



SENIOR Certified
AFIP F & I Professional

THE PERSONAL CODE OF ETHICAL CONDUCT

FOR

Mail-in Ethics Module Workbook



The Association of Finance &
Insurance Professionals

The Man in the Glass

*When you get what you want in your struggle for self
And the world makes you king for a day,
Just go to a mirror and look at yourself
And see what THAT man has to say.
For it isn't your father or mother or wife
Whose judgment upon you must pass,
The fellow whose verdict counts most in your life
Is the one staring back from the glass.*

*Some people might think you're a straight-shootin' chum
And call you a wonderful guy –
But the man in the glass says you're only a bum
If you can't look him straight in the eye –
He's the fellow to please, never mind all the rest
For he's with you clear to the end,
And you've passed your most dangerous, difficult test
If the man in the glass is your friend.*

*You may fool the whole world down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartbreak and tears
If you've cheated the man in the glass.*

-Anonymous-

ABOUT THIS ETHICS MODULE

The Association of Finance & Insurance Professionals addresses ethics at two levels in its certification program.

Situational Ethics – Basic Certification Course

Candidates fulfilling the Basic Course requirements must complete an on-line exercise in situational ethics, in which various selections of appropriate behavior are offered based on specific situations. Developed by the Institute for Ethical Behavior, *Ethics Certification for Automotive Finance Professionals* provides real world examples of ethical conduct.

Applied Ethics – The Senior Certification Course

In a practical sense, the order of presentation is reversed. The ethical concepts addressed in the Senior Course form the basis, or foundation, for determining the choices in the *Ethics Certification for Automotive Finance Professionals* course. However, inasmuch as the upper echelon training takes it one step further by addressing applied ethics, the end result – ethical conduct in all business situations – is the common objective of both training modules.

A Personal Code of Ethical Conduct

At the end of this module, the Senior Certification candidate must define, sign and agree to abide by a personal code of ethical conduct. The standards can be of your own choosing – and they are confidential. However, they will be on the record as a statement of the personal business practices model you intend to follow.

Your Personal Code of Ethical Conduct & AFIP Code of Ethics

Your personal code of ethical conduct and the AFIP Code of Ethics form the moral basis by which your actions as a Senior Certified F&I Professional and member of AFIP will be judged. While held in confidence, they can be used in your defense in an F&I-related lawsuit. Your personal code of ethics represents a test that you will have to meet in actual application. (Note: In order to update AFIP's files, you are required to sign the copy of the AFIP Code of Ethics at the end of this module.)

AS A SENIOR CERTIFICATION CANDIDATE, WHAT MUST I DO?

Your mastery of state and federal regulatory laws can be determined by a passing mark on an examination. While components of ethical behavior can be defined, simply knowing what they are doesn't ensure ethical conduct in actual day-to-day situations. Hence, an exam to measure knowledge of the elements of ethical behavior wouldn't be of much use.

AFIP contends that by the time someone goes to work in an automobile dealership, he or she already knows the difference between right and wrong. And, while what constitutes ethical behavior varies little from one situation to the next, the ethical choices posed by some industries may seem more complex than others. For this reason, it is important for the Senior Certification candidate to understand the mechanics of ethical conduct relative to the automobile trade and to map out a personal plan for ethical behavior. It is AFIP's intent to ensure that the individual on

whom the Senior Certified F&I Professional designation is conferred has consciously established a well-defined set of standards to apply in real world situations.

In order to attain Senior status, you will need to complete the information contained in this workbook and send it to AFIP for placement in your file.

Your employer (or anyone else for that matter) will not know the specifics of your ethical conduct plan. It is both personal and confidential. However, what will be known is that you have gone on the record – stated in writing and affirmed by your signature – that you understand what constitutes proper conduct, that you have a plan for acting ethically, and that you have pledged to do so. Again, you cannot obtain Senior status unless a signed copy of this workbook is on file with AFIP.

AFIP'S APPROACH TO ETHICAL BEHAVIOR

AFIP's approach to ethical practices is based on seven fundamental principles. You've already seen the first one:

I.

By the time someone goes to work in a dealership, he or she already knows the difference between right and wrong.

Of course, knowing the difference and choosing the right path aren't the same thing. Those who knowingly make the unethical choice won't find much use for, much less comprehend, training in situational or applied ethics.

II.

In the long run, a dealer's bottom line is best served by ethical practices.

The \$2 million-plus in fines assessed against Gunderson Chevrolet far outstripped the ill-gotten gains from the miscreant acts of the F&I personnel at that dealership. It is AFIP's contention that ethical practices pay, not only in the points that count toward your sense of integrity and self-respect, but in real dollars and cents.

