

RV EXECUTIVE TODAY



Dealers Are Saying "Outsource It"

by: Lisa Gladstone, Priority One Financial Services

RV dealers are buzzing about the latest trend in F&I called "outsourcing." Dealers are thrilled by the potential for high profitability from F&I without the expense. Outsourcing provides dealers with all of the benefits of an in-house F&I department and costs them nothing. The process works exactly like an in-house operation. A salesperson obtains a completed credit application from a customer and turns it over to the F&I manager, or in this case, the outsource company. The outsource company finds the best lender for the customer, up-sells the rate, sells a service contract and credit insurance, and sends the completed loan package to the dealer.

Dealers may initially sign up with an outsource company for the cost benefits, but they soon discover many other unexpected advantages. Using an F&I outsource company ensures that a team of professionals is always on duty for your customers and committed to growing your F&I profits. Many RV dealers have only one person in-house serving as the F&I manager. When this person is sick or on vacation, the dealership's F&I may be left to someone who is not qualified or completely neglected. Outsource companies provide lenders with such a large volume of business that lenders are often willing to approve deals they wouldn't otherwise. Volume also enables outsource companies to

forge strong relationships with their lending contacts. These relationships help outsource companies obtain better rates and faster responses than a single F&I manager at an average dealership could. This all translates into increased deliveries for your dealership. You'll also benefit from happy lenders by using an outsource company. Lenders enjoy working with outsource companies because it simplifies their communication by allowing them to keep track of numerous deals at numerous dealerships with just one point of contact.

DID YOU KNOW?

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If you're considering the addition of another full time F&I employee, or your dealership has multiple locations that require numerous F&I managers, an F&I outsource company offers you a great alternative. Signing up with an outsource company saves you the expense of salaries and benefits for F&I professionals. Outsource companies earn their money by receiving a portion of the F&I profits they generate for your dealership, so they are

highly motivated to get your deals approved, closed, and funded. Bottom line—the outsource company earns nothing unless you deliver the RV. In the marine industry where F&I outsourcing has been common for nearly 20 years, dealers will tell you they earn more F&I profit by working with an outsource company than they did by handling F&I themselves. The increased profit comes from increased deliveries for all of the reasons I mentioned above.

Just to recap... an F&I outsource company gives you total access to trained professionals, saves you costly overhead, and gives your dealership numerous advantages that an in-house program simply cannot. Working with the right F&I outsource company can add up to 50 percent more loan approvals and 25 percent more deliveries thanks to greater financing leverage and stronger lender relationships. Also keep in mind that you are responsible for paying an in-house F&I manager all year long—during slow seasons and vacation time. An outsource company keeps a dedicated team of F&I professionals focused on your dealership's success year round. Finally, an F&I outsource company is paid solely on its performance, so there's incredible motivation to ensure that your sales deliver. RV dealers are truly excited by this new concept of F&I in their industry. Evolution is in the air.

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