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## **Three Steps to Be a Compliant Dealer: And Why You Better Become One ASAP**

By Max Zanan

### **The Feds are watching car dealers:**

Federal regulators are on the prowl for businesses who fail to run compliant operations, and car dealers are often viewed as easy targets. For those regulators with political aspirations, penalizing a car dealership is one way to raise their profiles and gain the public's trust. Fortunately, there are ways to avoid being caught in their crosshairs.

### **Take Steps to be ready**

It starts at the top. Proactive steps taken by the dealer's leadership team can ensure that the entire operation is fully compliant across all departments. The first of those steps is to adopt a well-designed compliance program that applies equally to all departments so everyone who works for you knows they will be held accountable to the same standards whether they work in Sales, BDC, F&I, Fixed Ops, HR or IT. It will also send a message to junior staff that the entire organization is fully committed.

The Sales team in particular must be on board since they are under the most pressure on a daily basis due to monthly sales cycles and quotas imposed by car manufacturers.

### **Compliance is part of how customers see your dealership:**

Customers feel more comfortable doing business with a dealership that adheres to all federal regulations. Total Dealer Compliance recently surveyed consumers and found that over 30 percent buy cars based on a dealership's reputation alone.

### **Your dealership needs to be transparent & trusted:**

With non-compliance costing car dealers an average of \$792,000 per year in lost profit, this reinforces how critical it is to run a business known as reputable and trustworthy. The impact on your bottom line is undeniable. Today, more than ever before, customers are demanding a fully transparent sales process that makes them feel good about where they spend their hard-earned money.

**Here are three steps** you can take immediately to run a compliant dealership that instills trust and keeps your business out of the headlines:

1. **Hire a third party compliance consultant** to conduct a top to bottom audit of all departments and gain an objective assessment of where you stand. Implement a compliance program that includes training for all employees. Next, schedule internal quarterly audits to be 100 percent sure that everyone is following those guidelines on a daily basis.

2. **Choose a program that offers online compliance training**, allowing you to train existing staff and new employees who don't have time to attend classes in a traditional academic environment. Upon successful completion, you can use that documentation to prove to regulators that your employees are properly trained in compliance issues. It will also put your customers at ease during the sales process. Display the certificates in a high traffic area like the waiting room.
3. **Invest in pre-employment screening.** Know that you're adding the right people to your team and avoiding anyone with criminal or past fraudulent activity in the workplace.

### **Investing in Compliance Pays off**

By making a commitment to compliance through these proactive steps, you may entail spending money up front to put processes and check points in place, but the cost of not doing so will be far greater and puts the reputation of your business at stake. Can you afford to take that chance?

For more contact Max Zanan, President, Total Dealer Compliance & Automotive Industry Expert Visit [www.totaldealercompliance.com](http://www.totaldealercompliance.com) or call [1-888-243-5204](tel:1-888-243-5204).