An Exercise in Applied Ethics

This section attempts to translate the intangible concept of ethical conduct into the day-to-day mechanics of selling and funding cars. The standards imposed by society (Congress, the courts, consumer organizations, automobile industry, buying public, lenders and vendors, and the dealer community) say that we all must "do the right thing" in all situations. This is not an esoteric metaphysical mantra or instructions for achieving nirvana – it is the Golden Rule personified, codified, applied, and judged.

You'll find that the situational ethics portion of the Basic Course is tied to the exercise at the end of this section. The final segment of this module is designed to help you identify ethical practices from a broad perspective and integrate them into your professional and personal lives.

Ethics – a key component of confidence

Our confidence in others depends on two judgments. The first is whether the person we are dealing with is competent – in short, actually knows what he’s talking about. The second is whether he is ethical. It is possible to have one without the other. Most of us have dealt with an honest person who was clueless when it came to product knowledge, and have also encountered a well informed – but dishonest – sales person. In either case, it isn’t likely that a sale was made with half of the ingredients for confidence missing.

Ethics – a set of principles of right conduct

The phrase “principles of right conduct” can be attributed to The American Heritage Dictionary. What follows is an investigation of these principles as they relate to the sale, funding, and indemnification of vehicles, standards for employment, and our own personal codes of ethical conduct.

The principles of ethical conduct are intertwined, inescapable, and universal.

Keep in mind the following three tenets of applied ethics:

- What constitutes ethical behavior in one arena works well in all situations.
- Something is either ethical or it isn’t. What constitutes ethical conduct does not vary by situation.
- Most important, your standards for ethical conduct reflect the personal character traits you bring with you to every situation, every day.

ETHICS – THE SALE, FUNDING & INDEMNIFICATION OF VEHICLES

Confidence – the first, most important sale

The sale of an automobile is the second “sale” made in an exchange between a sales person and a customer. It’s certainly the most obvious – a car is a highly tangible object – and it’s the one that counts when it comes time to post the sales activity board and pay commissions. Nevertheless, it is the result of a sale made much earlier. The same is also true for the sale of F&I-related products and services.

Regardless of how attractive the asking price or desirable the merchandise, people will not buy unless they have confidence in the transaction. We have all passed on deals deemed too good to be true.

If someone beckons you from an alley with an opportunity to buy the Brooklyn Bridge, this scam is known as a “confidence game.” This is an apt term because all that is really being sold is the ability of the seller to generate a high enough level of confidence to motivate the buyer to part with his cash. Since the seller doesn’t actually own the structure, what else does he have to sell except confidence?

Confidence – the key to any car sale

The exchanges that take place in a typical automobile dealership are the antithesis of the bogus bridge deal, but they are still based on confidence. Once confidence has been established in the new or used vehicle sales department, F&I personnel offer an array of purchase funding options and protection products for vehicles and customers. Other departments offer vehicle maintenance and mechanical repair work, accessories to personalize or modify a vehicle, and technicians to repair body and frame damage. Not only do these people have bona fide products to sell, they are offered under the auspices of an established and financially sound organization.

The confidence threshold that prompts a positive purchase decision varies widely from one individual to the next, as does the weight attached to the various elements of the confidence-building process. Disparities aside, three common denominators are always present. The first is that the level of confidence needed to generate a purchase response is based on an accumulation of numerous visual and verbal cues – such as the physical location and condition of the dealership, selection and condition of the vehicles, mode of dress of sales personnel, and a host of other factors.

It is important to remember that while the decision to buy isn't determined by a single factor, the inverse isn't true. A single unfavorable incident can render the confidence-building process inert – and the customer walks.

