

# Making the Most of **TIME** in the F&I Office



**By: Jennifer Nebrich**

Industry experts, Bill Kelly, Gerry Gould, John Braganini, Ron Reahard, Steve Pearl and Tony Dupaquier, offer advice on how to expedite transactions and improve customer satisfaction

The average time consumers spend on purchasing a new vehicle is almost four hours from start to finish - and most customers agree this is way too long. Once the customer has chosen a vehicle and negotiated the sale, they proceed to the F&I office. There, the F&I manager has numerous products to present, and a growing number of forms and disclosures to deal with due to increasing state and federal regulations. Without unnecessarily adding to the total transaction time, F&I managers must go through all the steps from securing financing and presenting products to the signing of paperwork in a very limited amount of time. We spoke to top trainers and agents and asked them how to achieve customer satisfaction while facilitating an efficient and productive transaction.

## The Bigger Picture

Tony Dupaquier, director of training for American Financial's F&I University, says in most cases the problem with the transaction being too lengthy starts well before the business manager is ever involved. He estimates that 80% of the time,

required information is left out of the deal when it arrives in the business office. He says the front end - not the back end - is the biggest contributing factor to an excessively lengthy transaction. "The issue is not the time it takes for the F&I manager to complete the transaction, it's all that leads up to that," says Dupaquier, "The F&I manager has to spend a lot of time running around getting information and correcting things that are wrong on the paperwork before they can even start their product presentation." He says this still happens around 20% of the time with some of the best, most well trained sales managers.

Ron Reahard, president, Reahard & Associates, Inc., agrees. He believes the issue is not the time a customer spends in the finance office; it's the time they spend waiting to get in the finance office that creates customer

dissatisfaction. "The other issue is whether or not the customer feels the F&I process is adding value or

aggravation to their purchase experience. If the customer feels the F&I person is genuinely trying to help them, they don't care how long it takes. If the customer feels the F&I person is merely trying to sell

them products they don't want and don't think they need, ten minutes is too long."

So what kind of information is it that the business office has to spend time waiting for, looking for, or correcting? An example would be information that was either not obtained or was recorded incorrectly by the sales department, such as copying a customer's address from their drivers license and failing to ask if they still reside at that address. In this situation, when the customer arrives in the business office, the F&I manager has to reprint and correct

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all forms that contain the customer's address – wasting time that could be spent on far more valuable tasks. Other items that are often missing are the new and trade-in vehicles' mileage, payoff amount, and the loan holder's information. "So much time in the F&I office is spent correcting inaccuracies coming from the sales department! And it is a problem nationwide," says Dupaquier.

In addition, if a customer simply has not been made aware of the required paperwork that they must provide – such as title, registration and proof of insurance – having to obtain it when they arrive in the F&I office adds significant time to the deal.

Putting the customer in the right car from the start – one that fits with the amount they wish to pay monthly – can also save an hour or two of what Dupaquier feels is often unnecessary negotiation. "Say the customer says they want to spend \$400 dollars a month but the sales department puts them in a car that will cost \$650 dollars. Then they begin negotiating the deal and it takes an hour and a half to do this. It drives me crazy!"

At a one-price dealership, with fully transparent pricing, the transaction time is significantly less than at a traditional dealership where price negotiating is the norm. According to Dupaquier, at a one-price dealership, the entire transaction could be done in the amount of time it takes to print out the paperwork!

#### **Planning and Managing the Time Spent in F&I**

Before the customer arrives in the F&I office, Steve Pearl, president, The Oak Group, says there are a number of time-saving maneuvers that the business manager can and should engage in. "The deal should be input to the computer for one thing. Another is the F&I manager needs to have a conversation with the salesperson and sales manager about how the transition was structured. The customer needs to be briefed ahead of time on what forms they need to provide, such as title and registration. Finally, the F&I manager needs to ensure the car is being prepared for delivery."

Bill Kelly, partner/owner, Automotive Development Group (ADG), added

that ideally, though it is not always possible, the F&I manager should be prepared with a structured, approved deal and a complete menu. "Title paperwork and other forms that don't affect the numbers can be pre-printed prior to the customer arriving in F&I, so that the time spent in the office is used most efficiently."

"It's not secret agent spy stuff we are doing in the F&I office," says Reahard, "The customer needs to 'see' what that F&I manager is doing - that he or she is preparing their paperwork as quickly as possible. The F&I manager needs to have time to discover the customer's needs by asking questions as the paperwork is being prepared." Reahard says the F&I process has to be totally transparent. "The F&I process should be viewed by the customer as expediting the delivery process, not prolonging it, and this requires F&I professionals to have the ability to multitask."

