

NADA 379 Variable Finance Manager Development Plan



By Andrew, Diana, Jennifer, Joseph, Mary, Luis and Nathan

Our Current State

2 F&I Managers
Yearly Sales 800 New / 600 Used

Goals

Create and develop a 3 year retention plan for a new F&I manager

Year 1 pay up to \$60,000
Year 2 pay up to \$80,000
Year 3 pay up to \$130,000

Increase overall PVR and reserve per contract



How do we get there?





Recruitment

Recruitment and Conditions of Employment

Mike Maroone: Low Talent Pool and Internal Growth Automotive News Daily Podcast

- Identify what we are looking for
 - Culture: Someone who will be a good fit.
 - Internally: We want to promote from within. What message does it send, employee loyalty.
 - Blank Slate: We want someone that we can train and grow. We don't want someone with bad habits or drama.
 - Hungry/ Motivated
 - Code of Ethics.: We want to be able to trust the people that we work with.
- Post the position internally (based on your state law you might have to make the position open to the public for 2 weeks)
 - Internal applicants must submit a resume.
 - AVA must be completed: Personality test, example attached.
 - Wonderlic must be completed: Comprehension test, example attached.
- Candidate must score within the metrics for both the Wonderic and AVA to be considered for the position.
 - Upon meeting the requirements, an Interview will be conducted w/Sales Manager and General Manager to determine qualifications of candidate.
 - Growing individuals internally, also increases loyalty to the company.

AVA: Activity Vector Analysis.

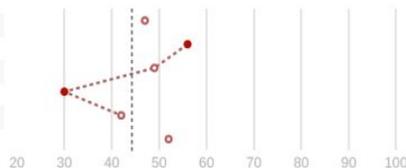
- AVA can be used as a tool to determine if the individual will be a natural fit for the position, increasing retention.
- Comparing the candidates PS to the JDA..
- PS = 8615 / JDA = 7814
- Compatibility 94% = Excellent fit.
- 6 Core points to consider
 - Aggressive
 - Sociable
 - Patience
 - Independant
 - Energy level
 - Maturity Level.
- Do you have the right person in the correct position of the Canoe, paddling in the right direction.
- Would you put a steersman in a power house position?

Taken on 11.14.2017

Self PS 5924 // Role PS 8615 // Keyword None
JDA F&I Manager // JDA PS 7814

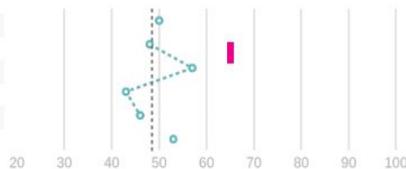
Role

ACT	33	47	PS	8615-7
V1	9	56	•1.27	CR 1.34
V2	7	49	1.11	DR 1.86
V3	1	30	•0.68	CO 0.90
V4	1	42	0.95	SUM 177
V5	10	52	1.18	MC 44.25
	RAW	C	DQ	



Self

ACT	41	50	PS	5924-7
V1	6	48	0.99	•CR 1.04
V2	10	57	1.18	DR 1.32
V3	7	43	0.89	CO 0.90
V4	3	46	0.95	SUM 194
V5	11	53	1.09	MC 48.50
	RAW	C	DQ	



Congruence = 0.62 Activity Ratio = 0.94

Self Description

I would describe myself as a strong driven individual who works great in a team environment but also on my own to complete back end tasks. I am a very family oriented person who looks for the best in people and always willing to lend a helping hand in any way I can. I enjoy working with other individuals on the same path and leading towards the same goals. I am very resourceful when it comes to problem solving, accomplishing my goals and following my ambitions. As an individual I am very direct and honest with my perspectives so I'm very easy to understand and relate too. I enjoy working with a team, growing the individuals and constantly striving for success in our field.

Wonderlic

- Comprehension test.
- Matches the individual's cognitive ability required for the position.
- Test is impossible to complete.

