Starting with a vision and building it into a success demands a strong work ethic. And it takes a teammate who shares the same desire to make it happen. At Ally, we're proud to offer a dedicated high level of service and expertise every day for every one of our dealers to help them thrive and continue to grow. That's our passion, our pledge and our promise. To learn more, visit ally.com/dealer or contact an Ally Account Executive.

ally AUTO®

It's more than our name,
it's our promise.

An ongoing series of articles designed to help dealers improve their business

SPONSORED BY

A SUPPLEMENT TO **Automotive News**

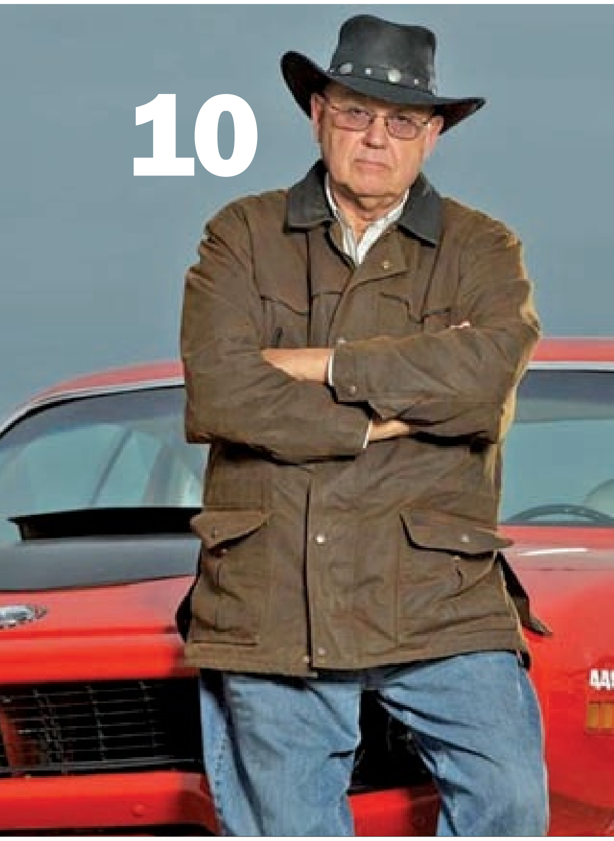
A COLLECTION OF BEST PRACTICES


Ali Ahmed President and CEO,
Atlantic Coast Auto Group
Ali's story …
"AT MIT, I LEARNED AN ANALYTICAL WAY OF LOOKING AT MY BUSINESS THAT'S HELPING IT RUN MORE EFFICIENTLY AND EFFECTIVELY."

INSIDE THIS ISSUE

contents

A COLLECTION OF BEST PRACTICES



Daniels BMW and Mini of Allentown 4
Bob Ross Auto Group 6
Capitol Auto Group 7
Serra Automotive Inc. 8
G. Stone Motors 10
Audi Mechanicsburg 12
Auburn Volkswagen 13
Ken Stoepel Ford-Lincoln 14
DCH Auto Group 15
Victorville Motors 16
Bill Knight Ford and Bill Knight Lincoln-Volvo 17
Brad Benson Hyundai 18
Rick Case Fiat 19
Carl Black Automotive Group 20
Bob Dance Automotive 22
Cascade Auto Group 23
Wegner Auto Co. 26
John Bowman Chevrolet 27
Bespoke Motor Group 28
Rizza Cars 29
First Texas Honda 30
Fields Chrysler-Jeep-Dodge-Ram 31
Subaru of Wichita 32
Greg May Honda and Greg May Chevrolet 33
Fitzgerald Auto Malls 34
Palm Springs Motors 35
Shammas Automotive Group 36
Shortline Auto Group 38
Kuni Lexus of Greenwood Village 39
Legacy Ford-Lincoln 40
Park Place Dealerships 41
Ted Britt Ford 42
Soave Automotive Group 43
Roger Beasley Mazda Killeen 44
Rick Case Honda 45
Hendrick BMW 46
AutoNation Dealerships 47

Meet dealers who turned creative ideas into success

Jason Stein is the publisher and editor of Automotive News

Free concerts. Floating golf greens. Bartering livestock in exchange for cars and trucks.

When it comes to helping dealers improve their business operations, sometimes the best examples come from the competitor down the street.

This 48-page supplement to *Automotive News* is a collection of some of the best retail solutions in the industry. We call them "Best Practices," but, in truth, they are shining examples of ingenuity, creativity and success. Mostly, though, they are all great stories.

These stories of success couldn't have come at a better time.

When the Great Recession hit in 2008, dealers needed to get creative in order to retain business and employees.

That year, *Automotive News* began writing weekly articles that highlighted unusual and successful dealer operations.

