

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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Gather more information before your turnover

Before you sit down with your next customer, try gathering information from these sources:

- 1 -The customer's trade-in or off lease vehicle
 - 2 -The previous deal if it's a returning customer
 - 3 -The service history if the customer ever serviced at your dealership
 - 4 -The equipment level on the newer vehicle
 - 5 -The salesperson
- The next time that you become aware that you will be seeing a customer for a turn-

over and the customer has a trade-in or a maturing leased vehicle, review the appraisal and go out to see it. In doing so, you'll discover valuable information that will allow you to develop instant rapport with your customer and use it to tailor your presentations and closing strategies. Here are some examples:

- ▶ Check the vehicle mileage and equipment level.
- ▶ Were vehicle protection products applied to their last ve-

- hicle?
- ▶ Was there an extended warranty?
- ▶ Are there any stickers or parking passes?
- ▶ Is there a trailer hitch?
- ▶ Are there child seats, sports equipment, tools, etc.?

Any of these will allow you to discuss lifestyle uses with the vehicle which may assist in building more rapport and prompt questions regarding the need for vehicle or loan
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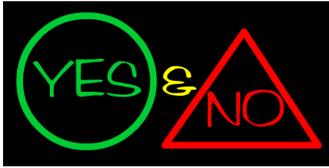
Improve the turnover from your salespeople:

You can quickly improve poor turnovers from your salespeople. Formalize what you want them to say and enthusiastically train and coach it. A popular strategy today is to *not* to have your salespeople tell

your customers that you're going to show them some various protection plans. Rather, have them tell your customers that you will simply be setting up their new account with the lender, reviewing their warranty coverage from

the manufacturer (as well as some of their options) and setting up a delivery date. *Don't have them tell your customers that you're going to sell them stuff!* In this way, your customer don't arrive with their wall up.

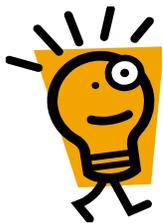
Never close with a “Yes” or “No” strategy



Words of Wisdom!

If you don't remember the concept from your high school physics classes, entropy, in its simplest definition, is the “inevitable and steady deterioration of a system or society.” So, how do you prevent this from happening to your F&I presentation?

Well, we recently read that 86 percent of fresh knowledge learned will be lost in 90 days if it is neither reinforced nor used consistently. Are you operating at 14 percent effectiveness? Practice what you learned at your last training workshop and you'll see your sales results soar!



More often than not, many Business Managers will present their vehicle and loan protection plans and attempt to close by asking their customer this question: “Is that something you'd be interested in?” This is a “Yes” or “No” strategy which simply gives the customer an option to easily say “No.”

Try changing all of your closing strategies by offering your customers choices. If you are step-selling your products, offer 2 to 3 levels of coverage. Here is an example:

“There is a 6 year/120,000 km plan,

a 7 year/140,000 plan or an 8 year/200,000 km plan. Which one of these plans would work best for you?”

This is known as an assumptive closing technique and why MENU selling strategies have grown in popularity over the years. Using a menu assumes that the customer will take out some coverage; the decision for the customer is not if they will take out vehicle or loan protection but rather which option they will take.

Implement these strategies today and you'll avoid objections that will be difficult to overcome. Instead, lead yourself to soaring sales.

Fix your poor insurance sales today

If you were a Dealer Principal and had a product that was sold in the Business Office with a 5% penetration rate, would you keep that product? The answer is “yes” if 5% of your customers appreciated its value. What about the other 95%?

If you only sold oil in your oil change service that was priced at \$25/litre, you would probably sell very few. A wise service department would naturally carry lower priced oil that perhaps wasn't as effective or lasted as long as the higher priced oil but it would still get the job done and satisfy most customers.

This is the best analogy we've come across as to why dealerships may need to add less expensive creditor insurance products to their offerings - not to replace what you currently have but to offer a choice to your customers.

Many customers would love to take comprehensive creditor insurance products but simply can't afford them. With inexpensive solutions that provide customers with partial coverage, is it not your ethical duty to provide them with options - not to mention what it will do for your Business Office performance.

“I think I'll pass on the payment protection.”

