

POWERFUL SOLUTIONS

For maximum F&I profitability

The Assumptive Close Regarding Payments

Once upon a time on the way to work (it was Monday morning, of course) POP... the driver's side rear tire blows out. Dang it! "This sort of thing can't happen on a sunny day?!" Nope. Naturally, it was during a toad-strangler.

Too bad I wasn't wearing a wetsuit. By the time I got the tire changed, my tie... well, it was totaled! (And thank goodness for T&W contracts, as the tire ended up being toast, too, and was replaced on someone *else's* dime!) The rest of the day's wardrobe was soaked... sticking to my skin like Velcro. My shoes were squishy. I got to work late, uncomfortable, and grouchy!

While sharing a review of the morning's unpleasantness with a colleague (the only bright spot being the tire & wheel protection), another colleague asked, "What about my tires? I wasn't offered that!"

Knowing that she had had a tight budget regarding her recent vehicle purchase, I asked, "Did you express how payment *sensitive* you were to your Salesperson?"

"Yes," she replied. "And my keys, I'm worried about my keys!" The issue of the keys was wholly unprovoked and out of left field. "I bought the warranty," she exclaimed (Vehicle Service Contract, of course), "but they never said anything about the tires & wheels or the keys!"

"Those things would have been extra," I replied.

She followed with, "I know that, but I was budgeting *extra money* for protection!"

To confirm where her mind was, my questioning concluded with, "So, if you were offered the tire & wheel and key replacement protections for, say, only an additional \$20 per month, combined... would you have done it?"

"Yes! Done!! Absolutely!!!" she answered eagerly.

What undoubtedly happened here is the Business Manager interviewed the Salesperson. The ensuing conversation proceeded to convince the Business Manager that my colleague wouldn't be able to afford (and/or be interested in) any protective products. "I don't know how you're ever going to get this done. This lady says her payment has to be no more than \$ _____ / month, and not a penny more!" (Does this sound familiar?) Therefore, the product emphasis going forward was limited to a VSC. *Apparently, no additional protections beyond that of the VSC were even offered!* And to think that that Business Manager completed their day thinking they were lucky my colleague bought at least a VSC, unaware she left *under-protected*. This happened because the Business Manager did NOT consider the possibility that their Guest was budgeting ADDITIONAL monies for protections/piece-of-mind/security in which value was *clearly* present.

THIS is where we need to switch gears...



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First, this is *exactly* why interviewing/interrogating Salespeople is highly discouraged. They hate the Q&A... and we tend to make decisions, on behalf of our Guests (based upon the intel that is gathered from the Salespeople), that lead to shortcutting our processes.

Where does this leave us?

To review...

We have interviewed the *Guest*. We have constructed our menu based upon information gathered from our interview with the Guest, not the Salesperson. We faithfully adhere to robust column architecture. This is done even in the event of a "line-five" call. (There are *always* additional initial investment and payment plan solutions to be explored.) We have made our column recommendation.

Our Guest responds, "That payment is too high!"

Our automatic segue at this point will be to address a topic of possible confusion... the payment. We must not fail to recognize a potential misunderstanding occurring here. We in the Business Office all think this point is obvious, but it isn't obvious at all to probably 25% of our Guests. *They may mistakenly think the base payment and the column payment get added together!* We will clear up this possible confusion by stating, "Folks, I've got GREAT news! That payment right there," pausing briefly to emphasize the point and pointing to the payment beneath the column we've just recommended, "that's *everything!*"

They may reply, "What do you mean?"

We will continue, "That's your new/new-to-you car *plus* ALL of the piece-of-mind and protection we just reviewed!!!"



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Again, because of the frequency of this occurrence (in roughly 25% of our interactions) we should not be surprised when our Guests let out a relieved sigh, tension draining from their necks, shoulders relaxing. They'll state something along the lines of, "Oh... I thought it was this," pointing to the base payment, "plus this!" pointing to the payment at the bottom of the column. If this is the case, we may print our contracts and secure signatures.

The other 75% of the time they will respond with something along the lines of, "Oh I know that, but it's just too high!"

It is at this point we will offer the additional perspective, "I totally understand! A lot of folks have a set BUDGET for their TRANSPORTATION NEEDS. I emphasize the words BUDGET and TRANSPORTATION NEEDS. Why? Well, it's because all vehicles eventually need lots of things! By choosing to take advantage of the _____ Option, you have now budgeted for the vehicle payment PLUS you don't have to pay *anything* extra as these covered events occur, other than your deductible... *if* that's even applicable!! You may not have a deductible, based upon the occurrence. Parts AND labor are paid for you, for ALL covered events!!! When you don't have *any* exposure to all the EXTRA expenses provided for here, that you would otherwise have to BUDGET for your TRANSPORTATION NEEDS, it greatly simplifies your life. Certainly, you'd want to take advantage of *that*!"

And by the way... let's try to avoid referring to our products as "coverage". (The usage of the words "covered events" is different and used to review limitations.) Many folks are already prepared to tell us, "I don't want any of that extra coverage!" It appears our message is better received when our products are referred to as "protection", "piece-of-mind", or "security".

As always, let's help our Guests keep the Drama Llama away and improve their ownership experience.

Think about it.

Good luck and good selling!



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