

POWERFUL SOLUTIONS

For maximum F&I profitability

The Lowest (cheapest) Bidder

Clearly, our Guests are well informed! They do tons of research, to narrow their choices from amongst many, in as competitive an automotive marketplace as ever. Usually, by the time they walk into a Dealership, they have probably narrowed their choices down to only a couple of options. It is not uncommon for a Guest to possess as much (if not more) product knowledge as the Salesperson they'll meet. This is unsurprising, frankly, when we consider the price of vehicles. It is certainly in our Guest's best interest to be sure of what they want *before* they decide on a make and model. It's far too costly to do otherwise! Spending tens-of-thousands-of-dollars, only to get it wrong and be unhappy (leading to a shortened trade-cycle), may (and usually does) have severe negative financial implications! Generally, everyone is aware of steep initial-ownership depreciation curves.

Let's consider that point, carefully, for a moment...

To reiterate...folks invest a large amount of their precious time, considering exactly which vehicle best fits their needs and wants, to avoid a shortened trade-cycle and the resultant exposure to a steep initial-ownership depreciation curve...*period*! Yet these same Guests may make a *rapidly* considered, *ill-informed* decision not to take advantage of a VSC, if we in the Business Office let them down, leading to this exact end-result. After all, don't folks decide to get rid of vehicles, every day, that start giving them trouble? Vehicles which they would otherwise hang onto? Why? Because they don't want all the exposure, presented financially, by the repair bills they may be encountering.

Consider the following exchange...

"Mary...the Economy Option I definitely do *NOT* recommend, in your case. The Economy Option *IS* exactly the same as the Preferred Option, except we don't enjoy all the security provided by the Guaranteed Asset Protection. We forfeit the Guaranteed Asset Protection, which again...I don't recommend, *in your case*, because right out of the box we're adding in approximately \$3,226 worth of negative equity from the old loan *INTO* the new loan. However, by choosing the Economy Option, and forfeiting the Guaranteed Asset Protection, these would be your payment choices... Clearly, because of this, the Preferred Option is the option I would recommend in *your* case! Which option works best for you and your family?"



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Mary replies, "I don't know...I don't think so..."

"Is it the way it's packaged that concerns you?"

"What do you mean?" Mary enquires.

"You, like me, I'm sure would agree...this top piece, the full-mechanical...the one everyone usually refers to as bumper-to-bumper, that I'm not allowed to refer to as bumper-to-bumper because the bumpers aren't covered...that this is the most important piece in the entire matrix...surely you'd agree with that?"

Mary retorts, "no...I haven't had one on my old car, and I haven't needed it."

"I'm glad you didn't have one on your old car, because it would have been a waste of money, or we wouldn't be having this conversation. But who would have thought that we'd be sitting here, now, just a few years later, talking about this while looking out the window at a practically empty lot?!? Our lot would usually be full of new vehicles, but the factory can't get micro-chips.

Confidence is high that these chips are globally sourced from the LOWEST, CHEAPEST BIDDER! Because of this, it isn't hard to predict eventual supply chain disruptions, as well as the other issues that may occur. When these issues occur, as we are, unfortunately, currently experiencing, who knows what the future cost of these parts will be! If the parts eventually have to be produced by someone else, the costs could increase dramatically. If the touch-screen radio, alone, in your new car, currently costs thousands of dollars to replace, it's hard to imagine what future costs may be if the factory doesn't have access to its current supplier, *at that time*! AND THAT'S JUST THE COST OF THE PARTS! As far as labor is concerned...I'm unaware of a labor rate that went down, from one year to the next...I'm only aware of increases."

Our Guests are aware of chip shortages and incredibly low new-vehicle inventories. We owe it to them to explain how this may affect their future (as well as their current) automotive related needs AND the associated expenses that could result.

Think about it.

Good luck and good selling!



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