Name: **McCollum, Ashley**

ID:

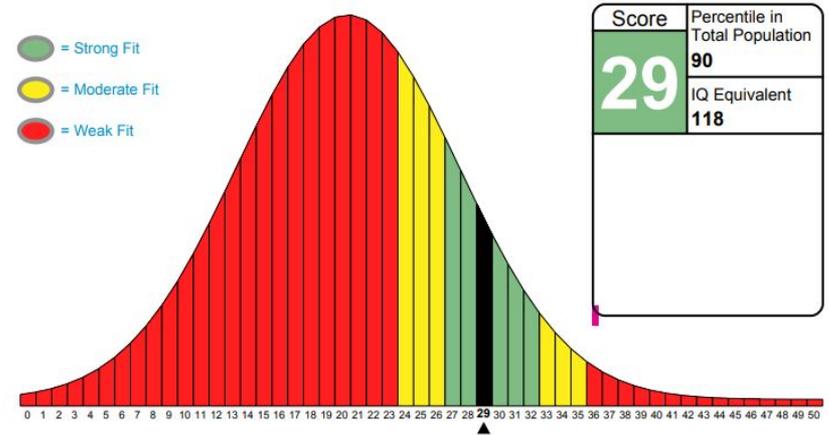
Job Requisition: Manager

Form: E2 English Standard

Date: 12/27/2019

Retest: Yes

Admin By: Varize, Rozanna



Important Notice(s)

Score Interpretation

Job Fit: Test takers who score in this range best match the cognitive ability requirements for this position. These individuals are likely to possess the ability necessary to handle the problem solving complexity associated with this position.

Training Potential: This test taker has the ability necessary to be able to gather and synthesize information quickly and easily. This individual is likely to be capable of making inferences and drawing conclusions on the basis of observations.

Job Description Finance/ Business Manager

- Ensures customer retention and profitability.
- Educates customer on aftermarket products with clear explanations that are authorized by dealership.
- Maintains good working relationships with all finance sources.
- Ensures 100% customer turnover from sales and 100% menu presentation.
- Acquires and maintains current state insurance license.
- Works with Senior leadership on forecasting and achieving high levels of finance and product penetration.
- Understands and complies with federal, states and local regulations.

Job Description

Job Title: **Finance and Insurance Manager (Business Manager)**
Prepared by: President
Date: July 1, 2005
Revised:
Reports to: General Manager

Summary:

Ensures customer retention and profitability in this profit center and produces additional revenue for the dealership by providing the in-house service of financing, insurance and appropriate after sale items to customers purchasing vehicles from the dealership.

Essential Duties:

Sells financing and credit life, accident, health insurance to customers.

Provides and sells factory authorized service and maintenance contracts.

Provides customers with thorough explanation of aftermarket products authorized by the dealership.

Converts cash deals to finance.

Establishes and maintains good working relationship with finance sources including the manufacturers.

Presents all the Finance and Insurance products to customers through the proper use of the F & I Menu.

Processes finance and lease deals accurately and fairly through financial sources for secure approval.

Processes all federal, state and dealership paperwork related to the vehicle transaction.

Understands and complies with federal, state, and local regulations that affect the new and used vehicle and finance departments.

Completes paperwork necessary for vehicle sales and leases in a timely and efficient manner.

Checks all paperwork for correct title, lien information, taxes, etc., before forwarding to the office.



Ensures all vehicle sales documentation is turned into the office within 24 hours of the vehicle delivery.

Acquires and maintains current state insurance license, completing continuing credit insurance education as needed.

Maintains an adequate and current supply of all required contracts and documents needed for the completion and finalization of vehicle sales.

Provides sales force and sales managers with current information about finance and lease programs continually.

Trains the sales staff regarding the benefits of financing, insurance and extended service and maintenance contracts.

Sets up and maintains a program which will ensure 100 percent turnover to the F & I Department.

Works with Senior Leadership to forecast and achieve a high level of finance, insurance and aftermarket product penetration and income.

Develops and monitors guidelines for working with customers to ensure maximum customer satisfaction.

Prepares reports on finance penetration.

Conducts business in an ethical and professional manner.

Maintains a clean and professional work environment.

Attends Leadership Meetings as requested.

