

AMAZING BUSINESS MANAGER

newsletter for progressive Business Managers  Canadian Edition

The new vehicle, used vehicle, service and parts departments ALL benefit from a strong and vibrant dealership Business Office.

f-iresource.com is dedicated to assisting dealerships in improving this critical department by providing a wealth of the industry's latest F&I news, information pertaining to F&I products and sources, training and tools.

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Are you a strong performer?

The job of Business Manager is divided into two distinct areas: sales and administration. Although having strong administrative skills is important and certainly relieves a lot of paperwork headaches in a busy dealership, most Dealer Principals measure the "strength" of their Business Manager based on their sales results.

Some Dealer Principals focus on

"product penetration" - the percentage of customers sold a specific business office product. For example, if 100 retail vehicles were delivered in January, and 50 extended warranties were sold, then the "penetration" was 50% (note: when calculating your penetration, remember to subtract from the "retail deliveries" the vehicles or customers that don't qualify for your product).

Most Dealer Principals, however, focus on "gross \$ per car" - the total gross profit earned by the business office on each deal.



This measurement allows dealers to compare the performance of their *Continued on page 3...*

MENUS and your Oath

Amongst professional business Managers there exists an implied oath that we affectionately refer to as "The 4 100's":

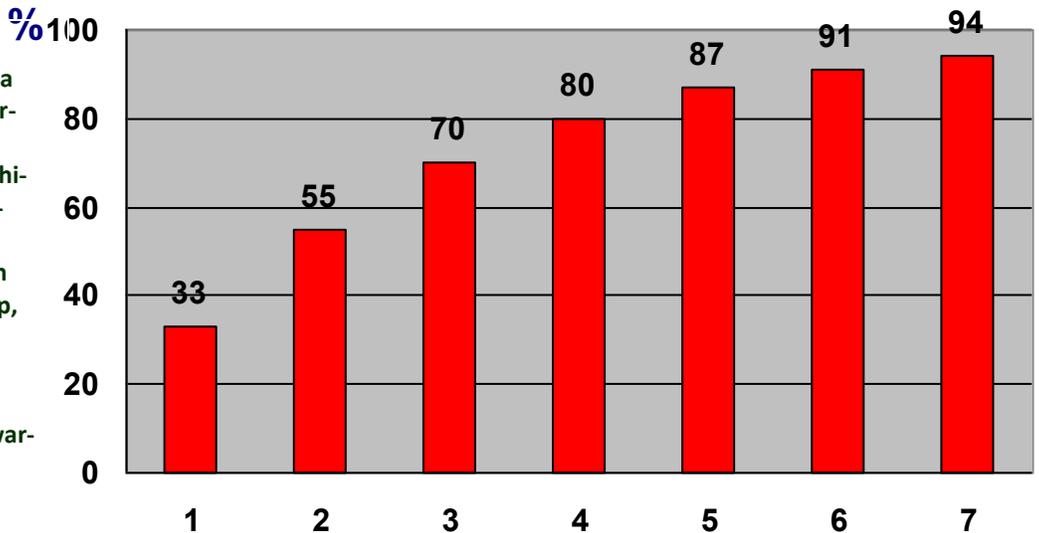
- 1 - I will present 100% of my products
- 2 - to 100% of my customers

- 3 - 100% of the time
 - 4 - with 100% enthusiasm
- Presenting a Business Office MENU to each and every customer ENSURES that you live up to your oath, and more importantly do the

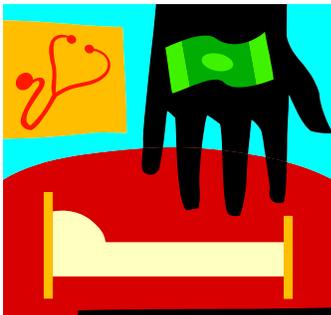
"complete job" with every customer. You will also protect your dealer from legal actions that result when products such as creditor insurance are not offered to customers. ■

Probability Of Using A Warranty

This graph represents the probability of using either a factory or an extended warranty. The horizontal axis indicates the age of the vehicle. The vertical axis represents the probability of claiming. As an example, in year 6 of vehicle ownership, when there is no factory comprehensive warranty, there is an 91% chance of claiming on an extended warranty! Source: O.A.D.A.



Workplace insurance: the math



Workplace disability insurance may cover up to 66% of your customer's income for 6 months. Example:

Customer's Gross Monthly: \$4000
 Customer's @ "take home" 2800
 Workplace Disability (66%) 2640
 Shortfall @ 160

After six months the coverage is often reduced to 60% and if the employer pays a portion of the premi-

ums, long term disability benefits from work are fully taxable!!!

Customer's Gross Monthly: \$4000
 Customer's @ "take home" 2800
 Workplace Disability (60%) 2400
 Income tax (@30%) - 720
 Long term disability benefit 1680
Shortfall -1120

This customer needs *your* disability insurance to cover their shortfall!

"I'll buy the extended warranty later."

SELLING TIP:

To help overcome the objection "I'll buy the extended warranty later", consider providing an added incentive to purchasing an extended warranty NOW such as a discount or 3 free oil changes.



