



THE EDGE

AN AMERICAN FINANCIAL & AUTOMOTIVE SERVICES, INC. PUBLICATION | THIRD QUARTER 2010 | THE WOODLANDS, TX

Introducing . . .

MASTERTECH
Certified

American Financial & Automotive Services, Inc. is pleased to introduce the new MasterTech Certified limited warranty program. MasterTech Certified presents dealerships with the opportunity to provide consumers certified pre-owned vehicles with a limited warranty. With the MasterTech Certified program, when a pre-owned vehicle is added to the dealership's inventory, the dealership performs a comprehensive quality inspection on the vehicle. Once the vehicle has received the necessary repairs and passes the inspection, it is eligible to become a MasterTech Certified vehicle.

The MasterTech Certified program also allows certain dealerships the ability to provide consumers with a MasterTech Certified limited warranty on new vehicles, which exceeds the manufacturer's limited powertrain warranty. Various time and mileage terms are available on new or used vehicles with the MasterTech Certified limited warranty program. Services for all MasterTech Certified vehicles can be performed at any authorized repair facility located within the United States or Canada.

Just like the trusted MasterTech Vehicle Protection program, every MasterTech Certified vehicle comes with Rental Car Reimbursement, Towing, Roadside Assistance, and Emergency Travel Interruption coverage. For additional information on the MasterTech certified limited warranty program, including program terms and conditions, please contact your Dealership Development Manager or call 800.967.3633.

MasterTech Certified – Driving with Confidence.

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American Financial
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American Financial Attending NADA 2011

American Financial & Automotive Services, Inc. is heading to San Francisco from February 5-7, 2011 to take part in the 94th Annual NADA Convention and Expo. The theme for this year's NADA convention is *Bright Future Ahead* and will feature a variety of workshops and events. Attendees of the NADA convention will have the opportunity to see keynote speaker Captain Chelsey B. Sully Sullenberger, III, "Miracle on the Hudson" hero pilot and best-selling author.

In addition to exhibiting at the convention, American Financial's Vice President of Training, Mike Tamas, will be a workshop presenter. The title of his workshop is *Guaranteed Techniques to Increase Special Finance Volume and Profit*. For more information on NADA, including a schedule of events, please visit <http://www.nadaconventionandexpo.org>. We look forward to visiting with you at the NADA Convention and Expo in San Francisco!

Garage Insurance – Are You Really Covered?

Whether you are a small, independently operated dealership or a large franchised automotive superstore, you need garage insurance. This type of insurance, also known as motor trade insurance, is a liability insurance and is designed to protect your business from all liability claims involving customers' vehicles. When was the last time you reviewed your garage insurance coverage? Is your current insurance agent familiar with the automotive industry and the financial demands automotive dealerships have recently faced? Don't risk having insufficient coverage on your assets. If the buildings and equipment on your property are undervalued and are destroyed, you would not recoup the full value.

At Panoptic® Insurance, we take the time to perform a full insurance review to ensure that both your property and your employees are fully covered. With multiple carriers to quote from, Panoptic® Insurance is able to search for the best coverage and rates available. Whether you need garage liability, garagekeepers, property coverage, group health, group life, or workmans' compensation, we have you covered.

To receive a complimentary quote for your garage insurance, please contact Jordan Porter with Panoptic® Insurance at 877.778.7704 or visit www.PanopticIns.com.



LoJack – The World's Leader in Theft Recovery

The most recent FBI Uniform Crime Report reported that nearly 800,000 motor vehicles were stolen in 2009. This equates to a theft once every 39.7 seconds and approximately \$5.2 billion in lost property! The FBI's most recent statistics also state that in 2009, 43% of stolen vehicles were never recovered.

While you cannot stop these thieves from stealing your vehicle, you can help law enforcement track and recover your automobile, motorcycle, and Utility Terrain Vehicle (UTV) quickly with LoJack. LoJack is the only stolen vehicle recovery system operated by law enforcement and directly connected to police department computer systems nationwide.

LoJack recovery statistics:

- More than 8 million LoJack Recovery Systems are installed in vehicles, motorcycles, and UTVs around the world.
- LoJack has a 90% recovery success rate over more than 20 years utilizing its radio frequency technology.
- Over \$2 billion in lost assets were recovered in the U.S. alone.
- Takes an average of 24 hours or less to track and recover a LoJack equipped vehicle that has been stolen.

For more information on LoJack, contact your Dealership Development Manager or call 800.967.3633.

2nd Quarter Service Report

The American Financial companies are committed to providing their partners with exceptional customer service. American Financial Warranty Corporation (AFWC) uses a variety of administrative resources to provide the industry's best response times. The Status of Operations that follows demonstrates AFWC's level of service for the 3rd Quarter of 2010.

- Averaged over 11,475 calls per month.
- Maintained a 99% service level.
- The average answer time for the year was 12 seconds!
- The average call length was 4 minutes 15 seconds.
- The claim payment turnaround averaged 5 days for checks and less than 2 hours on VISA.

The hours of operation for the Claims and Customer Service departments are 7:00 AM to 6:00 PM CST, Monday through Friday. The Business Processing and Cancellations departments are open 8:00 AM to 5:00 PM CST, Monday through Friday.



