

## “Video Taping”

There are a number of companies that are aggressively marketing video taping systems to record F&I closings. Taping finance closings can be very effective in defending legal actions if the system is used properly. Unfortunately, we don't know anyone who uses it properly.

An effective taping system is very hard work. If all of the steps are not followed religiously, what is meant to be a benefit in defending lawsuits can often turn into very damaging evidence.

Taping should only be done if the following is in place:

1. If there is appropriate notice and, if necessary under state law, consent of the customer;
2. A script is carefully designed for the presentation of F&I personnel;
3. F&I personnel are trained intensively to follow the script;
4. The tapes of F&I closings are regularly reviewed;
5. Action is taken to retrain individuals in the event problems are apparent from a review of the tapes; and
6. In case of serious problems evident from review of the tapes, there is a procedure in place for contacting customers to solve any problems identified.

With the press of other priorities, these steps simply may not be regularly followed by dealers after the initial excitement of installing the taping system.

When they are not carried out, there is a high probability that F&I personnel will deviate from their scripts and that improper presentations may be made to customers. In those cases, the tape can be evidence against the dealer rather than beneficial evidence for the dealer.

## **Menu Selling**

Instead of taping, dealers should consider the benefits of menu selling. Menu selling can have a number of benefits, two of which are very important for dealers:

The dealer can standardize the F&I presentation to ensure that all products are being offered to each customer, thus increasing income opportunities; and

- The menu itself is evidence that all products were offered on a voluntary basis to customers.

**The following are important steps in establishing any menu program:**

- A simple menu should be devised that lays out clearly to the consumer what is available for purchase.
- The menu must identify the base monthly payment without optional products.
- The menu should identify the optional products available, either in packages and a la carte, or solely a la carte.
- F&I personnel must be trained in utilizing and presenting the menu.

- There should be a disclosure on the menu that the products shown are optional, and purchase is not required to obtain financing, and there should be an acknowledgment of the receipt of the menu.
- There should be a place for the customer's signature so that it can be proved that the customer received the presentation.
- Transaction files should be reviewed to ensure that the menu is being used.