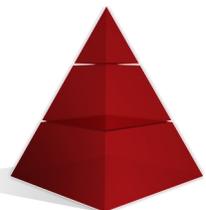


IMPROVE PERFORMANCE NOW!

Use the following checklist as a tool to identify areas of opportunity. Rate yourself on a scale of 1 to 10 (1 being poor, 10 being excellent).

Business Office Elements	Rating/Comments
1 - My Attitude?	
2 - My Product Knowledge?	
3 - My F&I Sales Process?	
4 - My Product Presentations?	
5 - Overcoming Objections?	
6 - My Closing Skills?	
7 - My Mood at Time of Turnover?	
8 - Number of Products Offered?	
9 - Educating the Dealership Staff?	
10 - Statistical Analysis?	
11 - External Factors?	
12 - Proper Staffing?	



IS YOUR BUSINESS OFFICE NOT GENERATING THE INCOME THAT YOU WANT and DESERVE?

The following will provide you with a guide as to what areas of your Business Office might offer opportunity or require improvement:

1 - My Attitude:

A. It is far more difficult to sell a product or service that you don't believe in. Symptoms that might indicate that you don't have conviction in the products you offer are:

- ⊗ no extended warranty on your personal vehicle
- ⊗ no vehicle protection applications on your personal vehicle
- ⊗ no loan protection on your finance or lease agreement for your personal vehicle

Whatever reason you have for not having some form of protection on your personal vehicle is likely an objection that your customers will have for you, and one that you find difficult to overcome. A lack of in-depth product knowledge is often the root cause for a lack of belief in Business Office products. (e.g. the Business Manager may not be fully aware of the limitations of the manufacturer's mechanical, corrosion, paint or tire warranties that come with the vehicle; not knowing what rust is or what causes it, what damages paint or what causes it to start to fade or why the interior of a vehicle needs interior protection even if no one eats or drinks in the vehicle; not knowing the cost to replace a tire or rim).

This situation could simply be a result of vicarious learning without any formal training. If you suspect that you could have a lack of belief affecting performance, you can quickly identify this with a complimentary telephone consultation with f-iresource.com

B. Prejudging customers wants, needs or desires also effects a Business Manager's mindset resulting in poor performance. This occurs as a result of several situations:

1. The salesperson contaminates you by creating fear of losing the deal if you attempt to sell them too much.

2. You see that the customer is leasing the vehicle or the salesperson tells you that the customer won't be keeping their vehicle for very long so you assume that the customer would have no interest in an extended warranty or vehicle protection products.

3. You review the credit application and/or the credit report and feel empathy for the customer so you neglect to present all of the Business Office products that the dealership has to offer.

4. Your presentation is too long and you feel pressure from salespeople and sales managers to "hurry up" your turnovers resulting in ineffective product presentations.

5. "These people never buy anything" is a comment heard as a result of stereotyping customers. A few unproductive turnovers with a few customers that share a common demographic can taint your mindset.

6. A sales slump in the Business Office perpetuates the slump. You (unfortunately) believe that your next customer will not buy anything because the last several didn't. This either creates a fear of failure or rejection that inhibits all of the products being offered with enthusiasm, conviction and assertiveness.

Finally, are you following the Business Manager's Oath?



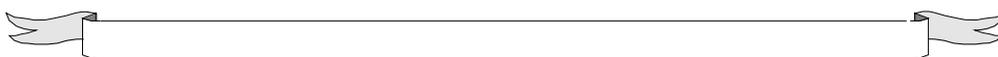
I will present...

100% of my products to

100% of my customers with

100% enthusiasm

100% of the time.



2 - My Product Knowledge

If your customer is not enlightened during the presentation, there's a good chance that you are not creating enough of a need and value in the products that you offer. A lack of product knowledge is usually at the root of a lack of performance. Not showing and fully explaining to a customer the limitations of the manufacturer's mechanical, corrosion, paint and tire warranties is a recipe for poor performance.

Further, not being fully versed with all features, benefits and frequently asked questions of the product and the information provided via your supplier's brochure, warranty certificate and website can also cause poor performance.

Consider a complementary telephone consultation with f-iresource.com to determine the need and plan to assist you in acquiring further product knowledge.

3 - My F&I Sales Process

There are several sales processes that Business Managers use today:

- A. Step Selling
- B. Menu Selling
- C. Staggered Selling
- D. Sandwich Selling
- E. Load, Lock and Fire (Shock and Relief)

All of these sales processes can produce excellent results and whichever process you elect to use will simply be a matter of dealership and personal preference. A Business Manager might elect to use a Menu or a Load, Lock and Fire sales process if there is a myriad of products offered. Some Business Managers will use a combination of processes. For example, you could "step sell" creditor insurance and then "menu" vehicle protection products and an extended warranty.

