

Keys to a Successful F&I Department



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When I am asked what formulas are required to operate a successful F&I department, two things must always exist – having a process and being a team player! Ensuring that everyone understands the dealership’s goal and having everyone’s buy-in are critical for this formula to work. Here are some common practices used for producing a formula for success in the F&I department.

Accuracy

For an F&I department to be successful, it must be profitable. Accurate paperwork eliminates problems with funding. Such problems can include Contracts in Transit (CIT), required customer stipulations, or titling issues that can limit cash flow and create a liability to the dealership. Having a system in place to eliminate timely and costly errors will reduce the need to follow up with customers for requirements post-sale. Know your paperwork and understand the importance of each document. You are the expert!

Compliance

Managing your F&I sales process with consistency is the best defense against any liability to the dealership. Every F&I professional should have a comprehensive understanding of the rules and regulations that encompass their role. The retail automotive industry is currently engulfed with more federal and state regulations than any other time. A knowledgeable professional in the business office diminishes the possibility of misunderstandings or legal issues. Another way to show your dealership’s commitment to compliance is to have the F&I team become compliance certified. There are several reputable companies who offer this certification, both online or in an instructor-led format.

Control

It is important that everyone in the dealership supports the process. Unfortunately, it is not enough that everyone understands how business should be conducted in the dealership through a set process. They must also consistently follow that process in order for it to be successful. The finance manager has the control to ensure the entire team supports and follows the process. One of the simplest ways to do this is to practice what you preach. If the team sees the finance manager deviate from the process or take shortcuts, it sends a confusing message to them and devalues the process itself. Skipping or slighting steps will cost

the business office lost income opportunities and the finance manager credibility with the team he/she relies on. Being busy and selling vehicles is a good thing. However, do not use being “too busy” as an excuse to cut out anything necessary just to get customers in and out of the business office. That makes no sense. Hurrying through the customer’s legal documents is never an option. Have a plan and process in place that everyone agrees with to handle a customer’s wait time in the business office. This will help to avoid jeopardizing F&I opportunities with them. Some ways to ensure this process is streamlined for the customer is to be organized, reference the deal jacket’s checklist, or utilize technology where possible. Maintain control of the processes and be consistent in its practice. This will also enable you to see where and how improvements can be made.

Attitude

Our attitude dictates how others respond and react to us. Not only does our attitude instill confidence within our customers, but it also plays a role in the team’s dynamic. F&I should look at the sales team as their real customer and invest some time and knowledge into helping them optimize sales. If F&I can help build the sales team’s business, they will in turn enhance their own F&I opportunities. Never complain or engage in gossip about sales. Be the leader and keep the team positive. Character and attitude are two great companions of leadership. If you maintain control and keep a positive, team-player attitude, a positive F&I culture will follow.

Open Minded

Be receptive to new ideas that can enhance opportunities for growth. Do not allow yourself to become complacent and ignore a good idea. Always seek ways and ideas to elevate your skills and the dealership’s process. For example, technology can improve time efficiencies and role playing with your peers will allow you to practice difficult situations in a controlled environment.

Teamwork

When the sales desk and business office agree where financed deals will be submitted, they will maximize production and increase profits. Having all departments agree on a common goal and always follow the process to reach that goal creates a winning culture. Relationships can and should exist within all departments. Here are some examples where everyone’s cooperation and understanding can be a big advantage to the dealership’s bottom line.

- The service department can provide a variety of referrals for sales and vehicle service contracts (VSC), as they see the highest volume of customer traffic daily.
- The parts department can provide the business office pertinent information that would impact customers when presenting cost saving reasons for adding a VSC and maintenance plan to their purchase. For example, being able to give the customer an actual dollar amount for the vehicle's costly computers and components could drive home the value of a VSC.
- The office staff handles processing and remitting the business office's contracts. If the paperwork is incomplete or other deficiencies exist, the office staff is tasked with obtaining the missing information. This can cause timely delays and a variety of problems from titling to funding. Help the office staff by making sure all paperwork is done correctly and completely before submitting to them. This will also streamline the entire process and increase productivity.

It takes dedication and commitment to build and maintain a profitable F&I department. Your knowledge, experience, and attitude play a large role in the department's formula for success. However, you cannot do it on your own. Ultimately, all the departments need to work in sync towards the same goal to see sustained success.

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