



BY RICK MCCORMICK

A Menu Has Its Limits!

Properly and intentionally setting up your menu will maximize your ability to help customers and produce profit.

Regardless of how many products your dealership offers, an F&I professional has a responsibility to review every customer's repayment, risk management, and vehicle protection options so they can make an informed decision. But how many products is too many? Glad you asked, because I get asked that all the time.

FORCE THE FEAR AWAY

Before we look at how many products to offer, we must first be sure to eliminate customer fear by disclosing the payment they agreed to prior to reviewing or discussing any options. They need to be reassured the payment they were given is correct, and that they can take delivery of the vehicle for that amount. While that payment is correct, they have several options available in connection with their purchase. There should be no selling of any product the first time through the menu — simply explain what each product is and does. When customers don't get the sales presentation they were expecting, they start asking questions and will volunteer reasons why a product makes sense in their situation, which is what we want them to do.

2-4-6-8 HOW MANY PRODUCTS CAN A CUSTOMER APPRECIATE?

One of the biggest advantages of using a menu is it allows you to disclose every product in a minimum amount of time, and it takes the pressure out of the process. Now, a customer who wants two or three products may very well select an option package that includes four or five. However, a customer is not going to buy eight products when he or she only wants one or two. Unfortunately, when you're reviewing eight different products on a menu, it's likely a customer's attention will wander. At some point, he or she will lose interest, no matter how important you feel those products are. That's why dealerships with high F&I income and products per retail unit typically offer no more than five or six F&I products. After that, it becomes more than the customer can absorb. There's my answer: Five or six products on a menu is the most effective.

PACKAGES ARE PREFERRED

To present every product without losing the customer, the first thing you need to do is put some of those products into packages. For example, combine tire-and-wheel protection, windshield chip repair, paint-less dent repair, and key replacement into an "ultimate care" protection package. This immediately reduces the number of products the customer has to consider. Those products may still



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require separate agreements that have to be completed and signed, but it's far fewer options the customer has to consider.

After presenting the customer's options, it's critical your customer feels they are in control. You cannot go down the list and sell whatever product you make the most money on, followed by your next most profitable product, and so forth. You must follow the customer's lead by first discussing those products they are most interested in knowing more about. Once you build value in that product, always go back and recommend a choice of two packages that include that product. The more you talk about packages, the more packages you sell. The only reason to sell one product at a time is if the customer leads you to that by the questions they ask. And guess what we do after we answer their questions? You got it, recommend a choice of two packages.

One thing is for sure — eight product presentations will never be as effective (or as profitable) as an enthusiastic, needs based conversation about two or three products. Properly and intentionally setting up your menu will maximize your ability to help customers and produce profit. That's a wonderful combination where everyone wins. ■

ABOUT THE AUTHOR

Rick McCormick is the national account development manager for Reahard & Associates, which provides customized F&I training for dealerships throughout the U.S. and Canada. He has more than 20 years of auto retail and finance experience.