

# POWERFUL SOLUTIONS

## For maximum F&I profitability

### Charge-backs

It's 10am and you've just gotten out of a particularly laborious Monday morning managers meeting. You're paged for a call. It's Mary Smith, the guest from last week with whom you thought you had developed great rapport. After all, she and her husband Mike seemed to be really happy when they left and they were well and fully protected, to boot.

She is calling to check with you, regarding what she needs to do, to cancel all the products she purchased from you...she has re-financed the vehicle already. Bummer! Now you're in the hole and your morale just took a header from a tall cliff. How could this happen?

While considering what went wrong here, lets go back to the beginning and talk about your process. What sort of discovery occurred as the deal presented itself?

I regularly hear Business Managers complain about salespeople quoting rates and terms. However, these same Business Managers are usually asking the sales staff, as soon as a deal is brought back, what sort payments, terms, and rates were discussed. Make up your mind. Do you want the sales people discussing specific finance arrangements with their guests (where avoidable), or not? Which is better; advising someone that "running with scissors will lead to a puncture wound" only to see the prophecy fulfilled or stating that "walking carefully while carrying scissors will be safer"? You get the point. Don't reinforce that which you're trying to avoid. Besides, all the grief you are handing the salespeople through your interrogatory, contradictory messaging yields a variety of bad results: from inaccurate information, all the way to guests released (with no T/O) to go get their own money.

This is why I DO NOT interview salespeople. Conduct your own interview with the guest within 3--5 minutes of receiving the deal. Done correctly, the value of the time invested cannot be overstated. You are building rapport and determining what the customer's goals are.

In addition to this, we should look at recent loan history, displayed on the credit report, to get an idea of where the guest's expectations will be and with whom they do business. Rates have stabilized at or near historic lows, for sometime now, and the bureau will give a very accurate barometer in this regard.

Remember, today the marketplace is as competitive as ever! It would seem as though a new credit union or bank is going up everywhere you look. Discovering for yourself what sort of parameters your guest has in mind and what needs to be done to attempt to satisfy those goals is the least you can do to minimize the likelihood of the dreaded charge-back call.

Besides, when you get right down to it, while very necessary to the bottom line, reserve earned on rate is the low hanging fruit of our industry, first to spoil. Easy come, easy go. And your guests receive the most benefit from the products you sell them versus the rate you sell them!



Give it a try.

Good luck and good selling!



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