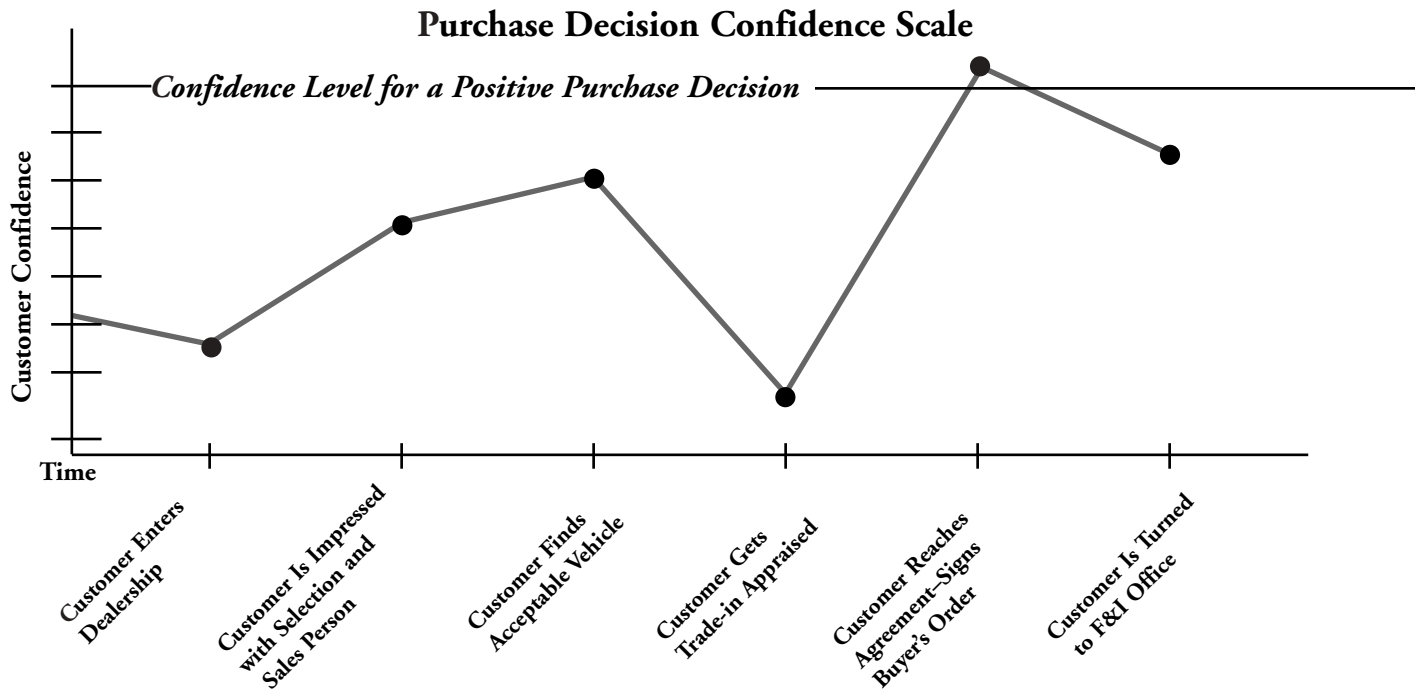
Second, each customer's standards for confidence-building behavior must be satisfied before the transaction progresses to the next stage. For example, if during the process of introducing himself, the sales person "turns-off" the buyer – the fact that the sales agent is a wiz at product demonstrations is of little value. At the end of the introduction, the prospective buyer will either walk away or view the exchange as something other than a purchase opportunity.

The third is that confidence in this context is based as much on perception as fact. A customer's assessment that he has sufficient confidence in the deal to buy a car is not determined by the accuracy of what the sales person said, but by the customer's perception that he was told the truth.

The customer may learn, after the fact, that a sales person, sales manager, or F&I manager lied. However, at the time the information is being related, most customers aren't familiar enough with the mechanics of a car deal to determine the accuracy of statements made by dealership personnel. During the initial presentation, the manner in which the information is conveyed may carry as much weight in the customer's eyes as what was actually said.

If what was represented to a customer as fact proves to be true over the long run, the dealership (and its sales staff) has won over another customer. And in most cases, the sales person has gained a repeat buyer. If the facts turn out not to be as purported, the dealership has not only lost the opportunity for a second sale, it has gained a vocal critic.

The graph on the next page plots a hypothetical car deal during its ascent to a customer's confidence-driven purchase threshold.



The graph illustrates the oscillations that may occur during the course of a sales transaction. It also notes the range of factors that come into play. In this case, the presence of a modern, well-maintained facility and a supply of new and used cars - including the one that fits the customer's needs - are positive factors. There is a correlation between physical plant, merchandise selection, and sales activity.

However, regardless of the millions of dollars invested in buildings, vehicle inventory, and advertising, the sales person is the single most significant factor in the confidence-building equation. This is true regardless of the product being sold.

Interestingly enough, the foundation on which the entire confidence-building process rests is established during the initial part of the customer/sales person exchange, long before product and price are discussed. Such being the case, the decision on the part of the customer to work with a particular sales person must be based on a number of immediately apparent cues.

F&I – the confidence process revisited

In most cases, at the time a customer is turned to the business manager, his or her confidence level is higher than when first entering the store because a sufficient level of confidence has been generated to secure a signature on a Buyer's Order. The elevated level of confidence is necessary for the F&I process to yield the desired results.

A car sale involves a tangible (a car) and is a process that may take hours, or - with Be-Back Buttons - days. It can also include assistance from other members of the sales staff or sales management. And, no actual test has been met as to whether the customer can actually afford the vehicle selected for purchase.

In an F&I-based exchange, a stranger must sell intangible products to a customer within 20 minutes sans assistance from outside the box. And - this is the moment of truth in the transaction when the customer must face the realization of whether the vehicle of his or her dreams can be funded based on information in the credit history report.

III.

We don't debase what we respect.

Ethics as a manifestation of respect

Respect should be a key element in all dealings with customers, lenders, and vendors. Respect manifests itself in a number of areas.