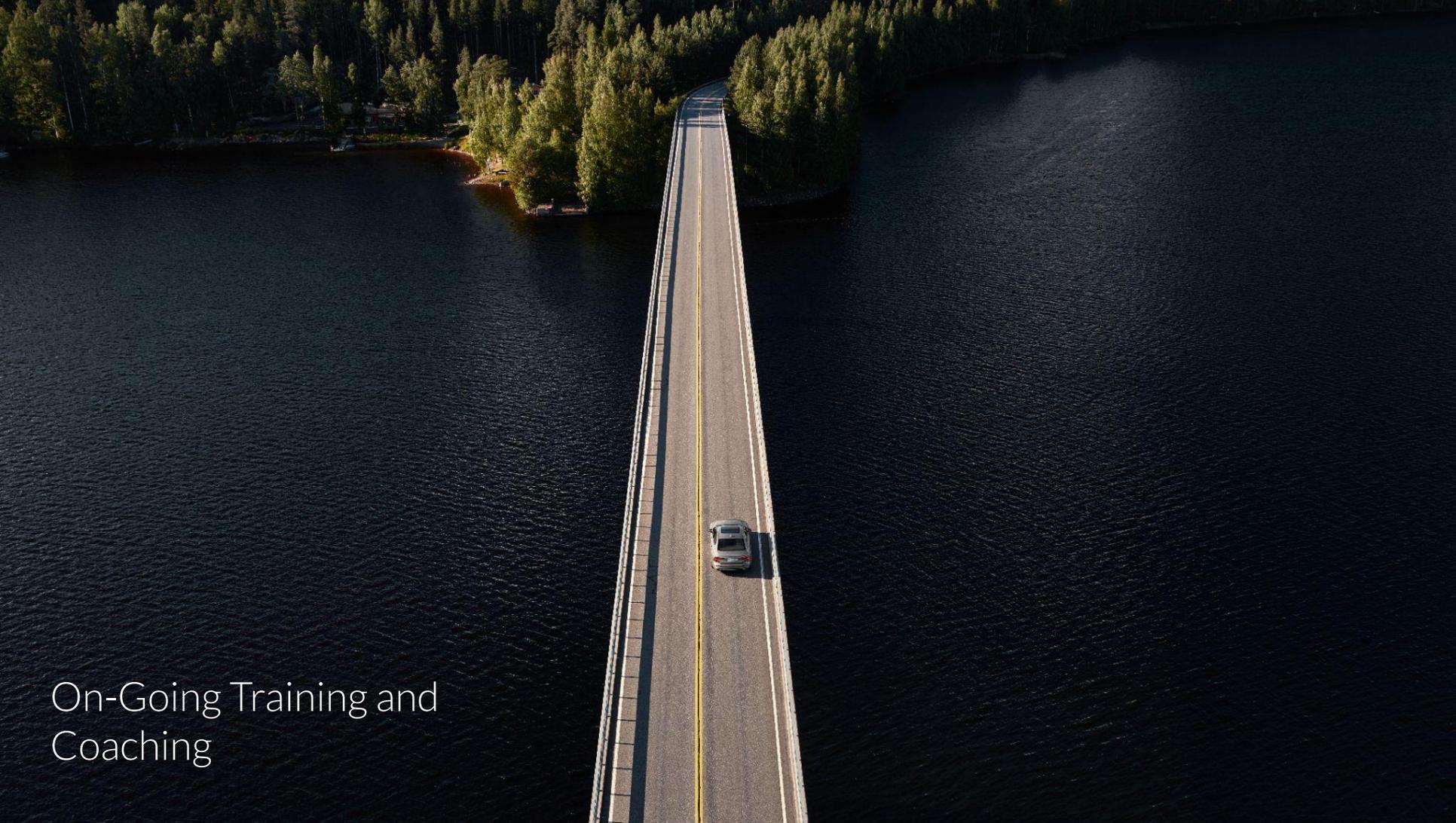
Other areas of responsibilities and duties may be assigned.