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Use the Sharpest Tools in the Shed



Tony Dupaquier
Director of Training

With dealerships looking for every possible advantage, it is fair to say most have started to utilize some sort of menu in the business office. Some business managers have succeeded better than others with this transition. However, unless you have recently looked at the technology of the current electronic menus, your business manager may not have the sharpest tools available.

If the dealership is utilizing a paper menu that must be filled out by the business manager every time he/she visits with a customer, it is time to update. Chances are, the dealership is not 100% compliant with every customer if the business manager needs to hand write a menu every time. The menu is entirely too valuable as a profitability tool and mandatory as a legal compliance tool.

Legal compliance is essential. Many dealerships started utilizing menus for legal compliance; unfortunately, there are too many electronic menus available that cross over the legal line. There are electronic menus that allow the business manager to pick and choose the product shown to the customer. In basic F&I training, we are all taught the 300% rule: 100% of the products, 100% of the customers, 100% of the time. Some electronic menus available allow the business manager to avoid the 300% rule and only offer products that the business manager wants to offer. This can become a discrimination issue for any dealership and it must be avoided. Another legal issue is that the electronic menu must remove the ability to increase the retail price of the products. Dealerships must offer products to every customer at the same price. Understandably, there are several different levels for service contracts resulting in some price differences. However, if the business manager increases the price of a non-rated product to a customer, this can be considered discrimination. Ensure the electronic menu provider has the ability to lock in the maximum price that a non-rated product may be sold for.

Product rating and DMS integration are invaluable features to any business manager. If the business manager has to go to a book, look up a rate, insert the rate into the menu, then transfer all this data back to the DMS for final contracts, this is costing the dealership time and money on every customer. Today electronic menus have electronic training available, and these features will save time and make the dealership more money.

Customer support is also important. Support is not just needed when problems with the software or website arise. Support also encompasses updates to the system, including when the updates take place and whether or not they are useful. There are plenty of questions to ask in regards to support of the system. Has the dealership's internet manager and business manager asked support questions to all providers?

There are several additional features available that can benefit the business office, such as product videos. Years ago, dealers started to experiment with video in the business office or in the waiting room, with many stores experiencing some success. It would entice the customer just enough to ask about products sold in the business office. Today's electronic menus have specialized videos that can be used to present the products or to overcome objections. These videos tend to have the greatest impact with objection handling. However, be careful not to entirely eliminate the business manager.

When considering a new electronic menu, these are several factors to consider. The monthly investment should be the last. With modern looks and features that will benefit the business office, the business manager, and the dealership, it is time to re-evaluate your current electronic menu provider and make the investment. When providing tools for the dealership, make sure they are the sharpest tools available!

AMERICAN FINANCIAL
goesgreen

Do you want to reduce the amount of papers on your desk? If you answered yes and would like to receive news and information from American Financial, the ATA, or Panoptic® Insurance via e-mail, visit www.AFASinc.com and sign up on the e-mail distribution list!


The graphic features a green recycling symbol on the right side. The text "AMERICAN FINANCIAL" is in a dark green, sans-serif font, and "goesgreen" is in a lighter green, lowercase, sans-serif font. The background is white with green leaf illustrations in the corners.

Increase Revenue with F&I University

American Financial's innovative F&I University development program combines an industry-leading F&I curriculum, career-building techniques, and online components for continuing education to maximize dealership revenue and penetration levels.

F&I University's Principles of the Business Office course is an interactive course where business managers will discover how to successfully perform a profitable and compliant F&I process. Participants will develop the skills to:

- Increase gross profit
- Overcome and eliminate objections
- Create need and build value in products
- Structure deals correctly to secure funding



AMERICAN FINANCIAL F&I UNIVERSITY

Principles of the Business Office
The Woodlands, Texas
November 8-12, 2010
December 6-10, 2010

F&I University Webcasts
Friday, October 15, 2010
GAP Objections

Monday, November 15, 2010
Product Mix

Automotive Training Academy Satellite Workshops
The Art of the Deal Workshop
Thursday, October 21, 2010
Charlotte, NC

For more information on classes or workshops please visit www.AutomotiveTrainingAcademy.com or call 800.967.3633.

2nd Quarter DBM Award Winner

Each quarter, F&I University's Business Managers Guild awards its top performer with the prestigious Distinguished Business Manager Award, an engraved Mont Blanc pen, as a reward for his/her dedication and hard work in the business office.

The 2nd Quarter recipient of the **Distinguished Business Manager Award** is



Kortney M. from Texas

Congratulations, Kortney, on this outstanding achievement!

Business Managers Guild Member Recognition

Upon successful completion of F&I University's Principles of the Business Office course, participants are automatically enrolled as members of the Business Managers Guild (BMG). As members work to increase production levels and complete the required continuing education components, their membership levels increase.

F&I University would like to congratulate the following members on advancing levels in the BMG:

Master Level

Danyel C., Texas
Kortney M., Texas

Professional Level

Bryan W., New Mexico

Congratulations on this outstanding achievement and keep up the hard work!