NADA ACADEMY

Name: SHAWN GROENIG

Class #: 438

Dealership: VALLEY FORD NISSAN

Location(s): YAKIMA WA

How many people participated in this meeting? 4

What is your vision?

Customer for life	Gross profit domination	Both	Other
☐	☐	☑	☐

Explain:
To establish the F&I department as a cornerstone of our dealership's success by cultivating lifelong relationships with customers while achieving the desired gross profit margins. Deliver a seamless F&I experience that prioritizes the customer's needs and preferences. Also maintain the highest ethical standards to build trust and credibility with customers. Customers for life= The goal is to cultivate a loyal customer base that returns to the dealership for all their automotive needs.

Identify a minimum of three strengths, weaknesses, opportunities, and threats.

Strengths

1. Experienced F&I Managers: High product knowledge and ability to upsell warranty and insurance packages.
2. Strong relationships with lenders: Access to multiple financing options and better rates to offer customers.
3. Customer-oriented culture: Focusing on customer satisfaction aligns with a 'customers for life' approach. A Strong commitment to long-term relationships, not just one-time sales.

Weaknesses

1. Low transparency: Perceived lack of transparency in F&I can lead to distrust and dissatisfaction, hindering long-term relationships.
2. Lack of transparency: Customers may feel unsure about what they're paying for. The perceived lack of transparency can lead to distrust and dissatisfaction, hindering long-term relationships.
3. High Pressure Sales Tactics: F&I is often viewed negatively by consumers due to high-pressure sales tactics that can lead to mistrust.

Opportunities

1. Customers for life approach: There is a huge opportunity in shifting the dealerships mindset from a single car deal to fostering long-term relationships that produce many opportunities over the years if done correctly.
2. Digital F&I Expansion: The growing trend of digital retailing provides an opportunity for F&I to offer products online, which can appeal to savvy customers.
3. Training for Relationship Building: Continuous F&I staff training with a focus on relationship-based selling. Educating customers about the value of F&I products and

Threats

1. Economic downturn: Potential customers may be more conservative in their purchases, impacting high-margin product sales in F&I.
2. Rising Interest Rates: Higher interest rates can make vehicle financing less attractive to customers, possibly reducing F&I profitability.
3. Competition from third party providers: Credit unions and independent warranty companies can attract customers away from dealership financing and products.

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How will you improve or solidify your strengths?

To improve or solidify the strengths of our F&I department, it's important to continuously refine processes, and create systems that ensure long-term success. The focus will be on building customer trust which will enhance the F&I teams efficiency leading to increased profit margins. We also will have continuous training sessions for the F&I team on the latest products and offerings and any compliance issues. We will stay ahead of automotive trends by introducing new F&I products that cater to are market. We will also analyze customer feedback to create packages that provide real value to the customers at a price point that is affordable in are market.

How will you address and improve any weaknesses?

To ensure the F&I department's growth and success while addressing and improving its weak points is crucial for building a sustainable and profitable business while enhancing the customer satisfaction. F&I processes can feel inconsistent, especially when different F&I managers handle sales differently. This inconsistency can frustrate and confuse customers making it harder to build trust and loyalty. So we will develop and enforce a consistent F&I sales approach that every manager follows, ensuring consistency across all customer transactions. We will create a step by step sales script and process for F&I managers that includes presenting product options, explaining benefits and closing product sales in a advisory manner.

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How will you maximize or improve your opportunities?

To maximize or improve our opportunities in the F&I department, we will need to capitalize on growth areas such as customer engagement, technology, and product offerings. We will utilize data from are CRM to tailor offers and to leverage customer data to analyze buying patterns, preferences, and previous F&I purchases. This enables us to present relevant, tailored offers to each customer, increasing the likelihood of upsells. By actively pursuing these opportunities, we should strengthen our dealership's F&I department and enhance customer satisfaction, and drive both revenue and profitability.

How will you address and overcome any threats?

Overcoming threats in the F&I department is going to be essential for ensuring long-term profitability and customer satisfaction. To effectively address and overcome threats in our F&I department, we will need a proactive strategy that reduce's risks and turns potential challenges into opportunities for improvement. We will offer more flexible financing options because during tough economic times, customers are more price-sensitive. To overcome this threat, we will need to provide flexible financing options such as low interest financing, extended loan terms, or deferred payment plans. We will also promote financial protection products and highlight the importance of financial protection products like GAP insurance, extended warranties, and OEM maintenance plans. Customers are more likely to purchase these products when they feel uncertain about future expenses. Our finance managers will emphasize how these products protect them from unexpected costs. We will also foster transparency which will overcome consumer skepticism by being completely transparent about pricing and product benefits.

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What is your expected time frame to achieve desired results? Months? By what date? Building trust and transparency in the F&I Process we expect the timeframe of 3-6 months so by Jan 1st 2025 we should transition to a transparent pricing model and introduce digital menus by that time.
What performance metric will you track to determine successful change? PVR? Products per? CSI? To determine the success of changes in our F&I department, we will want to track a combination of key performance metrics that cover both financial performance and customer satisfaction. We will track PVR which is a critical metric for determining the financial health and effectiveness of the F&I department. Our target is to increase PVR by 10% over the next 3-6 months and PPV by 10% by adopting a sales approach and bundling products. We also would like to see a 5-8% increase in are CS1 which is essential for building trust and long-term relationships with customers. A poor F&I experience can hurt dealership reviews and loyalty. This also supports our goal of creating “Customers for Life.”
Who participated in this SWOT?

Name Shawn Groenig	Title Used Car Manager
Name Jim Fretwell	Title GSM
Name Will Pascua	Title Finance Manager
Name Omar Delgado	Title Finance Manager
Name Shawn Groenig	Title Used Car Manager
Signed	Date 9/27/2024
Signed by dealer Management Jim Fretwell	Date 9/27/24