The actual appearance of the F&I manager's office is not something to be overlooked pointed out Gerry Gould, director of training, United Development Systems, Inc. (UDS). "Many F&I managers don't get their office ready for business and it is in disarray when



the customer enters it." A clean, comfortable office environment sets the tone for a smooth, relaxed conversation with the customer. A chaotic office does not lend itself to making customers feel at ease.

Pearl believes that 45 minutes should be the typical time a customer spends in the F&I office. However if the customer has already been held up for a significant amount of time prior to arriving in F&I, he says it is the responsibility of the F&I manager to complete the transaction more quickly.

### Menu Presentations

Presenting products using a menu offers numerous advantages. According to Pearl, menu selling is a must - and not the old fashion paper menu. "With all the quality menus on the market, it not only makes the sale less confrontational but it also increases the speed."

Kelly points out that the menu is just a tool; proper use of the menu is what makes it work. During their menu presentation, Kelly says the F&I manager should review the deal structure and then present up to eight products.

Kelly says that ADG has developed a two-step method to present up to eight products and deliver a complete menu presentation in five to seven minutes. If a customer has concerns or objections, he trains F&I managers to address those concerns in an additional five to ten minutes. Based on customer surveys, Kelly reports that some manufacturers are guiding dealers towards a 50-minute total transaction - this is from the moment the customer says "yes" to the sales person until the moment they leave the F&I office. However, once a transaction reaches F&I, he thinks the transaction can be completed in even less time. This includes all the necessary steps from credit approval, menu presentation and product sales to the completion of paperwork.

Reahard also believes that the proper use of a menu is key to a well given, succinct presentation. "A menu allows an F&I manager to present multiple products in a brief amount of time, and makes it easier for a customer to buy more products. The fact is, in the F&I office you can only sell two or three products before the customer has had enough, but a customer can buy six or seven products if they're in a package on a menu. That's why the manufacturers offer option packages, and McDonald's has value meals. Grouping products into a package makes it easier for a customer to see the value of buying a package."

John Braganini, principal, Great Lakes Companies, says trying to present too many products to a customer can take up too much time if not done properly. Ideally, he says four to seven products should be presented using a personal, pre-printed menu.

Keeping the F&I presentation to 45 minutes or less is what Gould recommends as a best practice. He describes step-by-step how to deliver a presentation in just more than a half hour: "First, review each DMS screen in front of the customer. It should

take no more than three to five-minutes to verify and gather information from the customer. Printing paperwork should take no more than eight to ten-minutes. A product disclosure/menu presentation should be no more than three minutes. This should be precise and to the point - no selling or lengthy descriptions. Handling customers concerns over purchasing products should be less than ten minutes. Finally, signing the paperwork should take no more than eight minutes."

Gould emphasizes the importance of delivering a feature presentation without including the benefits statements. He says an initial focus on selling, rather than telling adds unnecessarily to the time spent in F&I and wears the customer out. Developing a presentation that presents each column

of the menu as one complete option narrows the customer's choices and allows the presentation to be done more swiftly. "Each product should be described in no more than two or three sentences and the description should only point out what the product does. For example, to describe a tire and wheel product, you would tell the customer, "Tire and wheel coverage pays to replace or repair tires damaged by a road hazard for the next five years. A road hazard is anything that's not supposed to be in the road." A simple, yet concise explanation of coverage works best.

### Advice from the Experts

The most often repeated advice Braganini gives to F&I managers is: "personalize everything and project confidence." He emphasizes good presentation skills, having a prepared menu and loading the deal in the DMS before the customer's arrival. By doing all of these things, you will be ready for an effective conversation with the customer.

There are several sayings that Pearl has used many times through the years.

- "No one has the right to say no for a customer. Be sure the customer is presented all the products available."
- "If a customer says no the answer should be 'ok'. This totally diffuses the customer's barriers. You can then circle back at a later point."

And this leads to his last piece of advice... "Conversation not confrontation." Be able to discuss the pros and cons rationally and logically without putting it in the customer's face.

Gould says rather than waiting on a customer to be dropped off in the F&I office, F&I managers should be proactive. "Get off your axle and meet the customer in the showroom!" Then, when giving the presentation, he advises F&I managers to "tell" initially and "sell" once you have the customer's attention.

Take it from the pros - incorporate these tips and time saving tricks, and you will find a great starting point for improving efficiency, and streamlining transactions. The result? Satisfied customers and profitability in the F&I office. ■