Ethics = respect for your occupation

A customer won't relate to you in your role as an F&I or sales manager if you don't take pride in what you do for a living. This text does not address, nor should it, how the individual completing the course feels about himself or herself personally. However, your attitude about what you have chosen as a profession is a major factor in your ability to earn a living in the car business.

Yours is an honorable occupation. It should not be viewed as a second choice or consolation prize for failing to achieve success in another field. The question, "What type of work did you do before you worked in a dealership?" all too often elicits a bitter response.

The respondent's face brightens as he tells about working for 15 years as an electrical engineer. The timbre of the conversation takes a downward turn, however, as the story moves to the part where his employer went out of business and at 45 he couldn't find another technical job - so he went to work for ABC motors.

Regardless of the circumstances that brought you to this point in your life, it is important to come to an understanding that there is nothing inherently wrong or bad about assisting people with their transportation needs.

The intellectual demands, regulatory mandates, ethical constraints, and skill level required to fund and market automobiles meet the criteria of a profession. Not only do you have the opportunity to do honorable work - you can work as a "professional" in every sense of the word.

It is human nature, every now and then, to get up in the morning and hate going to work. However, you cannot hate your work. If you think what you are currently doing for a living is dishonorable, or beneath you, you need to either reevaluate your career choice and come to a positive understanding about yourself and your profession or get out of the business.

It is worth noting that it is easier to feel good about your job when you act honorably, work as a team player, and possess the knowledge necessary to satisfy the demands of the position.

Ethics = respect for your customer

You cannot gain the confidence of someone you don't respect. Reverse the situation. Would you buy a boat or sofa from a sales person who thought you were a "flake," "mullet" or "propeller head?" The list of disparaging sobriquets assigned to prospective car buyers is endless.

In war, giving your enemy a dehumanizing title like Gook or Charlie makes it less stressful when you have to kill him. In the car business, customers are given dehumanizing titles to make it less

stressful to cheat them. If the person sitting across the desk from you is a hard working, middle class breadwinner (who doesn't know APR from RPM) with a wife and three kids and is in desperate need of a better car, it's tough to cheat him if you view him as a human being – a fellow working stiff. But if he's seen as an object – a “lay-down” – it's easy to sidestep any compunction about laying him away.

If you view yourself as fulfilling an honorable service – helping people meet their transportation needs – then there is no reason to see customers as anything other than people in search of having their vehicle problems solved. The fact that a car sale is one of the few remaining “negotiated” consumer transactions in the United States might change the dynamics of the exchange, but in the final analysis it's no different than any other high-ticket acquisition.

Almost all the prospective buyers who walk into a dealership have a rudimentary understanding of capitalism and the car-buying process. They fully understand that the dealership must make a profit in order to stay in business – to be around to service the car they just bought and available to sell them another vehicle at some point in the future.

The requisites for delivering “sound value for the price paid by the consumer” with enough money left over to fairly compensate the sales person and post a reasonable profit for the dealer are in place and well-proven. It simply is not necessary to “mouse” or “gouge” anyone to make the system work.

In fact, cheating the customer is counterproductive. If a prospective buyer senses that he is being misled or lied to, he will likely walk out the door. If he stays, as a defense mechanism, he'll be highly confrontational when negotiating the deal or listening to a presentation of in-house funding and owner/vehicle protection options in the F&I office.

If the customer doesn't walk, at best he'll be difficult to close – and not open to any of the services and products marketed by the F&I department. He won't come back for a second vehicle, and likely will tell everyone willing to listen that you cheated him – regardless of whether you actually cheated him or not.

If you truly feel good about your chosen profession and genuinely enjoy helping people, it will be apparent. These are emotions and attitudes you cannot fake. Nor are they something that can or should be articulated. People who feel compelled to continually tell their customers that they are honest, love their job, or really want to help them, are generally trying to convince themselves or set up a smoke screen.

If, from the heart, you have respect for your occupation and your clientele, that feeling will manifest itself in every phase of the sales process. A prospective customer walking into a dealership will encounter a stranger who has the power to impact if and how he spends \$25,000. The potential buyer is primed for cues that indicate if he should go or stay. A sincere greeting, a professional handshake, and an attitude of respect are essential first steps in the confidence-building process.

Ethics = knowledge of the products and regulations

It is difficult to deliver on a self-proclaimed pledge to act honorably and work within the law without a mastery of the tools required to put these admirable traits to practical use. The dealership, captive lenders, product vendors, and state and federal regulators have published rules governing the sales process. In addition, each manufacturer marque and individual vehicle within the line represents a maddening array of specifications and features that can come into play.

It is impossible to effectively shepherd a customer through the sales, funding, and indemnification processes without a thorough understanding of the rules and specifications. To this end, the professional must demonstrate the resolve to read the required material, commit salient points to memory, and verify that an acceptable level of proficiency has been achieved via an examination process. The process is time consuming and threatening – every time you take a test or participate in a competitive product knowledge exercise you put your mental prowess and ego on the line.

