

# 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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## New Cash Conversion videos!

**Cash Opportunity Table:**

Credit / Department Store Cards
Lines of Credit, Loans, etc.
Mortgages (home or investment properties)
RRSP's (fully contributed for you and your spouse?)
Tax Free Savings Account
RESP's (fully contributed for your children or grandchildren)
Emergency Funds (3-6 months living expenses in reserve)
Investment Opportunities
Home Improvements/Renovations
Vacation/Recreation
A Family Gesture



For years, Business Managers have had a monumental task of trying to convert their cash-paying customers to dealer plan financing with little or no success. With the ever-increasing love affair that Canadians are having with their lines of credit and with in-

terest rates unlikely to rise in the foreseeable future, cash transactions continue to plague dealership Business Offices. Cash deals hurt everyone; that is until now.

**f-iresource.com** has developed consumer videos that Business Managers can use on a turn

over to convert more customers from cash to dealer plan financing. It takes just a point and click to pop up the appropriate video (**cash from savings or cash from a line of credit**) and in a few minutes, customers are easily convinced to choose better options that a

*(Cont'd on page 3)*

## Improve your P.O.S. materials:

Most Business Managers still use basic brochures that their suppliers provide them. While some brochures are very engaging and descriptive, many Business Managers have

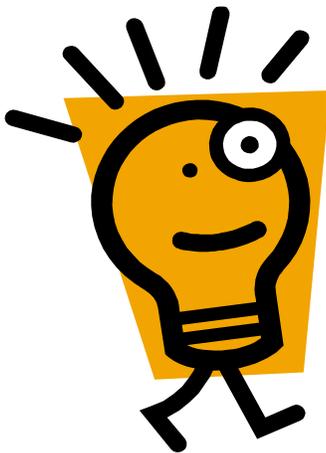
started to develop their own personal and customized presentation materials that better depict what they are presenting to their customers.





### **SALES TIPS:**

**Take a walk out to a customer's trade-in or off lease vehicle. You can gather a lot of information about their lifestyle and how they use their vehicle which will allow you to build more rapport. Check if they have any vehicle protection applied to the vehicle while you're at it.**



## Tips on taking a credit application:

When getting to the residence status of a credit application and your customer indicates that they are home owners with a mortgage, ask if they have life or disability coverage on their mortgage.

If they rent, ask if they have renter's disability coverage – no one has it and your customers will likely not know what it is. It's coverage that will pay their rent if they were ill or injured and unable to work.

Leverage their answers to segue into your insurance presentations.

**If the customer has insurance on their mortgage, use this introduction:**

*"Just as your home mortgage is protected, the loan/lease balance will also be paid leaving the vehicle as an asset as well. People usually insure their two most valuable assets – their home and vehicle."*

**If the customer has private life insurance:**

*"Since your mortgage will be looked after with the private policy that you have, you can maintain the value of the balance of those funds for you family's surviving needs by covering the loan/lease balance on the vehicle leaving it too as an asset and not a liability to your family."*

**If you customer rents:**

*"Although you'll still have to pay the rent should you be off work due to an illness or injury, at least your vehicle payment will be made for you and that's the one that shows up on your credit report."*

**If you offer unemployment coverage, modify your statement as follows:**

*"are laid off or even lose your job..."*

## Why pre-approvals are growing in popularity:



Pre-approvals are certainly not a new idea but they are generally reserved when a salesperson discovers that their customer may perhaps have some credit issues in their past that may interfere with a prime approval.

Today, a growing trend is to offer each customer that visits, calls or e-mails the dealership a pre-approval. If the customer accepts, the salesperson will introduce their customers to the Business Manager where he/she will complete a credit application and pull a credit report. If the Business Manager immediately ascertains that they have a prime customer on their hands, the customer is re-connected with the salesperson to proceed with their sales process.

The best part about this strategy is that it increases 1st time sales. When the customers are left alone to discuss whether they should 'go for it,' the fact that they are pre-approved provides more confidence to move ahead with the sale—it's simply brilliant!

If it is apparent that the customer may need a non-prime solution, the Business Manager immediately proceeds to secure a non-prime approval to ensure that the salesperson does not fuel false expectations for their customers on a vehicle they might not qualify for.

Pulling a customer's credit application also allows a Business Manager to gain more control and build a deeper level of rapport with their customers.

## New cash conversion videos! (Cont'd from page 1)

Business Manager will offer them.

Early results are showing a 50% conversion rate which should only increase once Business Managers are more comfortable using the videos. The procedure involves ascertaining the nature of the cash early in the turn over.

