

Zero Tolerance Policy

by : Gil Van Over

A few years back, I was forced to quit quite a few of my hobbies for a few years. My son was busy with baseball in the summer and basketball in the winter. Summer weekends were spent traveling the countryside on the tournament trail with double and triple-headers each day. Winter weekends found us in gyms somewhere in the region. If I had it to do all over again, I would do it all over again.

Not only did I learn how to live without golf for a while, I also learned a valuable lesson in zero tolerance.

During one basketball game, my son violated one of the coach's rules. The details are blurry and I can't recall which rule it was, but it was a big one! The coach yanked him out of the game and he sat on the bench for the remainder of the half.

I had the unenviable opportunity of being able to chat with my son at halftime, not because I was a meddling parent who barged into the team meeting, but because I was helping the head coach as an assistant coach.

"What the hell was that all about?" I shouted in my best Bobby Knight voice. My son offered up a lame excuse.

"Don't you realize you can't play the rest of the tournament because you violated the coach's rule?"

"Don't worry Dad," my son calmly responded. "Coach never enforces his rules."

Dealers tend to face the same situation with employees who violate the rules. It is best to have a process in place to be able to enforce a zero tolerance policy whenever an employee puts a dealer's best interest at risk.

After all, in today's tempting times, a dealer must take the appropriate steps to help keep honest people honest.

A starter list

It doesn't matter what you call them (I call them non-negotiables), the point is to establish a list of forbidden practices that will cause the employee to be immediately terminated. Here are a couple of examples you can use to start your own list:

1. We will not allow our customers to sign any blank documents.
2. We will not sign any customers' names to any documents or allow anyone other than the customer to sign the customer's name to any documents.
3. We will safeguard our customers' non-public, personal information as required in our Safeguards Policy.
4. Line one of the RISC will reflect only the price of the vehicle we are selling and any products (or taxes and doc fees, if allowed).
5. There will be a product registration signed, priced, and dated for each product we sell, and product registrations will reflect the price of only the product being registered.

6. There will be a cash receipt in every deal file that reflects the exact amount of cash we report to our lenders as having been received from our customer, and we will not collect any more or less from him/her in this transaction.
7. We will accurately represent to our lending institutions the options on used vehicles.
8. The F&I manager and our customers will each place their initials in close proximity to every handwritten change made to any preprinted document signed by that customer.
9. F&I managers will report any incidents of non-compliance with any of these non-negotiables to the general manager.

Implementing the list

The human resource attorneys I speak with tell me that you cannot terminate a person without cause. One of the basic elements of proving cause is to prove that the employee knew what he did was wrong, or in violation of a company policy that specifically prohibited that behavior. Apparently, that means that you can't fire an idiot for forging a customer's signature, even though it is a felony, unless you specifically prohibited that employee from forging signatures.

If you want to be able to terminate an employee for violating one of your non-negotiables, the employee must be aware of the non-negotiables.

Conduct a training session on the non-negotiables. Prepare a handout to give to the employees included in the training session. Discuss in detail why these practices are not permitted. Have the employees sign a training roster and an acknowledgement form certifying that they attended the training session, understand your expectations and agree to abide by the policy. Keep these documents in a secure location. Now you have proof that the employee knew better than to forge a signature.

Enforce the policy

Now that your policy is in place and you have trained your employees on the policy, enforce the policy.

Conduct periodic audits. Instruct billing clerks to bring issues to your attention. If a situation comes up where an employee has violated one of your non-negotiables, conduct a thorough investigation. Review your findings with your HR attorney, manager or consultant. If the facts support termination, pull the trigger.

Otherwise, not only have you set a precedent for the next person who violates a non-negotiable to cry foul, everyone else in your organization will dismiss your list as just another management ploy to cover your backside.

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