

POWERFUL SOLUTIONS

For maximum F&I profitability

Process Changes...STOP Thinking Like A Business Manager

Everyone has goals... winners and losers. What separates the two is the *effective* process (or lack thereof) utilized to get there. In fact, oftentimes, when consulting individuals who have proven to possess sound process capabilities, but who find themselves currently riding the Struggle Bus, the advice is tabled to seek refuge from the downturn in production by doing *nothing* differently! Otherwise, the resultant flailing about will lead to total confusion as to what the problem truly is. As always, we will take shelter in the form of our process.

As Business Managers, we seek to take good care of our Guests. We understand that... if we are on message, effectively communicating the value of our products to address our *Guest's* needs, they will have a much higher likelihood of long-term satisfaction. We understand that "Our HAPPIEST Guests are those who pay NOTHING for ALL covered repairs, parts AND labor, less their deductible, *if any!*" Naturally, *our* goals will take care of themselves, when these needs are met.

This is all great but, like folks usually tend to do, we formulate our decisions and recommendations based upon what it is that we know about the business, making decisions *for our Guests*, versus what makes sense *to our Guests*. This is where we sometimes make the wrong judgement calls about our product offerings. This is witnessed with regularity. Oftentimes, that which ails us is of our own creation!

For example...

Upon conducting our initial 'Guest interview', we discover that their anticipated usage pattern, this time around, will be 5-7 years, and they will be driving 12-15,000 miles per year. We know that it is far more economical to take advantage of extensions to a full-mechanical VSC, initially, versus extending expired coverage at a later date. We, therefore, tend to want to recommend a 7-year/100,000 mile VSC, versus a 5-year/60,000 mile option.

The reaction to this approach doesn't usually turn out too well. Unfortunately, "I don't think so. I may not keep it that long," is often the response. Our explanation that, "This way, you won't risk losing the protection afforded by the coverage, in the event you do keep it for the full 7 years. And, if you sell it back to us, sooner, you'll get a pro-rated refund," won't gain much traction, either.

Now what?



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We aren't left with a lot of good options, here. Let's say we are working on a 72-month finance deal, at a good interest rate. "I can save you \$7.50 per month forfeiting 2 years and 40,000 miles of protection," won't present a lot of value to anyone's ears!

Let's try not to forget that when this Guest first presented to us, they were already probably prepared to accept at least *some* risk, as part of their ownership cycle. Endeavoring to remove all possible future exposure probably won't be met with the same enthusiasm we may hope for...

A far more effective approach to this situation would be to at least offer to take most of their possible future exposure off their plate, based upon their feedback. "Mary, Mike... taking advantage of the Preferred Option will include the piece-of-mind that at least for the first 5 years and 60,000 miles of your ownership cycle, you'll have no exposure to all of the issues the shelter provided by the full-mechanical protection affords!"

Let's make this minor adjustment part of our future process and stop trying to make decisions for our Guests. We just may find that our burden suddenly feels a little lighter...

Think about it.
Good luck and good selling!

