



# F&I Closing Routines

## Introduction

I understand. You're probably like a lot of my customers. You don't want to spend money for something you're not going to use. To see if this might be beneficial for you, do you mind if I ask you a few questions? *No, go ahead.*



## Total Cost of Ownership (TCO)

On your previous car, you had a payment of \$\_\_ a month and when we spoke earlier you told me you were comfortable with that payment, correct?

*Yes.*

I am going to look at what I call Total Cost of Ownership, TCO. You mentioned earlier you were driving about 15,000 miles a year and you get about 15 miles per gallon. So you're buying about 1000 gallons of gas per year. What would you say gas costs you per gallon?

*About \$3.00 per gallon.*

So 1000 gallons times \$3.00 a gallon equals about \$3000.00 per year on gas. This works out to about \$250 a month. Does that sound about right?

*Yes.*

You also mentioned you had a few expenses on the car. We talked about it earlier, it sounded like it was around \_\_\_\_\_ dollars. So you were probably budgeting what? \$20? \$30? \$40 a month in unscheduled repairs?

*\$30 dollars probably.*

I agree, I think \$30 a month sounds like a reasonable amount to budget for those unscheduled repairs.

*Yeah.*

So let's go ahead and compare the total cost of ownership and how this fits into your new budget. The payment includes your service contract. And you mentioned earlier that you saw value in the Service Contract, but that you didn't think you could fit it into your budget. Right?

*Right.*

## TCO Close, cont

Let's do the math and see how it fits. On the \_\_\_\_ (new) car we know we get around 20 miles per gallon so let me just do the math real quick on that. So that's going to be about \$190 a month on gas. This is about a \$60 a month savings. Pretty great, right?

*Yes.*

The other thing is, this \$30 dollars here that we budgeted for unscheduled repairs, you don't have to worry about that, because I've already put that into your payment here, because I've included the service contract. Okay?

*Sure.*

So here is your previous payment, with which you were comfortable, plus your gas expenses and your budget for unscheduled repairs. This amount is what you were previously paying and you were comfortable with this amount correct?

*Yes.*

Here's the new payment that includes a service contract. So not only are we going to take care of your unscheduled repairs, we're going to give you some free benefits. If your car is in the shop and you need a car to drive, we'll have a car to drive for you because it is covered by the service contract and included in that payment. If you need towing, that's included in that payment as well. In fact, if you run out a gas on the side of the road, we'll bring you some gas and even that is included in this car payment.

*Wow. That sounds great.*

So what you see here is that we're actually able to reduce your budget, your Total Cost of Ownership by about \$\_\_\_\_\_ a month.

*Okay.*

So, I think the real question is whether the 5 year 75,000 mile program that matches your finance term or the 6 year 100,000 mile program which matches how long you would like to keep the car is the better program for you. Which one would be best for you and your family?



The TCO Close  
Visual

TOTAL COST OF OWNERSHIP (TCO) CLOSE

TRADE-IN

NEW CAR

PAYMENT

MONTHLY GAS COSTS

UNSCHEDULED REPAIRS  
(MAINTENANCE COSTS)

INCOME CHANGES

TOTAL COST OF OWNERSHIP