



F&I FOCUS

WITH REBECCA CHERNEK

WHAT'S ON THE MENU? SALES!

When you think you've seen it all in this business that's the time to pack it in. I've worked in automotive retailing practically my whole adult life. I wouldn't want it any other way.

The changes over the past 20 years have been astounding. When I asked for a job as a dealership sales person, they didn't want to hire me. I was a "woman" and they thought women weren't going to make it selling cars.

Maintaining a high sales volume for three straight months, I was no longer considered a fluke. My career in the automotive business took off!

A Washington D.C. dealer gave me a shot in the finance and insurance department. I was sent to training.

I was taught "payment packing" and "step selling" like so many others in my field at the time.

I became an efficient and profit-oriented professional and enjoyed the opportunity to close the customer on financing options and product sales.

I provided the customer with three choice payment options normally six months of maximum term with everything included. I planted the customer on the ceiling, and gracefully took them off, and still maintained product sales.

It was amazing to witness the customer ultimately bumping their payment expectation. I was so proud. No customer would ever leave my office, I would boast, without a service policy!

Over the years the finance processes (such as payment packing and step selling) have changed significantly and have become more difficult to apply.

Payment packing is illegal in 50 states. As for step selling, the customer who used to take it all isn't going to now, and probably knows terms and options beforehand.

Today's educated new-car buyer is likely to say "Oh no, not the finance depart-

ment. This time I'm sure I won't buy a darn thing!"

They'll say that until they experience menu selling.

I left the retail business in the late '90's and took a position as a trainer with a major insurance organization and wholesale distributor.

**My first reaction?
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I taught payment-packing presentations. My responsibilities included exposing this aggressive F&I process to other F&I managers.

Although I was comfortable with this type of presentation method, most of the new F&I managers in my classes were not. I sensed they weren't going to go back to their dealerships and apply what I just taught them.

Later, I was given a different type of course to teach — menu selling. It consists of presenting different F&I product "packages" with the products, terms and payments clearly spelled out on a "menu."

My first reaction? "What joker came up with this sales strategy? How is this going to be a better way to make money? I was successful doing it the way I was taught, why change a good thing now?"

Change is uncomfortable for anyone. But my world changed for the better. I began teaching the menu-selling method with management personnel in an environment unlike anything I was ever used to.

I began in a dealership where there was no such thing as a "finance office." I had

to present a "consumer choice" menu to customers seated at a kiosk in the middle of a showroom while the F&I manager observed how it was done. Obviously, I was not in my comfort zone.

But after using this type of selling system for about a month, I noticed customers taking options that outright floored me.

Customers were choosing the "optimum" plan with everything included: warranty, gap, etch, credit life, disability insurance. You name it. And with minimal or no resistance.

They weren't lay-down customers either. Customers with beacon scores as high as 800 were taking all the products.

I noticed that I no longer prejudged the customer. I presented all my products 100% of the time without question. I no longer concerned myself with whether the customer was going to take this or that. I simply shared options and prices with them, and they told me what they wanted.

I was holding higher profits per product sold since I was presenting all my products without discounts for fear of retaliation from the customer.

The menu-selling process intrigued me, then converted me. It's a win-win situation for the customer and the dealership.

The menu process increases product sales and net profit. It's also a great tool to dramatically improve customer satisfaction scores.

Customers don't feel taken advantage of. They enjoy making their own choices. And they often choose amply.

As I continue to train F&I managers — from beginners and die-hards — I watch their progress and performance with menu selling. And I note that after class, whenever the students pick and up and leave, they always take their menus with them. ■

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