In most situations, a prospective buyer will bring to the dealership a far greater knowledge of human nature than the intricacies of the car-buying and funding processes. And in most cases, a customer will not know the correct answer to the questions asked of dealership personnel. However, human nature being what it is, the customer can tell by the responses whether the individual queried actually knows the correct answer. If the sales person hedges, waffles, or launches into a filibuster, the customer isn't going to believe him, even if he is telling the truth.

It is important to understand that the customer doesn't expect the sales person to know everything. The customer simply expects the sales person to accurately recount what he knows and be candid about what he doesn't know – and that he has the ability to retrieve the information not committed to memory.

The simple rule is, if you are not 100% certain of the accuracy of the information you are asked to divulge, you simply tell the customer you do not know and then check with the proper source to get an answer to the customer's question.

Oddly enough, admitting you don't know something – in the eyes of a customer – is a confidence builder. Demonstrating that you don't know anything, isn't.

A mastery of the material in the AFIP Certified F&I Professional program helps build a sound foundational knowledge of the rules that govern the vehicle sales, funding, and indemnification processes.

Ethical practices = professional sales conduct

Knowledge isn't enough. You can know all there is to know about the law, vehicle specifications, funding options, aftermarket products, and sales techniques, and still be a disreputable sales person. In fact, your command of this material places you at a decisive advantage over the customer. It also increases the burden to accurately apply your knowledge to actual sales situations.

Professional sales conduct means that you establish a personal equilibrium point, from which you do not vary, between the requirements of the dealership and the needs of the customer – and that you operate as a member of a marketing team. The test for professional sales conduct is that at the end of the presentation, the customer thoroughly understands what his or her obligations are with respect to the purchase, funding, and indemnification of the vehicle.

The buying decision can't be based on inference, an unspoken assumption, lack of understanding, or the customer's lack of awareness of a relevant aspect of the deal. It is the sales person's duty to engage the customer to such a degree that it can be affirmed that the customer fully understands what it is he or she is committing to.

A proper disclosure goes beyond simply reciting the Truth in Lending entries to eliciting from the customer any points that are not understood - and then addressing them. Given the recent changes in the Official Staff Commentary to Regulation Z - Timing of Disclosures, this requisite is not only ethical, it's now the law.

ETHICS - WHERE SHOULD I CHOOSE TO PLY MY TRADE?

IV.

The odds of an individual changing an existing corporate culture are slim to none.

It isn't likely that a new hire will change how a dealer chooses to run his business. Again, it is a matter of respect - carried to another level. Does the dealer respect his employees, customers, lenders, vendors, and vehicle manufacturers?

Of course, the degree to which the dealer incorporates elements of respect into the corporate culture is the dealer's prerogative. Since you probably can't change how the dealer does business, as a prospective employee you have two options. First, you can simply adapt to the dealer's business practices, regardless of his or her moral compass. Second, you can seek employment with a dealer who also maintains high standards of ethical conduct.

Actions, not words - ethics by example

You can't ascertain a dealer's code of ethical behavior based on platitudes expressed during the interview. What employees come to understand as the standards for acceptable behavior within any given operation are based less on what is written or said regarding ethical conduct and almost totally on what is tolerated in real world applications (or violations) of the firm's policy on ethical behavior.

Is questionable behavior tolerated or ignored if the guilty party is a top-flight sales person or if it is a high-gross deal? Or is the store rule that if you lie or cheat, you get fired, no questions or exceptions?

V.

It is the dealer's duty to create an environment conducive to ethical behavior.

Since prospective employees already know the difference between right and wrong, the onus is on the employer (the dealer principal or general manager) to create an environment that fosters ethical practices.

The elements of an ethical business environment

In AFIP's view, the following precepts are essential for establishing and maintaining an ethical business atmosphere.

- **Establish realistic performance objectives.**

Most dealers have a clear understanding of what constitutes a solid performance for each department and the revenue-generating sources within that department. While it may take some creative thinking to provide incentives for continual improvement, it doesn't take much thought to establish performance thresholds that can only be achieved by twisting something – the truth or the customer's arm.

- **Dealer management must be responsible for the process that yields the results.**

In far too many cases, dealers take a Slum Lord approach – “just hit the numbers, but don't tell me how you did it.” This practice may have yielded the expected results in the past with an acceptable downside, but that isn't the case today. Any pecuniary gain will be quickly offset by fines, settlements, the loss of business or the loss of potential income through increased regulatory constraints.