Onboarding

Onboarding

- Company orientation (all paperwork from HR, computer login, manufacturer registration, benefits, tour, etc)
- Week one:
 - Monday, full day in the service department spent with advisors, technician, and service manager.
 - Tuesday, full day in parts on back counter, front counter, and parts manager.
 - Wednesday, half day with GSM recapping her/his time with service and parts.
 - Thursday and Friday, full day with Sales Managers going over sales processes, vehicles, and observing.
- Week two:
 - Begin 90 days of shadowing sales associates. Within the 90 days, individual should start to greet customers and take them through the whole sales process.
- After 90 day period, begin 90 days of shadowing/observing/training with Finance managers. This will include training by manufacturer/outside training co.
- Once 90 day training period with finance concludes, employee will begin taking customers, meeting daily with GSM/Sales managers to review deals.



On-Going Training and
Coaching

On-Going Training and Coaching

- Now that F&I Manager is performing full time duties as a produce, they will be put on another 90 day probation period. For the next 3 months going forward F&I Manager will be graded based on performance produced for that month.
- The benchmark standard per month is a minimum of 39 deals @ \$1,200 PVR, Ratio of 70% Product / 30% Reserve
- Low performance in any of these categories will require F&I Manager to re-train in the specific area. Along with daily check in, performance will then be monitored by Finance Director throughout the following month.
- If performance benchmarks are not met F&I Manager will be given a written warning followed by a corrective action plan. If corrective action plan is not met then it will result in immediate termination.
- After 90 days probation is up then F&I Manager will be off probation, however will still be held accountable to the above benchmark standards.
- At the 6 month mark F&I Manager will be trained to complete theirs deal all the way through funding
- At one year mark F&I Manager will be trained to work the desk with Sales Managers



Continual Training and Coaching

- On-Going maintenance training held every Quarter with Trainer for Sales Consultants, F&I Managers, and Sales Management Team.
- For the Sales Management Team the focus is on holding Sales Consultants accountable for the process, and how to facilitate one on one coaching.
- Provide top performing Sales Consultants the path to doing their own F&I. This allows you to have more capacity to handle the bottleneck of traditional F&I. You also have the ability to promote from within when opportunities come up.



3 Year Pay Plan

Looking Ahead: a 3 Year Pay Plan Goal

- To achieve our goal of 70% product and 30% reserve.
- Our pay plan we have created will emphasize on product.
- By going to 3 Finance Managers and utilizing the following pay structure we will have the ability to hit our goal.



F&I Manager Pay Plan

- We want to make majority of the pay plan commission based so that it drives the F&I manager to produce results to increase profit and pay. Win-Win.
- The pay plan should not be capped. Doing so may result in losing the Finance Manager or not reaching the individuals full potential. We don't accept complacency.
- Commission pay will be based on a sliding scale. The key metrics will be both PVR average and overall product penetration.
- Min 70% for penetration - Min \$1200 PVR.

Year 1 Pay Plan

- 5K per month for the 1st year. This year will be dedicated to training.

Year 2 Pay Plan

- First 6 months 5K per month guarantee, or percentage commission of gross, greater of the two.
- Remaining 6 months \$3,500 guarantee or percentage commission of gross, greater of the two.

Year 3 Pay Plan.

- \$3,500 per month guarantee or percentage commission of gross, greater of the two



F&I Pay Statement

Name

Finance

Units Delivered	39
Gross Income	\$46,800.00
Chargebacks	\$0.00
Net Income	\$46,800.00

F&I Products	# Sold	%
Service Contract	28	0.72
Maintenance	28	0.72
Gap	29	0.74
Tire & Wheel	27	0.69
Paintless Dent	27	0.69
Key	25	0.64
Totals	164	0.70

	Payout Percentage Table							
	-0.25%							0.50%
WPI	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800	
70%	11.50%	11.75%	12.00%	12.25%	12.75%	13.25%	13.75%	
71%	11.75%	12.00%	12.25%	12.50%	13.00%	13.50%	14.00%	
72%	12.00%	12.25%	12.50%	12.75%	13.25%	13.75%	14.25%	
73%	12.25%	12.50%	12.75%	13.00%	13.50%	14.00%	14.50%	
74%	12.75%	13.00%	13.25%	13.50%	14.00%	14.50%	15.00%	
75%	13.25%	13.50%	13.75%	14.00%	14.50%	15.00%	15.50%	
76%	13.75%	14.00%	14.25%	14.50%	15.00%	15.50%	16.00%	

