

Sample copy

pages 1-15

THE
ART
OF
F&I

Conversations from the box



“THE MOST IMPORTANT
THING ISN’T CHANGING
YOUR CUSTOMER’S MIND –
IT’S CHANGING YOUR OWN”

BY LLOYD W. TRUSHEL II

The Art of F&I
Conversations from the Box

By

Lloyd W. Trushel

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Table of Contents

Table of Contents	1
Introduction	5
Chapter 1 - Behaviors	10
Some Observations	14
Methodology	17
LAWS	19
Naturally Competitive People	20
The Cost vs. Value Myth	22
The Impossible "F" Customer	26
Bad F&I Training	31
Word-Tracks won't save you	33
Meet the Sales Prevention Manager	37
Low Commitment to Training?	41
High level problem solving	43
Confessions of an F&I trainer	46
Chapter 2 - Communication	49
The Trust Alarm	51
Being Trustworthy	55
The Possibility of Possibility	57
Building Trust	59
Can you be trusted?	63
Competency	65

Character	66
Is it in our DNA to lie?	68
Yellow Lights	69
Perception is reality	73
Types of Truth	75
Conversation is not comprehension	77
Framing your conversation	79
The Science of Framing	80
G.O.O.D.	85
Chapter 3 - Factors	89
How we got here	92
The Truth about People	95
Will Power and Marshmallows	101
The lowest payment conundrum	103
The Truth about Vehicles	106
Follow the Money	111
Do my Customers Actually <i>need</i>	
Coverage?	114
What your customers actually <i>need</i>	115
Fake news	117
Chapter 4 - Purpose	124
Finding Purpose	126
Storytelling	128
The Art of F&I	131
Cui Bono	134
Authenticity	136
You 2.0	138
SOS	141
A culture of excellence	147
Chapter 5 - Final thoughts	151
Objections	156



WARNING

If you're reading this book with the expectation of a handbook, a technical guide, or maybe "10 actionable tips to raise your PVR" this may not be the book for you.

Instead, this is a journey into the minds of our customers, and the behaviors happening inside our dealerships. It's less about learning closes, and more about developing process. Instead of word-tracks, we'll talk about critical thinking, and true intent.

*“I write this, not for the many, but for you;
Each of us is enough of an audience for
each other”*

- Epicurus

Introduction

There are many books on how to succeed in F&I. Experts are everywhere trying to give you advice on how to be successful. You see magazines, blogs, podcasts, and even TV shows, telling you how to “maximize your profits” and “overcome any objection”. Yet, something is still missing.

Customer satisfaction is incredibly low. People dislike the buying process. Nearly 6 out of every 10 customers skip buying a vehicle service contract from their selling dealer, while third party competition is thriving on selling to those same customers.

With the advent of DealerTrack and RouteOne, coupled with the evolution of the desk submitting deals before F&I involvement even begins, people should be delighted with the overall transaction times, but they're not.

Another problem we face is that most F&I training offered today follows an old model of trying to simply overcome objections. The focus on objections made companies like Pat Ryan and Jim Moran a solution for dealers wanting to create their own F&I departments in the 1970's. And it worked. They created an industry.

But the world keeps moving. Today endlessly debating with customers by overcoming every objection is a problem. We must be as Bruce Lee said, "*Like water*", and adapt to each customer individually.

For instance, today a menu presentation with every product bundled into the "Complete" or "Platinum" column may be the best way to present your payments... or it may not be. Do you know what sales process is most effective in YOUR store? Or...are you just doing what the trainer tells you works best? More importantly, can *they* bring data? Can *they* demonstrate effective results in YOUR store?

If not, why are *they* giving you advice?

The truth is; different methods and behaviors work differently in different cultures. In other words, one size does not fit all. Yet, we engage in a one size fits all, “300% rule” environment that has many F&I managers telling the customer that “*these are mandatory disclosures*” to sell products. Like it’s mandatory, enforced by law, or something. Overall, this doesn’t work very well, and your customers agree with me. I propose there is a better way.

To be clear, my goal is not to help you sell more products and make more gross. It’s about engaging in behaviors that organically create more product sales, and more gross. Because your customer wants to be protected, everyone does. They just don’t like the way coverage is being offered...

Lastly, the framework, and many of the concepts of inside this book will reappear because the ideas interweave with each other.

