

It Depends

Depends is a word I use daily. No I'm not talking about Granny's adult diapers. I get asked a lot (I do mean A LOT) of questions about every detail of being a BHPH dealer and the first thing that comes to mind for almost every question is it depends.

As I think about that fact for a minute I realize it really is about the customer.

What I mean is, as a BHPH dealer for 28 years, I know what needs to be done for our operations to be successful. Everything we do is setup to be able to accommodate customer issues that are going to arise during the life of a given BHPH installment contract. Customers are going to have personal issues, job losses and make bad decisions. The vehicles are going to have mechanical issues, often because of the customer having personal issues, job losses and making bad decisions. We are going to get cars back that have been wrecked or impounded primarily because of.....well, you know.

Of course according to our customers, it's not their fault. If you have been in this business longer than a year then you have been through most of the 12,000,000,000 reasons the customer should not have to pay you for the vehicle you sold them. I have often joked about the Excuse Manual someone must have written because I have been in BHPH in 4 different operations in 3 states and the excuses seem to pass down from generation to generation.

Many times your employees have to find out the real reason you ended up with your car back often cutting through all the reasons their uncle told them to use (bad mechanical advise) or the legal jargon your customer picked up from late night reruns of Law and Order or Court TV (you know, cut through the BS). Generally you end up with more reasons you would see on Jerry Springer or Maury Povich. Listening to page 37 of the Excuse Manual (EM) about how the baby daddy took the car and "I ain't paying for it while he has it can you go pick it up?" often followed by "can you sell me another car so I can get to work?" is always a classic.

How about the every endearing EM page 23 where you have had the car longer than your customer has because the same issues that you cannot fix keep happening. For example, the fuel pump went out a month after they bought the car. Right after that, you know, 3 months later the driver's window wouldn't come up in the rain and then during the summer the AC stopped working.

I recently had the fun of a conversation with a customer who purchased a vehicle for her 17 year old son. Of course when she bought it that wasn't the story but 3 months later when the son lost his job, the mother is calling because the son cannot make his payment right now (page 317 of the EM). Once the son finds another job and gives us a couple of hundred dollars he shows up with some damage on the car and wants it repaired under his warranty. You understand, his insurance lapsed yesterday and the warranty should cover fixing his car. After the shop manager gets past EM page number 55 (you've heard this, he wrecked because we never fixed the brakes all those times we had the car in the shop fixing the cigarette lighter and blower fan) and tells the young man the story about what insurance covers vs. what the warranty covers and sends him home, the mother shows up about "her" car. I bet

you can hear her voice “you had no right discussing this situation with a minor” “you cannot talk to a minor about a contract”. I could have listed all the reasons why her statements were off base or talked about how she signed the contract but didn’t honor her commitment or how the son is the only person we ever see, but that would have sent the conversation the wrong direction. In the end we did a minor repair (at her expense) that insured the car was safe to drive and gave the mother a price if she wanted the minor body damage repaired.

This was just one example trying to explain the word depends. What we do daily in BHPH depends on what situation we are presented with by a customer combined with ferreting out the real reason for what happened. Yes it’s the customer’s car but that doesn’t change the fact if you don’t have a plan or policy for handling each general scenario how does your team know what to do? Unless you’re the only one running the daily operation you have team members that are faced with issues all the time and your team should know how to boil down all the ya-ya being said into the real story then know what solutions are in their power to use to help solve your problem. Yes, it is your problem (unless you like repossession) and you should anticipate these situations arising and have tools available for your team to use to solve them. This includes recognizing when the customer is right, something got missed or mishandled, and how that gets addressed.

So what do you do? I suggest you have a warranty or service contract program your customers pay for in some way. Also have CPI, VPI or other program, your customer pays for, to protect your collateral from uninsured damage or loss. Both of these give you funds to make repairs (or payoff’s) for real problems or exaggerated ones, using your customer’s money. Be sure your team is aware of what can and cannot be done within your programs. Spend time training associates on what I discussed above, how to get past the smoke and get to the real issue causing the irritation. Train the team on how and when to say no if that’s the correct answer. I am all about saying yes to everything we can but in some cases you just cannot or should not. Teach your team it’s ok to take responsibility if something got missed on your side and get it corrected quickly. I promise if your guys screwed up or the car really has a chronic issue and a manager tries to lay it off as the customer’s fault that always makes things worse. I cannot tell you how many times a customer has had an issue, caused in house, and taking the opportunity to own up, go beyond fixing the issue (detail, tank of gas) and apologize has completely turned the situation around.

The magnitude of any issue is generally determined by your attitude. Treat your customers how you would want to be treated, arm your team with answers for all the issues you can anticipate, and make sure everyone knows the boundaries of yes in your operation. The success of many of your accounts “depends” on it.