After an initial vehicle sale, many dealers don’t see the value of selling F&I products to consumers. However, they may be missing out on an opportunity to create an entirely new revenue stream in their service drive.

That was exactly the case for a well-established Ford dealership in Northern California. Folsom Lake Ford hadn’t considered the possibility of selling VSCs in their service lane. The process to turn a customer over to F&I from the service lane was a hassle, and manually signing a customer up for a VSC was a low priority for service advisors. The revenue stream was virtually non-existent—the dealership had sold a minimum number of VSCs in the service drive, over the past year.

To begin pushing VSCs after the initial sale, the dealership needed a tool that was simple to use and could be easily incorporated into the normal service sales process. Further, to prepare for this new revenue stream and sales tactic, the dealership would need to establish a service advisor compensation plan for VSC sales, as well as an accounting practice to apply cost and gross to the service department.

Budco Financial helped Folsom Lake Ford start selling vehicle service contracts (VSCs) in the service drive to significantly boost their monthly gross profit.

64 MILLION DRIVERS in the U.S. can’t afford an unexpected vehicle repair without going into debt.

Source: 2017 American Automobile Association (AAA) Survey
In order to help the dealership smoothly and successfully integrate VSC sales into their service drive sales process, Budco Financial recommended that they utilize its Service Lane VSC Sales Tool. The tool enables dealers to control down payment and dealership payment options, and lets the consumer customize their plan with flexible payment terms and methods of payments. Additionally, the tool fit within the dealership’s existing service write-up process, has a simple user interface and works on all handheld iOS devices—allowing service advisors to generate quotes and complete VSC sales right in the service drive in minutes, without the need for a cashier.

Further, due to the mobile aspect of the tool, it was easy for anyone in the dealership to use wherever a customer was located—on the service drive, in the showroom, at his or her workstation or even out on the lot.

“The entire process, from quoting a Ford Protect extended service plan to completing the sale, is amazing. Using the Service Lane VSC Sales Tool is extremely fast and simple to use.”

—Bill Bergaus
Parts & Service Director, Folsom Lake Ford

After adopting Budco Financial’s Service Lane VSC Sales Tool, the dealership began consistently selling 10-15 VSCs each month—generating an added $8,000-$12,000 incremental gross profit per month. The tool also helped the service advisor enhance their relationship with customers, which promoted improved customer retention and loyalty.

“Sales gross from using the Service Lane VSC Sales Tool has allowed me to offset my monthly service department unapplied labor expense.”

—Bill Bergaus

1/3 OF DRIVERS in the U.S. skip or delay service or repairs, which further leads to unexpected mechanical issues and breakdowns in the future.

Source: 2017 American Automobile Association (AAA) Survey

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