A trending F&I sales process is to stagger the turnover. This is an ideal method for busy sale days or when multiple sales have occurred at once. The Business Manager sees the customer but only sells the tangible products that need to be applied to the vehicle. Extended warranty and creditor insurances are sold at the time of delivery. This does require two turnovers but many dealerships have moved to having their customers complete the documentation at delivery with the Business Manager *first* to ensure accurate paperwork.

Establishing and following an organized sales process ensures that you are consistent with every customer, offering ALL of your products and services on every turnover. An organized sales process allows you to focus on the actual presentation of each product, rather than concentrating on what to talk about next, and in what order. This makes your entire turnover flow smoothly and seamlessly from one product to the next. Your customer also senses that you are organized and logical in your approach. This makes *you feel* more confident and *look* more confident in the eyes of your customer. An organized sales process also ensures that components of your turnover aren't forgotten (e.g.: completing a customer statement). Top performing Business Managers follow an organized sales process. You should consider which sales process will work best for the "culture" of your dealership and also consider experimenting month to month to determine which one will work best for you.

4 - My Product Presentations

A powerful product presentation consists of four objectives:

1. Create a need (and curiosity) for a product by informing the customer what coverage they have on their vehicle and the limitations of the manufacturer's coverage.
2. Provide a solution: Share with them what you have to offer.
3. Review with the customer the features and benefits of the product.
4. Close with options.

If your presentations do not satisfy these objectives, they need to be revamped. Many Business Managers that struggle do not have their presentations documented which might indicate that there is a fair share of adlibbing going on throughout the presentation. This signals that there could be a lack of consistency in the presentations and not every customer is being provided with the same quality presentation - giving them every opportunity to buy the dealership's Business Office products.

Poor product knowledge or the lack of facts, statistics, features and benefits in your presentations also could inhibit productivity. Telling a customer about a warranty, feature or benefit without **SHOWING** the customer does not improve performance.

Presentations or turnovers that are too long are not customer-friendly or friendly to the sales staff and sales managers. Too short of a turnover indicates

that the Business Manager is rushing through his/her presentations without stimulating a need and creating better value in the products that are offered. There is a balance that must be perfected so time your turnovers to better gauge what improvements should be considered.

Another common observation with Business Managers that have had no formal training is that they “wing it” from the get-go. Training here would also be a wise investment.

5 - Overcoming Objections

An objection is a statement or a situation that prevents us from moving forward to close a sale. A rebuttal is an attempt to change the customer’s perspective using logic, analogies and sometimes humour. They can be very clever or funny as long as they get the customer to do what you want them to do. Being prepared with an arsenal of rebuttals is a Business Manager’s responsibility.

Some of the most common objections that are heard in Business Offices today are:

- ◆ *“I’ve got plenty of life insurance.”*
- ◆ *“I’m covered for that at work.”*
- ◆ *“The vehicle has a 5 year mechanical warranty.”*
- ◆ *“I won’t be keeping the vehicle that long.”*
- ◆ *“I’m leasing it. I don’t need any of that stuff.”*
- ◆ *“I had a warranty of my last vehicle and I never used it.”*
- ◆ *“The vehicle already has a corrosion warranty.”*
- ◆ *“It costs too much.”*
- ◆ *“I’ll take my chances.”*
- ◆ *“I’ll think about it and get back to you.”*

These are just a few examples and there are many more. If you are not competent at overcoming these most common objections, you will never reach your potential. Ask yourself if you are able to overcome these objections **CONFIDENTLY, CLEARLY, CONCISELY and CONFIDENTLY?**

6 - My Closing Skills

If you are closing with a “Yes” or “No” strategy, change it immediately. Close with options and allow a customer a way to find a solution that will best suit their needs and financial budget. The classic TABOO close that is heard in Business Offices to this day is “*So, do you think you’d be interested in something like that?*” YIKES!

7 - My Mood at Time of Turnover

Is a Turnover at your Dealership a Celebration?

Have you ever personally purchased or leased a newer vehicle? It’s pretty exciting and it makes you feel special doesn’t it? You must take advantage of the emotional feelings that a customer experiences when purchasing or leasing a vehicle. Some ingredients in making a turnover a celebration are:

- ☺ COMPLIMENTING THE CUSTOMER’S CHOICE.
- ☺ REASSURING THEIR DECISION.
- ☺ GAINING THEIR TRUST BY INFORMING THEM WHAT IS GOING TO TRANSPIRE.
- ☺ FUELING THEIR EMOTIONS.
- ☺ RELAXING THE CUSTOMER AND OFFERING HOSPITALITY.
- ☺ BUILDING RAPPORT: DURING MEETING AND GREETING AND DURING THE CREDIT APPLICATION, ASKING QUESTIONS ABOUT THE CUSTOMER’S PERSONAL LIFE, WORK AND INTERESTS

People buy from people they like and trust.