You may wish to adopt some of the principles in this book into your everyday life. Each little piece will not only help you in the box, but also with every other relationship that you hope to find success in.

The stories are about F&I, but the principles are about life.

I sincerely hope you enjoy our time together.

Be well,



Lloyd Trushel
Seattle, Washington
May 2020

P.S. This material was written and compiled over a few days, but it encompasses the observations, experiences, and ponderings, of nearly 30 years in the car business - mostly focused on F&I development.

I welcome your feedback and hope for your dialogue, so please reach out.



F&IQ Training & Development
www.FandIQ.com

“The moment there is a suspicion about a person’s motives, everything he does becomes tainted.”

– Gandhi

Chapter 1

Behaviors

Saturday 2:38 P.M. (3 deliveries so far / 2 working)

Cust #1 was borrowing 147% of book and she said, “*No. I think I’ll pass*” on GAP coverage because “*\$14 more is too much right now*”, but she had \$100 worth of worthless scratch’d-off Lotto tickets in her trade.

Cust #2 said “*If it breaks, I’ll just pay for it*”, but right now he has zero money down and is trading a vehicle with zero maintenance records.

Cust #3 Cut me off and said, “*Nope!*” (No reason given)
Then pushed the menu back at me.

If you've spent any time in a dealership, you've met these same customers.

Most of us have been in a sales class, where at some point, the trainer begins carrying on about the COST vs. VALUE equation. How, "*when Value exceeds Cost, even by a penny, the customer always buys*", but that is not true. And even if it were the truth, what happens when the customer never allows you to get that far?

How about the guy that was surfing on his phone the whole time you were trying to tell him, "*All cars eventually breakdown, so you should buy the coverage!*", but he just tuned you out...

Did his deal get in your head a little bit? Maybe you missed a good deal while he was in your office? Were you thinking "There goes my PVR, or my Bonus?"

What is your strategy for dealing with customers that are NOT engaged and NOT interested in listening to your presentations? Do you have one?

Many finance managers operate in the mode of saying "*These are mandatory disclosures*" or "*It's my job*". But really, does the customer care about your obligation to do sales presentations?

No. Most don't care, and now the you begin to *feel* pressure to "sell something". So, you begin thinking about YOUR PVR, YOUR Penetration, YOUR Profit and YOUR Payplan, or maybe just keeping YOUR job.

But this thinking is focused in the wrong direction. This thinking is focused on you, not them, and they can *feel* it. So, they begin making judgements about you and your motives. Some will decide that you're just doing your job, others might decide you're being pushy, or even rude.

They might ask, "*Do I have to decide right now?*". You'll say "*no*", then continue to explain why the best time is now, but it's often too late – you've already missed the sale.

Communicating with the customer and making a sale is completely within reach, but often we miss the signals. In the beginning of the transaction, there wasn't a stop light. It was still yellow, but because we have been conditioned to "hurry up", we pushed for a sale. In short, we sped up, when we should have slowed down.

This might be the easiest concept in the world to understand. Everyone gets it, but it is also incredibly hard to do anything about it. Basically, it's hard to focus on your customers in a meaningful way when you are always under pressure to perform.

You are always reminded about your PVR, Penetration and Profit, by your peers, sales management, your General Manager, the warranty rep, etc... and even on the best month you're going back to zero soon.

Given this situation and those beliefs, we must wonder if it's possible to create quick and easy transactions and still even make a profit.

Some Observations

As of this writing, I'm approaching 30 years in the automotive business. I began training F&I managers in 1995 and during that period of time, I've never found the perfect close. I've never found anyone that can inspire the customer to purchase products 100% of the time.

That said, I'm going to share with you what I have learned about the most successful finance managers that I've personally worked with - and learned from over the years. Their behaviors were not able to persuade 100% of their customers either, but they consistently had much higher numbers than their peers. Just like a professional athlete, they didn't win every game but throughout their career they still outperformed everyone else.

They added value to everything they did by exuding professionalism. They created a culture of "team" with their co-workers. In some cases, they established harmony where it did not previously exist before.

I remember working with a group of 14 F&I managers back in 2002. Two of the fourteen F&I managers within the group employed these traits. They had the most consistent numbers in the group. They had the highest VSC penetration in the group too – 60-65% on average. In arguably, what is one of the hardest brands to sell VSC's in, Honda.