*"There's a very important question that I would like to ask you and for a very good reason; with your permission, may I?"* This question politely creates curiosity. *"Was that cash coming from your savings, cashing in on some investments or a bank product like a line of credit that many people are using today?"* Once the nature of the cash has been determined, the Business Manager segues into the videos with a strategy similar to this: *"I'm glad I asked. We were at a recent finance seminar and the hot topic of the day was the pitfalls of*

*paying cash for a vehicle from savings / a line of credit. My dealer was so impressed with the short video that we saw that he asked me to show it to all our customers who had intentions of paying cash. With your permission, may I show it to you?"*

The Business Manager then pops up the appropriate video and shows it to their customer. After viewing the video, the customer is offered some better alternatives and the advantages of dealer plan financing.

These videos were a natural evolution for [f-iresource.com](http://f-iresource.com) as we have been producing vehicle and loan protection videos for dealers and suppliers since 2010 with



growing popularity.

These videos are multi-purposed; ► they can be used in the Business Office

► can easily be placed on a dealership Website

► can be displayed on a large flat screen TV in the showroom along with other vehicle protection and loan protection videos

► can be used to send to customers when a turn over is not possible

These videos can be viewed on the "What's New" page at [f-iresource.com](http://f-iresource.com). For a cost of just \$500 per video, dealers will quickly recoup their investment and start generating more profits through more financed transactions.

For more information on the cash conversion videos or other vehicle protection videos, send your request to:

[info@f-iresource.com](mailto:info@f-iresource.com)



## Are 'no' turn overs hurting your Business Office profits?

When there are too many 'no' turn overs in your dealership, you need to create and implement an action plan. Your first step is to prepare a lost opportunity analysis for your sales managers and dealer principal. This quantifies the cost to the dealership of not having customers turned over to the Business Office.

Multiply the average gross profit that you generate on turn overs by the number of 'no' turn overs to calculate how much profit is lost

by not having a customer turned over per month. Multiply that number by 12 and everyone in the room will have your attention. Here's an example of an action plan:

→ Prepare and present a lost opportunity report for upper management

→ Seek support from upper management

→ Bills of sales cannot be produced by anyone other than the

Business Office or by the sales manager

→ Work orders cannot be generated without a Business Manager sign off

→ Try to secure an appointment with the customer at a later date /time

→ For phone turn overs, try sending information or video links to sell tangibles

→ At delivery, present and sell intangible protection plans

## AMAZING BUSINESS MANAGER

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### A dealer diagnosis checklist for the Business Office:

Are your Business Office profits inhibiting your overall dealership's profitability? Many Business Managers are satisfied with their performance and their paychecks but is their satisfaction satisfying you? Here are some questions to assist you and your future direction:

→ Do performance group Business Office benchmarks help you improve your desired bottom line or just help you rationalize it? Are the group's standards mediocre?

→ Does the profitability of your Business Office allow you to more aggressively price your used vehicle inventory to stimulate more used vehicle sales? With V-auto software at work, is this a luxury today or a necessity?

→ Are your Business Managers utilizing the most current and modern presentation and closing tools or are they still using antiquated strategies from the 1980's? Are they using videos and slide shows?

→ Do your Business Managers present all of your product offerings or is their sales process getting in the way of this objective?

→ When was the last time that you reviewed your product offerings? Are they the best for your customers? Are there some that you should ethically offer like Guaranteed Auto Protection or GAP as it's commonly known?

→ Over 25% of the market will not qualify for a prime loan for an automobile. Are you reactive with regards to marketing to credit challenged customers or are you pro-active? If you are reactive, can you afford to move forward as an organization knowing that you are only marketing to less than 75% of your potential market? Effectively tapping into this market can boost your used and new vehicle sales and provide a tremendous front and back-end gross profit infusion.

→ Do you believe in the products that your Business Office sells? Do you have your company demonstrators treated with some vehicle protection products? Do my sales managers and salespeople believe in them?

→ As humans, we regularly have health checks with our doctor, dentist or optometrist; when was the last time you had any type of a health check on your Business Office? How about your other departments?

Wye Management consultants can provide you with some effective game plans towards improving dealership profitability.

Call Anne Preston today 1.888.993.6468

[www.wyemanagement.com](http://www.wyemanagement.com)

"My average gross profit went from \$1,200 to almost \$2,000 p.u. and my warranty penetration has soared from 38% to over 75% in just 3 weeks!"

### In-Dealership Training, Coaching and Consulting

Let our professional trainers work with your Business Managers and show them the secrets and short-cuts to soaring profits - it's what we do!

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