

RECORDING THE F&I TRANSACTION



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Adding cameras to your F&I process can boost production and compliance — and put you ahead of the YouTube curve.

In the wake of fatal police shootings in Ferguson, Mo., North Charleston, S.C., and elsewhere, there is a rush to slap body cameras on every police officer in the country. Law enforcement watchdogs, activists and politicians in several cities are leading the charge. They note the proliferation of cell phone video of incidents that directly contradicted the officers' version of some events. And many officers are in favor, believing that, in the vast majority of cases, the footage would prove they acted appropriately.

Whether it's a New York police officer's xenophobic rant at an Uber driver, a police cruiser running over a suicidal gunman, a pizza delivery guy being berated by a car dealer's office employees or an ESPN reporter berating a tow company clerk, these days, it's all being caught on someone's cellphone.

These and other incidents all point to the new reality of our modern world — namely, all the world's a stage, and someone, somewhere, is going to put a video of what you're doing out there on the Internet for the world to see. That unauthorized video, and the online reputation of your dealership it reinforces, will be there until the end of time.

ROLE REVERSAL

The question is, if a customer came into your dealership wearing a body cam, would you

want their purchase experience available on the Internet for anyone to see? Would your dealership's sales process, payment quotes and F&I practices be perceived as transparent or deceptive? Would your sales and F&I practices withstand the white hot glare of public opinion and Internet comments? Or would you be forced to defend yourself using questionable sales techniques and apologize

sales manager structured a deal on the four-square, the way you calculate and quote payments and what your employees are instructed to tell a customer is going to be captured and posted on YouTube.

Unhappy customers are not your only concern. What's to stop a disgruntled six-car-a-month salesperson from sitting in on an F&I manager's presentation or

SOONER OR LATER, THE WAY YOUR DEALERSHIP SELLS CARS IS GOING TO BE RECORDED ON SOMEONE'S CAMERA PHONE, AND YOUR F&I PROCESS IS GOING TO BECOME PART OF THE PUBLIC RECORD.

for the fact that your F&I manager inadvertently misrepresented what is and isn't covered by a product?

Sooner or later, the way your dealership sells cars is going to be recorded on someone's camera phone, and your dealership's F&I process is going to become part of the public record. The way your

recording their desk manager's instructions? That video, along with your former salesperson's commentary of your process, is going to show up on the Internet or be offered to a local TV station.

Stowe Boyd, a researcher who focuses on social trends, has already coined a term — "publicy" — to describe the posting and

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sharing of videos on websites, Twitter or text message. On the one hand, publicity is not necessarily a bad thing, since it holds people accountable for their actions. It can also serve as a means for exposing wrongs and deceptive practices of all kinds in all arenas. Unfortunately, it can also result in someone's bad day or a loose cannon destroying your reputation and sparking an online campaign to put you out of business. Today, your employees better not be doing or saying anything to a customer that you wouldn't want to watch on YouTube tonight, because they might be on YouTube tonight.

While there are laws that determine when, where and what can be recorded for posterity, privacy experts say the use of cell-phone cameras and videos are generally allowed in public spaces. Ultimately, privacy laws may need to change, since most were written well before the advent of smartphones. But until then, every dealer needs to assume the actions of their employees are being recorded. Any situation or transaction that occurs in almost any public area or place of business, and the customer's bad experience therein, is being recorded by somebody, for some reason.

TAKING THE REINS

Rather than be a victim of an unauthorized video by a disgruntled customer, a consumer advocate with a hidden agenda or investigative reporter desperately seeking a story, maybe it's time you got proactive. As a successful dealer, you have millions of dollars of capital at risk, not to mention a reputation you have spent a lifetime building. With smartphones recording everything, maybe it's time you clearly demonstrate your faith in your people — and your processes — by



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In January, a video of a heated exchange between a pizza delivery man and employees of a Westport, Mass. auto dealership — recorded by dealership cameras — went viral and briefly sparked a nationwide outrage.

recording every F&I transaction.

A major responsibility of today's F&I departments is helping protect the dealership from potential litigation. Recording and reviewing actual F&I transactions is one of the best ways to see and document what's really happening behind closed doors.

Want to see an immediate improvement in F&I performance and customer satisfaction and ensure compliance at your dealership? Start recording those transactions. It's amazing how a person's actions change for the better when they know someone is watching, and you can provide your own video documenting your consistent and compliant F&I process.

Since we started recording and reviewing F&I transactions for our dealer clients, we have eliminated the "he said, she said" that typically follows a miscommunication regarding a product. Customer claims that they didn't know they bought a service contract, didn't know they were leasing the car or didn't know they bought the car "as is" are immediately resolved.

It's always interesting to see how a video is able to instantly refresh a customer's memory as to what actually transpired in the F&I

office. In one case, we saved the job of an F&I manager whose customer claimed he gave the F&I manager his down payment in cash. We have even caught a couple identity thieves.

Recording every F&I transaction is an inexpensive and effective way to document your process and spot-check your F&I people to see if they're following it.

And today, you'd better have a consistent, compliant and customer-focused F&I process that your people are expected to follow.

Any dealer who isn't being proactive in documenting that process is eventually going to become a target. Plaintiffs' attorneys are always looking to uncover unfair and deceptive acts and practices. Even a small judgment rendered for the consumer can translate to a huge legal bill for you. It will also have a devastating impact on your reputation. It's always better to catch any compliance concerns or errors in advance and take corrective action internally.

After all, the camera doesn't lie. Like those police officers in favor of the body cams, every reputable dealer knows a video of their F&I transactions will show their F&I managers acted appropriately. Recording your actions proves you have nothing to hide. In our experience, the customer's comfort level with the F&I process is greatly increased when they know their transaction is being recorded. They feel reassured that no one is going to do anything deceptive or take advantage of them.

If you have any concerns at all about your sales, desking or F&I processes being recorded, now is the time update those processes. You need to make absolutely certain every aspect of your sales and F&I process is compliant and designed to make buying a vehicle from your dealership an enjoyable experience. If that's the case, why wouldn't you want to document it? **ADM**



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YOUR F&I RECORDING STRATEGY

If you have decided to add cameras to your F&I process, you must be armed with a plan that can stand up to scrutiny. Consider the following tips:

- Craft a written video recording policy that includes a predetermined storage period, such as 60 days.

- Record all F&I transactions.
- If the customer refuses to be filmed, you must document their refusal. Confirm with legal counsel the applicable laws regarding customer consent in your state.
- Document any equipment issues that result in a

transaction going unrecorded.

- Review videos on a regular basis for compliance purposes.
- Make the videos part of your employee performance review process.
- Utilize the videos as a training tool to share good sales practices.