Average Per Vehicle	\$1,200.00
Weighted Product Index	0.70
Payout Percentage	11.50%
Salary	\$3,500.00
Gross Commission	\$7,488.00
(Deductions)	\$0.00
Net Commission	\$7,488.00

Pay plan matrix based on PVR, unit count and over all percentage penetration. @ Min F&I manager should Generate \$46,800 with a commission gross of \$7,488. Which would be an increase of \$19,500 over previous numbers. Yearly commission \$89K

F&I Pay Statement	
Name	Finance

Units Delivered	39
Gross Income	\$70,200.00
Chargebacks	\$0.00
Net Income	\$70,200.00

F&I Products	# Sold	%
Service Contract	35	0.90
Maintenance	28	0.72
Gap	36	0.92
Tire & Wheel	27	0.69
Paintless Dent	27	0.69
Key	25	0.64
Totals	178	0.76

	Payout Percentage Table						
-0.25%							0.50%
WPI	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800
70%	11.50%	11.75%	12.00%	12.25%	12.75%	13.25%	13.75%
71%	11.75%	12.00%	12.25%	12.50%	13.00%	13.50%	14.00%
72%	12.00%	12.25%	12.50%	12.75%	13.25%	13.75%	14.25%
73%	12.25%	12.50%	12.75%	13.00%	13.50%	14.00%	14.50%
74%	12.75%	13.00%	13.25%	13.50%	14.00%	14.50%	15.00%
75%	13.25%	13.50%	13.75%	14.00%	14.50%	15.00%	15.50%
76%	13.75%	14.00%	14.25%	14.50%	15.00%	15.50%	16.00%

Average Per Vehicle	\$1,800.00
Weighted Product Index	76.00
Payout Percentage	16.00%
Salary	\$3,500.00
Gross Commission	\$11,232.00
(Deductions)	\$0.00
Net Commission	\$11,232.00

Pay plan matrix based on PVR, unit count and over all percentage penetration. @ Max F&I manager should Generate \$70,200 with a commission gross of \$11,232. Which would be an increase of \$42,900 over previous numbers. Yearly Salary \$134K

F&I Pay Statement

Name

Finance

Units Delivered	60
Gross Income	\$108,000.00
Chargebacks	\$0.00
Net Income	\$108,000.00

F&I Products	# Sold	%
Service Contract	55	0.92
Maintenance	55	0.92
Gap	55	0.92
Tire & Wheel	35	0.58
Paintless Dent	36	0.60
Key	38	0.63
Totals	274	0.76

-0.25%	Payout Percentage Table							0.50%
WPI	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800	
70%	11.50%	11.75%	12.00%	12.25%	12.75%	13.25%	13.75%	
71%	11.75%	12.00%	12.25%	12.50%	13.00%	13.50%	14.00%	
72%	12.00%	12.25%	12.50%	12.75%	13.25%	13.75%	14.25%	
73%	12.25%	12.50%	12.75%	13.00%	13.50%	14.00%	14.50%	
74%	12.75%	13.00%	13.25%	13.50%	14.00%	14.50%	15.00%	
75%	13.25%	13.50%	13.75%	14.00%	14.50%	15.00%	15.50%	
76%	13.75%	14.00%	14.25%	14.50%	15.00%	15.50%	16.00%	

Average Per Vehicle	\$1,800.00
Weighted Product Index	76.00
Payout Percentage	16.00%
Salary	\$3,500.00
Gross Commission	\$17,280.00
(Deductions)	\$0.00
Net Commission	\$17,280.00

Pay plan matrix based on PVR, unit count and over all percentage penetration. @ Max F&I manager should Generate \$108,000 with a commission gross of \$17,280. Which would be an increase of \$80,700 over previous numbers. Yearly Salary \$207K.



“You miss 100% of the shots you
don't take – Wayne Gretzky