

Closing the Deal with a Hybrid Menu

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My preferred approach to selling F&I is what I call the Hybrid Menu Method. It is a process of menu closing, rather than menu selling. The difference is that menu closing is a planned presentation of selling the features and benefits of F&I products and using the menu as a way to get customers to decide on the products they want to buy. It utilizes the advantages of menu selling: An organized selling approach and an alternative close (would you like a, b, c or d?), and recognizes the weaknesses (trying to get the customer to focus on the presentation and not the payments). This menu closing technique was derived from other F&I selling approaches, including step selling, assumptive selling and traditional menu selling.

The Hybrid Menu Closing Method

The first step toward customer satisfaction and high F&I profits is preparation. This begins prior to the customer walking into the finance office. The F&I professional should have the deal completely loaded into the computer and all necessary forms pulled. You need to set yourself up for success, and not limit yourself by deciding, even if it's subconsciously, which products you are likely to sell. Your expectation needs to be that you are going to sell all the products.

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Interior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Interior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Interior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Interior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage
Exterior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Exterior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Exterior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage	Exterior Protection 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage 3 Year/50,000 Miles/Unlimited Mileage
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Once you are completely prepared, which includes making sure your office is organized and professional looking, it's time to get the customer. Yes, go out and get customers even if it means walking to the used-vehicle building across the lot. This gives you a chance to establish a little rapport while you are escorting them to your office. It also ensures that customers aren't brought to you until you are ready for them.

When the customers are settled in your office, begin like this:

Mr. and Mrs. Doyle, I'm sure you want to get on with your day with your new automobile, so I'm going to make sure I get your legal documents completed as efficiently as possible. I have your information completely loaded into the computer and all the necessary documents here for your review, but before we sign the paperwork, I'd like to take a couple quick minutes of your time to thank you for your business. My dealer actually requires I do it. We understand you had a choice about where to purchase your vehicle and we are glad you chose us. What is most important to us is that you'll chose us the next time you need an automobile, that you will be able to send your family and friends here, that you use our award-winning service department and our body shop and parts department. We want to be your choice for all your automotive needs.

We have found that whether any of this happens is partly a result of how happy you are with your automobile, but mostly it is a result of how you were treated during the sales process. My part of the process is the financial process. When you leave here I would like you to be able to say that I was prompt, efficient and straightforward, but most importantly, that I have described the financial benefit packages that are available to you. And, I would like to take a couple minutes of your time to review those two benefits.

{+PAGEBREAK+} At this point, I will normally lead with the service contract.

I'd like to begin by asking you a question, Mr. and Mrs. Doyle. How would you like to prevent having to pay most future repair bills for the next five years?

This question is meant to break preoccupation and get the customer to think or say, "Why must I listen to you?"

I then proceed with a planned presentation where I give customers some information, ask a question and then listen to their response. This will eventually lead to a closing question designed to get customers to make a decision.

Mr. and Mrs. Doyle, there are two ways you can pay for this: You could pay \$1,695 cash or you can include it in your monthly payments which would be \$29 per month additional, plus your interest charges, whichever you prefer.

Then I wait for a response. The customer will answer in one of three ways:

1. Give you an objection or say no to your response. You should handle that objection and re-close.
2. Say yes to your offer.
3. Ask the magic question: "What does that make my payment?"

Your response should be:

Good question. I'll get to that in just a minute. Let me briefly describe the other benefit and then I will break out your options to the penny.

Remember, they already know the payment, which they received on the sales floor.

The other benefit package available to you is the loan protection package. It includes: life insurance, accident and health insurance and GAP coverage options.

You will then describe the features and benefits of these options. Once you have finished this description, it's time to menu close.

Mr. and Mrs. Doyle, here is a list of payment options to help you make your decision.

This is the first point that customers view the choices for their decision and pick from the menu. Once they have made an informed decision, you can step sell them to another product choice.

This way of presenting the menu gives you the best assurance that customers have listened to all product presentations before they choose their options. It gives the F&I manager a comfortable approach to aggressive selling, by limiting the bumping that step selling creates. The approach of, "I have one more thing to talk to you about," wears out the F&I manager and customers.

{+PAGEBREAK+} **Give Products the Win-Win Test**

If you're going to add another product, make sure it first passes the win-win test. If it's a win for the dealership and the customer, then arrange it within your benefit packages. For example, a maintenance and appearance package can be presented on a lease.

The appearance package also sells very well in a two-step process at point of sale. Incorporate it by transitioning it with the we-owe (or due bill).

Mr. and Mrs. Doyle, it shows here that we will have the vehicle filled with gas and cleaned up prior to delivery. It doesn't show that you took advantage of the 20-percent discount that you can get if you purchase the appearance package right here at the dealership. Did the salesperson happen to mention that? How would you like to keep your automobile looking new and also help maintain its value?

This transition leads you right into your presentation without the customer feeling any pressure.

Choosing the Best Menu

Many dealers tell me, "We need to menu sell in the F&I department." When I ask them why, they almost always respond the same way: "I want to be compliant."

I agree that they should use a menu, but it isn't necessary to be compliant. You can't be any more compliant as

long as the retail installment contracts and lease agreements follow Regulation Z, Truth in Lending and Regulation M, Truth in Leasing requirements, respectively. A menu can reinforce compliance if used properly, but can promote payment packing if it's not.

Is profit and compliance better served with an electronic or handwritten menu? If I were a dealer, I would definitely invest in an electronic menu. It reinforces compliance and gives F&I managers the flexibility they need to maximize profits. Why? F&I sales are subject to change when the customer arrives and during the presentation. The options you offer a customer, using menu closing, will vary depending on the customer's responses to the features and benefits presentation. For example, if customers don't want the service contract after you have handled their objections, you would be better served adjusting the options you are showing them. You might offer them 30-day retro and 14-day retro accident and health options to choose from.

The flexibility of an electronic menu allows you to change options on the fly, while a handwritten menu doesn't. The electronic menu also gives the F&I professional the ability to create a new menu when customers change the amount of their down payment at the time of delivery.

From a compliance perspective, a handwritten menu can expose a dealer to payment packing. This happens when F&I managers give themselves a cushion on the base payment to make it look like the products don't cost as much as they actually do. An electronic menu eliminates this from happening, since the software always determines the exact base payment.

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