"I hope you don't mind me saying this, but in my experience as a Business Manager, I've met many people that have had the same good intentions. But three years from now when you've been driving a vehicle that's been trouble-free (and that you've enjoyed), it's not likely

that you'll put a note on your fridge to run down to the dealership and pay cash-out-of-pocket for an extended warranty.

Unfortunately, people don't see the benefit during the first three years of vehicle ownership, but rather in years 4, 5 and 6. Then it's too late to invest in

the coverage. I can include the coverage in your monthly budget today for \$27 a month (or about \$0.90 a day). You're also protecting yourself from future price increases on the coverage and changes in the covered items. Can we add it to your agreement?" ■

Are you a strong performer?

Business Manager with other dealerships that may sell more or less vehicles.

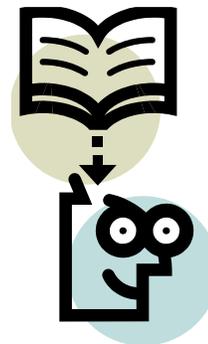
The chart on the far right represents a guideline of performance across Canada considering all franchises. The figures do not include documentation fees.

Each category displays a range, accounting for the fact that some franchises (such as Chrysler) have

traditionally been very successful in the Business Office and should look at the higher end of each category as a guideline. On the other hand, a franchise such as Kia might judge themselves based on the lower end of each category since they are a relatively new franchise system and may not have as much experience in the Business Office as a

Chrysler dealer. Hyundai currently offers the strongest factory warranty in the industry, which negatively affects extended warranty sales. However, it should be noted that each franchise has both advantages and disadvantages in the Business Office. Most tend to “balance out” providing a “level playing field” of performance. ■

(Cont'd from page 1)



Warranty booklet helps sell

Prior to presenting rust inhibitor to your customers, take the time to review your manufacturer's warranty booklet. State what “is covered” under the corrosion warranty along with “what is not covered”. For example manufacturers only cover

sheet metal panels (the painted parts) that rust as a result of defective metal or poor craftsmanship (vehicles rust because of moisture). Manufacturers specifically *do not* cover rust as a result of atmospheric conditions (acid rain), weather conditions

and ROADSALT - yes, it's written right in your warranty booklet! The manufacturer also does not cover rusting of the entire underbody, wheel well areas, trunk area and engine compartment. ■

Selling your secondary products

Consider selling your secondary products such as accessories, theft deterrent systems, GPS systems, etc. by creating a simple catalogue brochure for your customers or a digital frame presentation. Using a digital camera, photograph the products

that you wish to offer and provide “installed pricing” along with approximate monthly payment amounts. Offer the catalogue/booklet at the end of your turnover; “*By the way Mr. Smith, here at the dealership we have a number of accessories and other prod-*

ucts that allow you to personalize your new vehicle. You can include any of them in your monthly payment. Take this catalogue home with you, review it and give me a call to let me know what you'd like added to your vehicle.”■

SELLING TIP:

When time is limited during turnovers, utilize CATALOGUES that customers can take home to help sell your secondary F&I products.



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ANALYSIS
SOLUTION
PROCESS
OBJECTIVES
TEAMWORK
VISION
SALES

"Sometimes only a change of viewpoint is needed to convert tire-some duty into an interesting opportunity."

Entry Level
Business Manager's
5 Day Program

May 16-20
Toronto

1+888+993+6468
wyemanagement.com

On the lighter side...

PERFORMANCE EVALUATIONS

For everyone who has ever had an evaluation - just remember, it could have been worse. These are actual quotes taken from Federal Government employee performance evaluations.

1. "Since my last report, this employee has reached rock-bottom and has started to dig."
2. "I would not allow this employee to breed."
3. "This employee is really not so much of a has-been, but more of a definite won't be."
4. "Works well when under constant supervision and cornered like a rat in a trap."
5. "When she opens her mouth, it seems that it is only to change feet."
- 6 "This young lady has delusions of adequacy."
7. "He sets low personal standards and then consistently fails to achieve them."
8. "This employee is depriving a village somewhere of an idiot."
9. "This employee should go far, and the sooner he starts, the better."
10. "Got a full 6-pack, but ! lacks the plastic thingy to hold it all together."
11. "A gross ignoramus -- 144 times worse than an ordinary ignoramus."
12. "He doesn't have ulcers, but he's a carrier."
13. "I would like to go hunting with him sometime."
14. "He's been working with glue too much."
15. "He would argue with a signpost."
16. "He brings a lot of joy whenever he leaves the room."
17. "When his IQ reaches 50, he should sell."
18. "If you see two people talking and one looks bored, he's the other one."
19. "A photographic memory but with the lens cover glued on."
20. "A prime candidate for natural de-selection."

Wye Management now provides 1 day in-dealership training programs for salespeople titled:

The Importance of the Dealership Business Office

Let our professional trainers work with your sales and management team to get them excited and supportive of your F&I Department!

Call Anne Preston at 1+888+993+6468
or e-mail apreston@wyemanagement.com