This is one of the most popular (and fun) rebuttals to an objection for a customer not wanting to include disability coverage:

“If you get sick or hurt and end up in the hospital, I can send you a get well card. If you have this coverage, I can send you a cheque. Which would you prefer?”

Humour and logic is used here to change a customer's perspective. Use these two key elements to develop your own rebuttals.

Gather more information before your turnover (Cont'd from page 1)

protection. Another strategy for you to collect more information about your customer is to pull the old deal agreement or bring it up on your computer screen if the customer has purchased or leased from your dealership previously. This will give you an insight as to what vehicle or loan protection products were purchased on the last transaction which can lay a founda-

tion for repurchasing them on their next. If they didn't purchase any protection, you can check the service history to see if they had any type of repairs that they had to pay for or ones that were covered under the factory warranty.

Many Business Managers will also take a look at the equipment level of the new vehicle the customer is buying. With many

new models laden with new technologies, multi-media centres and communication capabilities, the probability of a non-mechanical breakdown increases dramatically. This will allow you to create a need for an extended warranty.

Talk with the salesperson who just sold or leased your customer a vehicle. Ask him/her to profile the customer to you and

share any information that will be valuable to you. Be careful not to get contaminated; some salespeople will tell you not to sell their customer anything because they're afraid of losing the sale.

Remember your Business Manager's Oath to present all of your products. Be pro-active and you'll discover new ways to sell more products.

Educate customers as to the value and need for an extended warranty:

Today's vehicles are laden with convenience features and space-age technology that are truly amazing. Manufacturers have done a truly amazing job in building more mechanically-sound vehicles today; after all, most manufacturers offer a 5 year/100,000 km powertrain warranty coverage or better.

However, it is most often the non-mechanical components that are more susceptible to breakdown. When you buy any audio-visual equipment, a computer or home entertainment system, why is it that

these products usually only come with a 1 year warranty with limited extended warranty options? It's because the components are not designed or manufactured to last longer.

A keyless remote receiver on a vehicle could cost \$800 for the part alone plus labour to replace. A load-leveling module could cost over \$500 plus the labour. A traction control or ABS module can cost a customer over \$900 without batting an eye. These are relatively easy problems to correct, yet the costs can quickly add up over a few years.

Do some homework with your service department to determine common non-mechanical repairs that many customers experience after their factory warranty runs out and create a point of sale template that you can show your customer. You're not trying to create fear but rather simply educating them on the possible expenses that they can be faced with. Having some work orders on hand to back up your claims adds tremendous credibility. Effective sales strategies pulls customers to buy and doesn't push them.



SELLING TIP:
Always offer your best level of coverage. If it's too expensive, peel it back to suit your customer's budget.



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“Genius is seldom recognized for what it is: a great capacity for hard work.” Henry Ford

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On the lighter side...

A businessman walked into a New York City bank and asked for the loans officer. He said he was going to Europe on business for two weeks and needed to borrow \$5,000. The loan officer said the bank would need some security for such a loan.

The business man then handed over the keys to a Rolls Royce that was parked on the street in front of the bank. Everything checked out and the loans officer accepted the car as collateral for the loan. An employee then drove the Rolls into the bank’s underground garage and parked it there.

Two weeks later the businessman returned, repaid the \$5,000 and the interest which came to \$15.41. The loans officer said, "We do appreciate your business and this transaction has worked out very nicely, but we are a bit puzzled. While you were away we checked and found that you are a multimillionaire. What puzzles us is why you would bother to borrow \$5,000?"

The business man replied: "Where else in New York City can I park my car for two weeks for fifteen bucks?"



A traffic cop flagged down a motorist and said, "I'm arresting you for going through three red lights."

"Yeah, well, I'm colour blind," said the motorist.

"In addition to that, you were exceeding the speed limit," said the policeman.

"So what?" said the motorist.

"And on top of all that you were going the wrong way down a one-way street." added the officer.

"I always did have a lousy sense of direction," said the motorist with a smile."

At that point, his wife leaned forward from the back seat and said, "Don't pay any attention to him, officer. He always talks like this when he's had a few drinks."

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**