

# Combating Today's Powersport Issues

By Bob Jackson



The time has come to make your business office a true profit center for the dealership. With front-end profits declining due to increased pressure from Internet buyers and new compliance requirements, today's powersport dealers have several issues confronting them.

The first area that must be addressed is dealership personnel. In dealerships across the country, the business office is known for employing the most talented individuals in the store. There is a reason for this. Business managers must pay great attention to detail while also having an outgoing demeanor, similar to a salesperson. This is a hard combination to find. A personality profile tool is a tremendous asset that is often overlooked by many dealers. These tools may be offered by F&I providers and can help identify whether an individual matches the profile sought.

After finding an F&I dream team, it becomes important to have a performance-based pay plan that rewards business managers for their outstanding efforts without overcompensating them. Dealers that offer a large base salary usually have decreased performance and product sales. A dealership's current F&I provider should have examples of performance-based pay plans if they are unfamiliar with them.

After determining who will be operating the business office, a dealer must address whether or not the business office is a separate area in the dealership. In order to maximize F&I profitability and effectiveness, the answer is "yes." Business managers need to have private offices

to conduct confidential conversations with customers. To comply with the legal regulations and privacy laws regarding confidential information, this office should have a door that remains closed and locked when the business manager is not present. If audited, a dealership could face fines of up to \$11,000 per document for violating these security expectations. Dealers should look to their F&I provider for suggestions and guidelines regarding credit applications and other compliance issues.

To ensure a business manager's success he/she needs to be adequately trained and educated on the fundamentals of the business office. This is one of the most crucial steps to becoming a successful business manager. Without proper training, business managers will miss vital profit opportunities and expose the dealership to inadequate legal compliance.

Once a dealership has hired the right business manager and determined the location of the business office, make sure he/she is using the right tools to maximize the sales of the dealership's products. If a menu is not being utilized in the business office, the dealership needs to start immediately. A menu allows the business manager to offer each product at the same time, thus increasing your dealership's product penetration. Even more, dealers can utilize a menu program that offers compliance tools for OFAC and the Red Flag legislation. Web-based menus may also offer payment relief opportunities such as bi-weekly payment options. Let today's technology work for you!

The opportunity is yours! Evaluate the dealership and look for more profit potential in the business office.

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