- **Implement a balanced marketing approach compensation package.**

Any F&I pay plan that results in the bulk of a practitioner's income coming from the sale (in volume or profit) of a single item invites abuse in the solicitation and disclosure of that product. While giving weight to the variations in profit potential of the products offered for sale, the plan should encourage a full recitation of all available products. (The introduction of menu-based solicitations has helped ensure that prospective buyers are exposed to all products offered by the dealership.)

- **Provide training needed to properly present and disclose the products offered for sale.**

It is one thing to demand performance, it is another to provide the sales people with the training (solicitation techniques and product knowledge) needed to properly meet mandated sales objectives.

- **Establish and monitor sales and F&I production reports.**

Given the level of reporting in most F&I operations, the excuse that a dealer is the victim of a rogue employee normally doesn't wash. A well-designed and actively monitored production report will alert management to the miscreant acts of an employee in time for corrective action to be taken with minimal collateral damage.

- **Recognize and reward ethical behavior.**

It is incumbent upon the dealer principal and key managers to define, recognize, and reward employee behavior that demonstrates respect for one's industry, place of employment, choice of occupations, clientele, lenders and vendors, and community. People will emulate any behavior that puts money in a fellow employee's pocket.

- **Establish the management and mentoring support network to ensure compliance with company policy and product-related procedures.**

Desperate employees left to fend for themselves generally take the path of least resistance – the abuse of an uninformed customer or the uttering of statements not supported by fact – to solve their production-related problems.

If it is human nature that keeps a customer from alerting a sales person that something is unclear, it is the same predilection that prohibits an unsure or errant employee from asking

for help. Management must be sensitive to personnel training needs in order to identify potential problems and to engage employees in such a manner as to bring them to the surface.

VI.

In almost every situation, it is clear whether the actions taken are ethical or not.

While recognizing the existence of extenuating or mitigating circumstances, there is no ambiguity when it comes to ethical conduct. Every action we take carries with it a clear polarity - what we are doing is either right or wrong. It is no more possible to be a little bit ethical than it is to be a little bit pregnant.

VII.

It is incumbent on each individual to act ethically - it is not a responsibility that can be abdicated or transferred.

Finally, and most important, ethical behavior is an individual responsibility. Recognition of this fact gives a different meaning to the two-letter gnome that "if it is to be, it is up to me." The dealer can create the environment, provide the tools and management support, and reward ethical behavior, but what transpires when you are one-on-one with a customer is strictly up to you. You - and no one else - are responsible for your own actions.

If a current or prospective employer's code of ethical conduct doesn't meet the above standards, it's time to start (or continue) looking for one that does.

If you decide you must compromise your standards to join an organization, you won't be happy or productive. If it isn't possible to abide by your standards in your current situation, you won't be happy or productive. In either case, you won't reach your full potential until you can ply your trade in a store whose standards of ethical conduct are in sync with yours.

GOING ON THE RECORD WITH A PERSONAL CODE OF ETHICAL CONDUCT. . .

This section must be completed, signed and delivered to AFIP by mail or at the time the final exam is given. You cannot achieve Senior F&I Professional Certification unless this section is on file.

Bear in mind that your responses are personal and confidential. They will not be shared with your current employer or anyone else.

Assessing AFIP's Seven Principles for Ethical Conduct

- 1. By the time someone goes to work in a dealership, he or she already knows the difference between right and wrong.** Agree Disagree

Comments: _____

2. **In the long run, a dealer's bottom line is best served by ethical business practices.**

Agree Disagree

Comments: _____

3. **We don't debase what we respect.** Agree Disagree

Comments: _____

4. **The odds of one ethical individual changing an existing corporate culture are slim to none.**

Agree Disagree

Comments: _____

5. **It is the dealer's duty to create an environment that is conducive to ethical conduct.**

Agree Disagree

Comments: _____

5. **In almost every situation, it is clear whether one's actions are ethical or not.**

Agree Disagree

Comments: _____

7. **It is incumbent upon each individual to act ethically – it is not a responsibility that can be abdicated or transferred.**

Agree Disagree

Comments: _____

(Note: If more space is needed, write on the blank pages at the end of this booklet.)

Your responses to the seven statements above reflect your understanding of what is expected of you with regard to a personal sense of right and wrong. The next section will help translate this self-realization into a personal code of ethical conduct.

Success in sales (and life) is the result of a three-part process.

The first step is to establish a challenging set of career objectives. The second is to identify the method you wish to employ to achieve them. The third is to show the initiative and resolve to stick with your plan until your objectives have been achieved. Even though all three components are crucial to long-term success, the second and third elements are the true test of character.

Career objectives

A reasonable short-term career goal might be to remain within the upper 10% among all sales personnel in the store for vehicle volume and gross, to maintain a certain level of penetration, or stay above a specified income per retail unit threshold.

Any one of these is an excellent goal, but how do you plan to achieve it? The obvious response is that you plan to work harder, know everything there is to know about your products, and operate above-board at all times. A good start.