Some dealerships told us about their initiatives to hire IT experts to assist customers with their new-car purchases. One store, in Virginia, brought in a full-time researcher to ensure that the store's vehicle prices were kept in line with the competition. Rick Case Honda in Davie, Fla., offered haircuts and wedding services — in addition to selling cars. And yet another store, in North Carolina, created unique pay plans for its staff in order to improve customer retention.

This collection tells those stories. Distributed in partnership with Ally Auto, we hope there's a lesson in these pages for everyone.

For more Best Practices, including articles, white papers and exclusive video interviews with unique dealers, go to autonews.com/bestpractices.

Jason Stein

DANIELS BMW AND MINI OF ALLENTOWN, PA.

Youngster bet on a new import brand in 1974, and it paid off handsomely

Printed in Automotive News Sept. 17, 2012

Diana T. Kurylko
dkurylko@crain.com

Gary Daniels was 24 when hard-nosed European car distributor Max Hoffman made him a BMW dealer.

Daniels was ahead of the curve. It was 1974, and BMW of North America wasn't even established until a year later.

These days BMW is among the most coveted franchises in the United States — the most coveted, according to a recent report by Presidio Group, a San Francisco financial services company that brokers dealership sales.

But back then BMW was making its first strides toward the top rank of world automotive brands, and you could pick up a franchise without much trouble.

Daniels, now 62, owns Daniels BMW and Mini of Allentown in Pennsylvania's Lehigh Valley, where defunct steel factories and textile mills have been replaced by massive hospitals and headquarters for corporations such as Crayola. Last year he sold 463 new BMWs and 347 new Minis.

But before he got in on the ground floor with BMW, he just concentrated on the floor.

Daniels learned the car business at his father's Daniels Cadillac store in Allentown, starting at age 14 by sweeping up and cleaning out shop drains. He eventually moved into the parts and service department and then onto the sales floor.

During college he grew infatuated with the Spartan but sprightly BMW 2002. That was not unusual for young car cognoscenti of the era, the kind who devoured car magazines. The lightweight 2002 had agile road manners and surprising performance.

At the University of Denver, Daniels took on some extracurricular work for his business professors and in the process learned how to do statistical analyses of consumer questionnaires.

In his senior year, Daniels developed his own questionnaire to ask university students what car make they most desired. BMW came out on top, even though the brand was still relatively unknown in the United States.

"I came home and did a presentation for my father," said Daniels. "My father, who was a dyed-in-the-wool GM man, thought it was a folly."

Dealer Gary Daniels, with some of the awards his store has won. His father — "a dyed-in-the-wool GM man" — had doubts about the fledgling BMW, but things turned out OK.

The Daniels method

- Include accessories in the sales pitch
- Get buy-in from staff and reward workers with a commission of 8 to 10%
- Shop around for accessory suppliers
- Target new- and used-car buyers as well as service customers
- The payoff: Up to $25,000 a month in additional revenue, plus return business

Still, his father relented in the face of Gary's enthusiasm. From the time Daniels placed the first call to Hoffman, it took a year to acquire the franchise.

Hoffman, a celebrated figure in American automotive history, imported most of the European nameplates sold in the United States during the 1950s, years before those brands set up their own sales and distribution subsidiaries.

Hoffman, an Austrian, was a dynamo, famous for his salesmanship and strong personality. He is credited with persuading Porsche in 1954 to build the cheaper Speedster for the United States and with helping Mercedes-Benz design the 300SL Gullwing.

Hoffman: Early auto importer

Mercedes bought out Hoffman in 1962, but BMW waited and ultimately had to wage a bitter court battle before acquiring his distributorship in 1975.

The year before, Daniels and his father, Jack, travelled to Hoffman Motor Co. at its Montvale, N.J., headquarters to conclude the BMW franchise deal. Daniels remembers the diminutive Hoffman sitting in a rosewood-paneled office behind a large desk surrounded by auto memorabilia.

The most distinctive piece was "a rather large solid silver Porsche Speedster with an etched autograph of Dr. Ferry Porsche," said Daniels. "He was very proud of that."

Hoffman initially was concerned that Daniels was so young but became convinced "my enthusiasm for BMW would overshadow my inexperience," said Daniels.

Besides, Hoffman was known for making gas station owners BMW dealers because they could fix cars.

"He was putting in a lot of nontraditional

see **DANIELS**, next page

DANIELS

continued from previous page

types of dealers," said Daniels. "He looked at it as a way to say, 'I am going to make more money by putting more dealers in.'"

Daniels brought his letter of intent certifying he had floorplan financing from the Merchant's National Bank of Allentown. Daniels said he signed a two-page agreement — today's dealer agreement is at least 100 pages — and spent $21,000 to buy signs and parts.

Although he says he never has calculated the current worth of his BMW dealership, Daniels estimates the blue-sky value could be above $30 million.