8 - Number of Products Offered

How many products should you sell?

Most Business Offices will sell three of four core products:

1. Creditor Insurances
2. Extended Warranties
3. Vehicle Protection
4. GAP Protection

Other products sold such as theft deterrents, accessories and other insurance products are usually deemed to be secondary products. Many poor performing

Business Offices gravitate to secondary products to make up for the lack of performance in the core products. This is a “band aid” solution that will unlikely yield improved overall profits.

The reason for poor performance in the three core products is usually one or a combination of these root causes:

- i. The mind set of the Business Manager**
- ii. A lack of product knowledge**
- iii. A low level of enthusiasm**
- iv. A low level of assertion and conviction**
- v. A poor presentation**
- vi. Unable to overcome common objections**
- vii. Closing with a ‘Yes” or “No” strategy as opposed to closing with options**
- viii. Not presenting all of the products offered at the dealership**
- ix. Pressuring a customer to buy**
- x. Too short or too long of a presentation**

The two most common sales processes of a Business Manager are:

- 1. Step selling and**
- 2. Menu selling**

If you have too many products and services to offer and you are step selling, the turnover will likely be too long, confrontational and not very customer friendly. Most Business Managers will subsequently use a Menu strategy to shorten turnovers when there are a myriad of products to offer.

A Business Office should add product offerings only after an acceptable level of performance is achieved in the three core product offerings.

9 - Educating the Dealership Staff

Do your Salespeople, Sales Managers, Service Advisors and Service Manager Believe?

It’s difficult to endorse or sell a product or service that you don’t believe in. Even if you bonus or “spiff” your people on the sale of F&I products, many will not endorse them for their ethical reasons. This is a relatively quick fix for most dealerships by having as little as a half day training session on the “Importance and Value of the Business Office Products and Services. You can do it yourself or hire a professional trainer to develop and facilitate a customized session for

your entire team. Why keep trying to push water uphill? If your team believes in what is sold in the Business Office, they will gladly endorse your products.

10 - Statistical Analysis

If you are not recording your sales results; the sales penetration levels of each of your products and gross profit per transaction, it's unlikely that you will be motivated to improve. Dealerships, performance groups and manufacturers measure Business Office performance and compare results to similar size dealerships, brands, demographics or geographic regions. It's one of the quickest ways to determine what product lines need improvement. Once identified, develop an action plan that will allow improvement in that specific area. You can consult your suppliers or F&I Trainers/Consultants to assist you in your quest. You cannot manage what you cannot measure.

11 - External Factors

Manufacturer Incentives, Cash Deals, Lines of Credit, Leasing and Extended Manufacturer Warranties

These are trends in the marketplace. They can sometimes provide the rationale for accepting declining or poor performance in the Business Office; external factors allegedly beyond their control.

There are Hyundai and Kia Business Managers that generate over \$2,000 per transaction (with a 5 year comprehensive warranty that comes with the vehicle) and there are others who work for those brands that generate less than \$500 per transaction.

There are premium/luxury brand Business Managers who work in dealerships where leasing penetration levels are at 70% (or more) who generate \$2,000 per transaction and those that generate less than \$500 per transaction.

There are dealerships where either cash incentives from the manufacturer are abundant or the demographics of their dealership draws many customers who pay for their vehicle with cash or use their lines of credit.

These are common situations that can prevent you from selling more products and as such, if there is any trending objection preventing you from generating more income, you need to develop or acquire the necessary rebuttals or sales strategies to overcome them.

12 - Proper Staffing

A single Business Manager can normally handle 50 to 70 turnovers per month with profitability and customer satisfaction. Beyond that, financial performance will often decline. Ensure that you have the proper staffing according to your annual sales volume.

Some dealerships who do not quite have the volume to justify a second Business Manager will hire an administrator to assist the Business Manager. This is an excellent solution. Unfortunately, when a dealership trains a salesperson to become a part-time Business Manager to help fill the gaps in scheduling, they usually lose this person to another dealership; once the salesperson acquires the “taste” for the Business Office they often wish to pursue a full time career elsewhere.

It is absolutely imperative that if there is more than one Business Manager in the dealership, they all be on duty during peak sales periods. It is extremely frustrating for salespeople, sales managers and customers alike when there are long waiting times for a single Business Manager on a busy selling day.

Having a lack of coverage promotes haste and waste. It is not uncommon to see a single Business Manager make a respectable income from a high volume of sales yet producing poor gross dollars per transaction/unit sold.

For further assistance or consultation, please contact:

1♦855♦832♦0999 or info@f-iresource.com