However, the true test comes when you find yourself trying to cover your house payments and you determine that the customer's income won't carry the monthly payment. Just how creative can one be in completing a credit application?

The real question is, which of the two elements - "setting goals" or "determining what means will be employed for achieving them" - takes precedence? There is only one answer - without a second thought you complete the credit application fully and accurately. A skilled professional will take the time to learn if there are extenuating circumstances and carefully note them on the application, but the report must accurately reflect the customer's credit history.

Developing workable short / mid-term / long-term career objectives

Before you develop a set of ethical sales practices to govern how you ply your trade, it is important first to establish a clear set of career objectives. You need to address your immediate situation, events that might impact your career within the next 12 months, and long-term (five years or longer) goals.

Your selections should not be tied to specific events but based on where you wish to be at various way-stations in your career.

Short-term Goals (goals to be strived for starting tomorrow).

- 1. _____
- 2. _____
- 3. _____

Mid-term Goals (objectives to be accomplished within the next 12 months).

- 1. _____
- 2. _____
- 3. _____

Long-term Goals (objectives to be accomplished beyond a five-year period).

- 1. _____
- 2. _____
- 3. _____

Define a plan for reaching each objective.

The successful completion of each career goal requires continued development on your part. In some cases, additional education or training may be required. (Note: Education doesn't imply formal schooling culminating in a degree. An on-line correspondence course or junior college class may supply you with the specific information or skills you need.)

In any case, you'll need to do something more than you are doing now - beyond accumulating wisdom over time - to be qualified for more challenging positions. List below the specific acts you must undertake in order to achieve your short, medium and long-term objectives. Also note how you plan to launch each element of your development plan.

For example, you might determine that you should read business periodicals, join professional organizations, listen to audiotapes, or attend seminars in order to prepare yourself for an upper management position. Your action plan would be to conduct some research and actually purchase and study the material. Simply pledging to work harder and smarter in your current position is an effective initial plan for advancement to a higher position.

Tasks and action plan for achieving short-term goals:

<i>Task</i>	<i>Action Plan</i>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Tasks and action plan for achieving medium-term goals:

<i>Task</i>	<i>Action Plan</i>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Tasks and action plan for achieving long-term goals:

<i>Task</i>	<i>Action Plan</i>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Establish personal and family-oriented goals.

It is AFIP's contention, supported by a wealth of empirical evidence, that there is a close cross-correlation between the level of success and feelings of accomplishment emanating from one's career and one's personal and family life. A fully-developed and articulated plan serves all causes well.

Without divulging personal information, please record your personal and family-oriented goals.

Short-term Goals (goals to be strived for starting tomorrow).

- 1. _____
- 2. _____
- 3. _____

Mid-term Goals (objectives to be accomplished within the next 12 months).

- 1. _____
- 2. _____
- 3. _____

Long-term Goals (objectives to be accomplished beyond a five-year period).

- 1. _____
- 2. _____
- 3. _____

Tasks and action plan for achieving short-term goals:

Task	Action Plan
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Tasks and action plan for achieving medium-term goals:

Task	Action Plan
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Tasks and action plan for achieving long-term goals:

Task	Action Plan
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Community involvement objectives

It is more difficult to shortchange your customers - the people who live in the area and shop at the dealership - if you are an integral part of their community.

List the current community activities (coaching Little League baseball, PTA, etc.) in which you participate.

List community activities in which you plan to become involved.

Determining where you want to go is the easy part. Deciding what you are willing to do – or not do – to achieve your goals is the crucial and more difficult task.

We all ultimately aspire to be rich or independent. The true challenge and test of character is setting high standards of conduct to be employed when achieving your objectives - and then showing the resolve to stick with them.

The next step requires that you develop your own personal rules of conduct for achieving your objectives. In the course of doing so, you'll need to ask yourself some difficult questions. Do I take a myopic mercenary approach and attempt to get ahead at the expense of my customers, cohorts, or anyone who gets in my way? At what point do I cross the line separating aggressive sales tactics from deception and intimidation? Is it wrong to "mouse" one customer if the sale allows me to make a contest bogie? Just how creative can I be when completing the customer's credit application? Can I be fair with everyone and still get ahead? Since this is the car business, doesn't everyone assume I'm a liar?

In the course of weighing which route to follow, keep in mind that while unethical business practices make it easier for you to achieve your short-term objectives, they make it virtually impossible for you to hit any of your long-term goals.

Your answers to these questions establish the rules of the road for your career. They define your values both as a person and as a professional. They determine if you are credible or not. Your answers are what other people see when they look at you.

List the traits you have observed in people in the automobile business or other trades that made it apparent that they did not respect their customers or themselves.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

List traits you have observed in sales people who made it apparent that they held their customers in high esteem.

