



FINANCE AND INSURANCE

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MAKE F&I PART OF EVERY SALE *A Key for Tracking Overall Performance*

F&I—as we point out frequently in this column—should encompass more in your dealership than just customer financing. F&I should be a tool for your sales department that will help you turn every potential buyer into a proud boat owner.

Your in-house F&I department or F&I outsource company should have a system in place that enables you to track all of your customers. F&I has long been effective at helping the sales force control sales through financing. F&I prevents lost sales by eliminating the possibility of negative influence from outside lenders, insurance providers, or other entities that do not have your dealership's best interest at heart. F&I's effectiveness at controlling the sales process for finance buyers should be put to use on cash buyers as well.

The “big fish that got away” is a familiar story to salespeople. The customer says he wants the boat, and he'll come back to write a check for it. But guess what? The big fish never returns, and no one knows why. You're not even sure how to get in touch with him. If you used F&I to track cash customers as well as finance customers, your sales department could easily follow up with all hot prospects and overcome underlying buyer objections that weren't initially uncovered.

Your dealership will also gain lots of critical performance data by asking sales people to turn over all customers to your F&I department or F&I outsource company. You will obtain reports on the effectiveness of your F&I program. You can track:

- The number of cash buyers converted to financing
- Sales & F&I closing ratios
- Service contract penetration
- F&I per deal profit performance

You will also identify the types of customers you serve, the success of your customer service initiatives, and other information that will help you continually improve overall operations. Your salespeople can get the ball rolling for your F&I department or outsource company by asking each customer to complete either:

- A credit application if the customer wants to finance the purchase.
- A brief customer information form if the customer says he'll pay with cash.

Tracking every potential buyer who walks through your door will have tremendous impact on your bottom line. Deliveries will increase, repeat business will increase, customer satisfaction will improve, and operations will become more efficient and effective. You'll also have fewer tales of the one that got away.