



# **Boost F & I Profits Now!**

by **Hector Bosotti**

**One of my more common assignments over the past few years has been to assist dealerships with their sales departments. My usual protocol is to spend at least a day or two investigating their procedures, identifying opportunities and deficiencies then reporting my observations and strategies for improvement to the dealer or the management team in some cases. With few exceptions, the dealer almost always commences a sales department tune up with the sales people and rarely starts with sales managers or the F & I managers. One of the quickest and least expensive strategies for increasing sales departments' bottom lines is boosting F & I profits.**

**Many dealers will look at performance group statistics as a benchmark to assess their Business Office performance and are generally satisfied as long as they are not on the wrong side of the page. The reality today however, is that accepting \$500 per unit sold from the Business Office is simply not acceptable. We work with Business Managers across the country that consistently average between \$1000 and \$1500 per unit sold regardless of the manufacturer, what interest rates or warranties are included. These individuals are true professionals and are paid handsomely for their results.**

**A common reaction that I find many dealers directed towards when they are looking to improve their F & I profits is to start adding products or services that may or may not be in the best interest of their customers. Top Business Managers consistently do an excellent job selling the core products and services offered by most Business Offices: financing, insurance, extended warranties and vehicle protection products. Before you look to diversify your product offerings in your F & I department, ensure that your Business Managers have reached their potential in these four core products. The following is a checklist that you can use to identify opportunities:**

- **If you have an extraordinary number of cash transactions occurring in your dealership, your Business Manager may not be knowledgeable or competent at converting cash buyers into payment buyers. Even with low interest available today through secured lines of credit, paying cash or using a credit line may not be in a customer's best interest. There are many pitfalls in using a line of credit that most people or even Business Managers are unaware of. Most people have never read their line of credit agreement or realize the credit trap that they can fall into. Paying true cash from savings for a vehicle can also not be in a customer's best interest if they have any outstanding credit/department card balances, loans, mortgages, have not fully contributed to either their own or their spouse's RRSP's,**

**Hector Bosotti is a consultant and trainer for the Wye Management Group and has over 25 years of retail automotive experience whose success has been founded on 3 key elements: People, Process & Training.**

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**The Wye Management Group offers in-dealership consulting and hosts workshops coast to coast. For more information or a proposal, visit [wyemanagement.com](http://wyemanagement.com) or contact their toll-free number 1(888) 993-6468.**