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____

Review sales practices that are part of your business sales routine against the entries noted above. Note any negative traits that should be eliminated. Also draw from the selections noted above (and others you wish to add) to list the positive traits that, in your view, will cast you as a highly ethical sales professional.

Negative traits that need to be eliminated: _____

Positive traits I currently possess or will integrate into my routine: _____

Additional positive traits: _____

Based on your view of yourself and the automobile industry, record from your perspective what is good and bad about the retail automobile sales and funding professions.

Positive

Negative

From your take on the industry, list how the practice of selling and funding vehicles will change if customers are continually dealt with unethically.

1. _____
2. _____
3. _____
4. _____
5. _____

In your view, are the F&I practitioners featured on the TV exposés rogue employees, or individuals who are simply doing what dealer management told them to do, or implied that it was OK to do?

In the final analysis, who is responsible for the behavior exhibited in these stories?

It is possible to have too many goals. However, as a Senior Certified F&I Professional, you should establish a set of core values from which you will not stray in achieving your goals. The publishing of these standards and the diligence shown in honoring them in real world situations defines you not only as a professional but also as a human being.

If God could establish acceptable standards of conduct for all of mankind with 10 Commandments, as a professional you should be able to make do with five standards of ethical conduct to be followed without question throughout your career - and on which you are willing to be judged.

Choose wisely. If you have any questions about your ability to honor a selection, rethink your commitment to your profession or post another standard to your list. After you complete your personal code of ethical conduct, sign where indicated. It is recommended that you make a copy of this page and hold it for future reference.

Keep in mind that while your colleagues, employer, a regulator, a judge, society or your customers will hold you accountable for violating one of your standards of conduct, the first person you will have to answer to is yourself. If it is unethical to cheat others, it must be a far greater crime to cheat yourself.

PERSONAL CODE OF ETHICAL CONDUCT

The standards of personal conduct from which I will not vary and to which I will be held accountable:

1. _____
2. _____
3. _____
4. _____
5. _____

AFIP CODE OF ETHICS

In fulfilling the duties of the profession, F&I personnel serve two masters: the dealership and the customer. The ethical F&I professional attempts to serve the customer's best interests while contributing to dealership profitability. These directives are congruous - a scrupulous, responsive F&I manager enhances customer perception of the dealership.

The F&I professional brings two parties together in a legal contract, a weighty responsibility that makes integrity of purpose and the conscientious execution of duties essential. By adhering to the canons below, the F&I professional will command the trust of the consumer and the respect of colleagues, advancing the finance and insurance profession.

Canon 1

The F&I professional obeys the law personally and professionally.

Canon 2

The F&I professional holds in confidence customer information, except to disclose any data to the dealership or potential assignee of a finance contract or lease that could materially affect the viability of the transaction.

Canon 3

The F&I professional does not make false statements or fail to disclose a material fact while performing the responsibility of the office.

Canon 4

The F&I professional exhibits diligence of effort, striving to achieve a mastery of skills and thorough knowledge of guidelines, and performs only those tasks within his or her realm of competence.

Canon 5

The F&I professional exemplifies ideals of good conduct, acting with integrity and maintaining a professional demeanor in the workplace and in the community.

Canon 6

The F&I professional understands that a dealer principal is free to establish philosophies and policies governing how business is to be conducted. Regardless of the official dealership policy or the practices condoned by management, it is incumbent upon the F&I professional to act ethically in his or her dealings with customers, even if it requires finding employment at another dealership.

Canon 7

The F&I professional must not violate the Code of Ethics, knowingly assist or induce another to do so, or do so through the acts of another.

Canon 8

The F&I professional understands that, as the sanctioning body for the F&I profession, AFIP actively monitors the business practices of its members and will take action if the AFIP Code of Ethics is violated, including revocation of membership or certification status. The F&I professional also understands that any cause for action will prompt a formal review process in which the F&I professional will have the opportunity to present an assessment of the situation, with a final opinion rendered by a panel of his or her peers.

Canon 9

The F&I professional understands his or her duties regarding the use of the Consumer Advocate Notice. If the system is employed, every retail transaction will require both the F&I practitioner and the customer to sign the form with one copy given to the customer and one copy placed in the deal jacket. It is understood that failure to abide by this requisite is in violation of dealer policy and AFIP's Code of Ethics. As such, a breach of this covenant is subject to action by AFIP.

As indicated by my signature below, I have read, understand, and agree to abide by the AFIP Code of Ethics as the principles by which I am to be judged in my dealings with my employer, co-workers, customers, lenders, vendors and those I encounter in the course of my duties - and in a court of law.

(Signature)

(Date)

After completing and signing this workbook, mail it to AFIP in the envelope provided or bring it to the final exam review session. You cannot achieve Senior Certification without completing, signing, and submitting this workbook. It will be kept on file and treated as personal and confidential information.

Thank you for your candor and effort.

