

Is the Sales Team Hurting F&I Numbers?



Dwayne Wiggins
F&I University Trainer

Is production in the business office down and CSI is taking a hit because of the customer transaction time? Well, it may not be the F&I department's issue at all.

Before you read any further, ask yourself, "How many processes are in my dealership?" How many did you come up with? Perhaps you thought of the following: sales, desking, aftermarket, introduction to service, finance, delivery, and follow-up. So, what does that

come to? Five, six, seven, or even eight? The correct answer should be just ONE process. Yes, there is only one process in the dealership. At least that is what the customer will experience. One process from start to finish.

Customers want to come to the dealership, find the right vehicle, and buy it within a reasonable amount of time with minimum hassle. Unless the customer is a previous dealership employee, they do not know the actual number of processes involved in a vehicle purchase. Nor should they. The sales experience should be seamless for the customer and they should never get to the point where they are thinking, "HOW CAN I GET OUT OF HERE!!"

Unfortunately, this is a growing issue in the automotive industry and is often a symptom of the sales processes in the dealership. A drawn-out sales process forces the customer to spend hours deciding and negotiating on a vehicle. So, by the time they are ready for the business office to discuss financing, products, and sign all the paperwork, they are frustrated and ready to go home. At that point, a lot of business managers feel pressured to shortcut the deal to keep the customer happy. Thus, resulting in lost F&I opportunities. So, how do we fix this?

First, recognize that every time a customer enters the lot, a process is being followed. This process will either be the customer's, the dealership's, or the salesperson's. Ideally, all three would be in harmony, and the dealership's and salesperson's process is one in the same. When that happens, everyone gets the experience they were planning on and life is good. We often operate under this illusion, when in fact, the dealership's process and the salesperson's process are completely different.

Try this exercise with your team. Hand everyone who works with customers a blank sheet of paper and ask them to write out the steps

to a sale. Did they all come up with the same steps? If everyone came up with the exact number of steps and description of the process, congratulations and keep up the good work! If everyone did not, even if they were close, then this is most likely costing the dealership F&I opportunities. Follow the below action plan to make an immediate impact to this issue.

1. Evaluate the process and identify opportunities for improvement. Interview the team and ask them to describe the process. Here are a couple of example questions to ask:

- a. "What factors are considered when you are helping the customer find the right vehicle?" If budget is not mentioned, then the sales process is most likely being extended for the customer. This is due to the salesperson needing to resell them on a different vehicle that is actually in their price range. Thus, the customer is spending extra time with sales for round two of the vehicle presentation, demonstration, and negotiations.
- b. "What do you do while your customer is waiting to get into finance?" Hopefully the answers indicate that they stay with the customer and keep them engaged in the process while waiting. Sadly, this critical transition time is often spent with the salesperson waiting at the sales desk while the customer sits alone in the showroom wondering why it is taking so long. Why does this happen? The salesperson may be selling scared, in a hurry to get to the next deal, or they may not feel comfortable with small talk (a lost art). On the other hand, the customer may prefer to be left alone to text, post on social media, or use other apps on their phone. Whatever the reason, incorporate a tour of the facility during this time to avoid this issue. The tour will fill this down time for the customer with valued knowledge of the dealership, and possibly the automotive industry, and eliminate idle time. We all know that idle time is wasted time that no one enjoys.

Another way to evaluate the process is to pull and review 50 deals to see if they tell a story. Here are some things to look for:

- Look at the deal worksheet. Is the sales team consistently discussing pricing options in the agreed upon way? If payments are included in that discussion, what are they based on?

- See if every deal is coming into the business office at the maximum advance and term.
- Track transaction times to see how long it takes from when the customer says, “Okay, I’ll take it,” to finance receiving a completed deal. This can easily be done if your CRM timestamps the worksheets. Or, you can even begin handwriting the time. However, only consider a deal as completed when ALL the necessary information is provided. A deal that has half the required information will ultimately add time to the transaction.
- Is the F&I checklist being utilized as an aide to get accurate and complete information to the business manager, or is it just another form that “has to be” in the deal?

Evaluating the process can be done internally. However, I recommend a best practice of utilizing a third-party development company to perform the evaluation. This will help avoid any existing internal politics or personality conflicts that may skew the results. Using a third-party will provide a true sense of the customer’s experience. A proper evaluation also provides insight and solutions to make an immediate difference in the sales process.

2. Decide on a course of action and provide total team training. Once opportunities are identified, institute change where it is needed and provide training to ensure everyone is knowledgeable, confident, and efficient with their role in the transaction process. In addition to specific role responsibilities, provide each team member with an overview of what the other members’ roles are within the process. As an industry, several dealerships have adopted a blended F&I approach. During this approach, the sales desk will assume F&I responsibilities and have influence on F&I production. Consider that many sales managers may not have had formal F&I training, or may not have attended a training in quite some time. Having any sales

managers that may be involved/affect the F&I production attend an F&I class will bring additional synergy to the two departments.

3. Inspect what you expect. Utilize a “Save-the-Deal” meeting so the management team can spot check completed deals on a weekly basis. Having weekly checks shows dedication to the plan and ensures it is being used as designed, as well as allows the team to stay on track. Some specific things to look for are:

- a. Is a checklist being used for efficiency or is it incomplete?
- b. What is the average transaction time?
- c. What is the most common down payment amount used?

4. Hold team leaders and managers accountable. This will ensure their direct reports use the process every time. Processes and rules without accountability are just suggestions and leaves too much to chance.

Evaluating and ensuring there is a consistent sales process equates to everyone on the team delivering and utilizing the same process. By being more consistent, it ensures not only a proper turn to a business manager, but a more profitable one as well.

Dwayne Wiggins, F&I University Trainer
DWiggins@AFASinc.com