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FROM THE CORNER OFFICE

Perfecting processes to boost profits in F&I

BY IAN REILLY

Despite the uptick in vehicle sales in Canada, profit pressures on automobile retailers persist.

These pressures put an additional barrier to dealers' success and place an additional burden on them to find new profit centres and increase profit per customer throughput.

The F&I office is a crucial final step in the consumer's car-buying journey and in securing dealer profits. While cutting expenses and increasing sales are two tried-and-true strategies to boost profits, it's not always clear what actions dealers need do to deliver the most effective results, especially in the F&I office. Here are two items to consider.

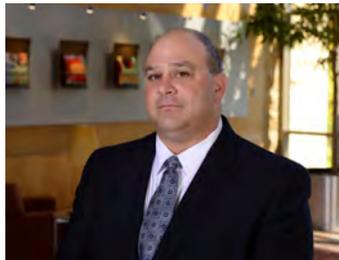
PERFECTING PROCESSES TO IMPROVE TIME USE

Using time wisely in the F&I office can help boost the bottom line by improving employee effectiveness.

To improve how time is used in F&I, first consider assessing your processes from top to bottom. Identify bottlenecks and look for ways to streamline each step.

In examining your processes, you also might uncover training opportunities for your staff. Do they need to know more about your F&I products and services so they can effectively explain those products to customers? Are they fully utilizing the F&I tools your dealership has invested in?

Improving F&I processes, growing staff knowledge, and optimizing system use can improve employee productivity and



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efficiency – and that can lead to increased profits for your store.

PERFECTING PROCESSES TO IMPROVE PRODUCT SALES

I've written before that menu selling is an effective way to improve the customer experience with the F&I office and increase profit per vehicle sold.

Whether paper-based or electronic, menu selling allows you to deliver a similar F&I office experience every time to every customer with all of your products and services presented consistently and clearly.

That more consistent and clear approach to presenting F&I products can help your dealership better capture consumers' interest and help your customers be more informed about their choices. Plus, menu selling can help effectively decrease the time customers spend in the F&I office. All of which can help lead to improved profits and customer satisfaction.

BETTER PROCESSES FOR BETTER PROFITS

There is an old saying that "you can't save your way to prosperity." Importantly, an ongoing investment in perfecting processes, especially in F&I, can help bolster your dealership's bottom line in the short term and help deliver gains in customer satisfaction and profits for the long run.

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