



## FINANCE AND INSURANCE

BY LISA GLADSTONE

### **CREDENTIALS ARE ESSENTIAL** *In Hiring Finance & Insurance Professionals*

The marine industry is undergoing another stage of growth when it comes to finance and insurance (F&I), and this growth stage requires professional credentials.

When I first started talking with boat dealers in the late 1980s, most of them had a limited knowledge of the subject and were skeptical of its potential. Years later, after dealers understood the positive impact of F&I, they had to be educated on the subject of F&I outsourcing.

Now that dealers realize the value of F&I and outsourcing, a new growth stage is occurring. As a result, many F&I novices are entering the picture and selling themselves as experts in the field. Beware of this because F&I is not something you want to hand over to an untrained employee or anybody who claims to operate an outsource company.

F&I must be handled professionally by your dealership because it requires trust, relationship-building, honesty, and integrity. F&I involves discussion of a customer's credit, which is a very private and personal matter. Your customers are investing a great deal of money with you to buy something they want, but do not need. If the customer feels at all uncomfortable during the financing of his/her purchase, this can be the difference between a happy buyer and a lost business opportunity. So how do you know if you're hiring a REAL F&I professional and not a wannabe?

To hire a skilled, competent F&I professional, you must ask for verifiable certifications, training and references. Before you hire an in-house F&I manager or an outsource company, ask the job candidate or the F&I outsource company for proof of training and certification. JM&A (Jim Moran & Associates) and AFIP (Association of Finance and Industry Professionals) are the standards for this training.

JM&A has provided training for F&I professionals since 1968 and offers four levels of study: Introduction to F&I, Intermediate F&I Management, Advanced F&I Management, and F&I Director Development. AFIP offers an in-depth, college-level course on the study of F&I and the laws that govern it.

F&I should help your dealership grow and succeed, not hold it back. F&I should be an element of your business that continues to innovate, elevate, and advance it. For these reasons, the compensation for a certified and experienced in-house F&I manager is not cheap. Indeed, this type of person now commands a six-figure salary. If the job candidate is willing to work for much less than that, he or she probably doesn't have the best training. The same hold true for F&I outsource company that charges a significantly lower commission. It may be operating with a staff that is not well-trained.

Hiring an F&I manager is not easy. You can find someone who might be able to get a fast loan approval for a customer, but is it an approval that will make the customer happy? Will the deal close? Are you earning the most F&I income possible? Does the customer receive a “Ritz-Carlton” service or very little service at all?

An F&I outsource company’s overall operation—as well as the staff’s training and experience—should be evaluated to determine its level of professionalism. You should find out whether the outsource service is really a company or whether it is merely an individual or group of freelancers possibly working out of their homes. If that’s the case, do you want your customers talking about their personal credit to a representative of your dealership whose dog is barking or child is crying in the background?

Ask the outsource company about its level of staffing. If the person who usually works your deals is out sick or on vacation, will there be enough staff to provide your customers with excellent service? And ask to visit that F&I outsource company’s office so that you can see first-hand what type of operation it is. If the company balks at the idea of a visit, that company may not be everything it claims to be.

Most of us in this industry are small business owners who work very hard to keep our operations successful, so high price tags are very scary. I feel this discomfort as much as anyone, but I also know that finding a cheap solution for F&I will cost you in the long run. How much will it cost you if you lose customers due to inferior service resulting from a lack of training and professionalism?

If your dealership cannot afford to hire a six-figure employee for F&I, look for an F&I outsource company that will provide you with these people at no out-of-pocket expense. And remember, if you’re going to hire the best F&I person, you must seek proof of their credentials.

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