what that process looks like, but each maintained that, when followed, a good process will always win out.

On the “Trainers Roundtable: Plotting the Road Ahead” panel were United Car Care’s John Vecchioni, GSFSGroup’s Bart Carpenter, AllState Dealer Services’ Peter Chafetz, JM&A’s Heather Haynes, Protective Asset Protection’s Rich Moore, and SouthWest Dealer Services’ Peter Velau. Moderator Rod Heasley of Peritus Portfolio Services peppered the group with questions on a variety of topics — including how to handle customers who object to F&I because of reviews they read online — and none of them backed down from their stance.

“So, my job at that point is not so much to sell, but to create value to start creating some conflict with some of that research,” Vecchioni said to kick things off. He also reminded attendees of F&I’s core duties, which are to uncover the customer’s need for the product before showing them how to pay for it. “If you can’t figure out why they need your product, you haven’t earned the right to pitch the product yet.”

Whatever the source of the objection is, Carpenter said overcoming it is as simple as pulling out the manufacturer’s warranty, especially if the customer believes it offers all the coverage he or she needs. “You can go line by line and you can make it quick, you can make it concise, and it’ll show the customer that there are gaps,” he said. “That will set the stage for the customer who says, ‘I’ve done the research.’”

Vecchioni chimed in: “I challenge anybody to find the interior protection in a warranty; they’ve never found a way to warrant the interior.”

The Product Is Right

The panel then turned to what's on the menu, with each trainer offering their take on how many products should appear on F&I's key selling tool. "Depending on the presentation style, the customer gets lost. It's Charlie Brown's teacher talking," said SouthWest's Velau. "Either you limit the number of products to two or three things because that's all the information you can successfully communicate to your customer, or change the way you communicate it and do it in a different process."

Carpenter addressed the recent trend of bundling multiple products together. He's not opposed to the concept, but he did offer a few words of caution. "I know bundling is a big deal today, but in some cases, you're bundling good products with weaker products just to have more things to sell," he shared. "I think a lot of it is when you set up a dealership, you need to make the hard decisions upfront in order to have a balanced menu that delivers value to the customer, and, at the end, creates customer loyalty and profitability."

Allstate's Chafetz, however, said there's a reason the bundling concept has taken hold. "If you don't [bundle] products, what are your options?" he said. "You're forced to essentially step-sell, and every time you open up your step-selling process to a different product, you're essentially starting your selling all over again."

Protective's Moore offered a different spin, claiming that the right number of products depends on how closely the F&I manager actually listens. "Sometimes, when a product isn't going to work for the customer, you've got to let that one go," he said. "And look at the law of averages, because if you listen well and you build your menu and products around what the customer most wants or is going to benefit them the most, you're going to have a much better chance of closing, and you're going to have a much higher sales ratio."

JM&A's Haynes agreed. "Think about Nordstrom," she said. "Nordstrom is great about always focusing on the customer, and when we had a downturn in the recession, which department store continued to be profitable? Nordstrom. They focus on the customer. That's what it's all about."

People vs. Tech

Panelists then addressed the hot topic of the conference: the mobile menu. They agreed that the menu, whatever version is used, should always complement the process, adding that sales are ultimately the result of good talent. Haynes added that while tablet menus might appeal to customers, technology can't replace the right approach.

"I still have to understand my customer's buying habits, driving habits. I still have to build credibility. I still have to build rapport," she said. "If you are an F&I manager or a dealer with people in your store who think this is going to be an easy way out, you're going to see your PVRs and your product penetrations drop."

Chafetz simplified it even more. "Doing a good job in F&I is not rocket surgery; it's not brain science," he deadpanned. "It's about process. So, to build end strength, identify somebody who has an open mind and identify somebody who has a desire to succeed and wrap that with a process that's solid, that's repeatable, that's obviously legally compliant, and that stands up under pressure."

So, how does one go about finding such people? Carpenter said that also requires a process, one that identifies candidates early — particularly salespeople — and develops them through F&I training before there is a need to fill a spot. That does a couple of things, Carpenter added.

"The F&I manager who is kind of below the red line, it gets his attention because he knows that these other people are being trained," he said. "It also keeps him from holding the dealer hostage because he's got a bench.

"Another benefit, and this is icing on the cake, is when those candidates come back from training, guess what happens to the F&I numbers for the cars they sell? They go through the roof because they understand the process."



Moderated by Peritus Portfolio Services' Rod Heasley, the "Trainers Roundtable" included GSFSGroup's Bart Carpenter, SouthWest Dealer Services' Peter Velau, JM&A's Heather Haynes, Protective Asset Protection's Rich Moore, United Car Care's John Vecchioni, and AllState Dealer Services' Peter Chafetz.

While one might conclude from those comments that a skilled salesperson and F&I producer can be neatly wrapped into one package, the panelists were sure to drill home that the hybrid manager is entirely circumstantial to each store and situation.

"I've seen it happen too many times: You take the top salesperson and he's great at closing on a car, but he can't do it in F&I," he said. "Why make that mistake? Let's look for the person who's got the right personality and teach him or her the skills to make them successful."

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