His BMW store opened with a three-car showroom and three-bay service area across the street from the Cadillac store and in the same building as the family used-car business. Daniels sold cars, and his one service technician repaired them.

"We were on a shoestring budget and I was working 80 to 85 hours a week," he said.

The BMW 2002 was the bread-and-butter car, "and everyone thought it was a British motor car," said Daniels.

But in just one year, he said, the store hit $1 million in sales.

"I was ecstatic even though BMW represented only 10 percent" of the total family business, said Daniels.

The timing was right. In 1974, BMW's marketing chief in Munich, Bob Lutz, put BMW's U.S. ad account up for review and ultimately chose the upstart agency Ammirati and Puris.

The agency came up with the tag line "The Ultimate Driving Machine," and the brand was off and running in America.

The early years taught Daniels a lesson about focusing on customer service.

"We had a very close community in Lehigh Valley, and we were judged on how we took care of a customer," he said. "Word of mouth was more valuable than ads in newspapers."

That was fine because the dealership didn't have money to advertise, Daniels said. Instead, he tried to be innovative with his promotions — for example, convincing the bank that financed his floorplanning to display his BMWs in the lobby next to the elevator.

"They were where all the heavy investors could see them when they went to see their banker," Daniels said.

The store continued to expand, but Daniels said he never forgot the importance of word of mouth. He has received BMW of North America's Center of Excellence Award 12 times, more than any other BMW dealer in the United States. The award is given annually to about 30 dealers.

Gary Daniels started out with a two-page BMW dealer agreement, a three-car showroom and three service bays. Today he estimates his store's blue-sky value could top $30 million.

What a boy wanted

Gary Daniels, 62, the owner of Daniels BMW and Mini of Allentown, has been with BMW from the beginning.

- Surveyed fellow college students about the most desirable car brand; BMW won
- Convinced his father, a skeptical Cadillac dealer, to help him get a BMW franchise
- Became a BMW dealer in 1974, at age 24
- Sold 463 new BMWs and 347 Minis in 2011
- Has received BMW's Center of Excellence Award 12 times, more than any other U.S. dealer

Daniels took over the Cadillac store after his father died in 1982. When the Cadillac business began to suffer in 2005, he decided that rather than go for a new franchise, he would use the facility for a collision center. He closed the Cadillac store in 2007.

The collision business, now one of 67 certified by BMW, required extensive training and special equipment, said Daniels.

"It is a great asset and opens doors for us for potential sales," he said.

Annual revenues for the collision shop range from $4 million to $5 million, he said.

Daniels took a risk, just as he had in 1974. But why not throw the dice on a new franchise? Nope. Once a BMW guy, always a BMW guy.

"I had a lot of opportunities but never followed through," he said. "With BMW and Mini we can stay better focused on our message and our efforts." AN

In the early days, the BMW 2002 was the German brand's bread-and-butter car.

BOB ROSS AUTO GROUP, DAYTON, OHIO

Second-generation dealer Jenell Ross is driven to find a breast cancer cure

Printed in Automotive News Nov. 12, 2012

Arlena Sawyers
asawyers@crain.com

A few minutes before 8 a.m., the clouds in the October sky hint at a downpour any second. But auto dealer Jenell Ross and her team of some 200 friends, family members and dealership employees aren't about to let the threatening weather dampen their spirits. They are among 10,000 people preparing to walk through downtown Dayton to raise money for the American Cancer Society's efforts in breast cancer research and education.

Ross, like other car dealers, would have a full schedule without spending time on charity. She's the president of her family-owned dealership group, with stores in a market that's still recovering from the recession. She is also chairwoman-elect of the American International Automobile Dealers Association. But this charity effort is dear to Ross' heart. In 2010, her mother, Norma Ross, then CEO of the Bob Ross Auto Group in suburban Dayton, died of breast cancer.


Ross: $40,000-plus raised

"Mom was on the American Cancer Society Board, so we were a supporter even prior to her death," says Ross, 42, clad in a pink pullover and black slacks. She is standing under a small tent and behind a table stacked with caps, T-shirts, pullovers, and pins. "We want to continue her legacy in terms of finding a cure. The walk is just one of the ways we are able to do that."

Ross, a second-generation dealer, became the group's dealer principal in 1997 at age 27 when her father, Robert Ross Sr., died. She operated the business with her mother until Norma Ross died.

Ross and her brother, Robert Jr., who is vice president of fixed operations, manage Bob Ross Buick-GMC and Mercedes-Benz of Centerville, started by their father, and Bob Ross Fiat, added in 2011. Her father was the first black Mercedes-Benz dealer in the United States.

Jenell Ross, Bob Ross Auto Group president, and friends walk in Dayton, Ohio, to raise money for the American Cancer Society's breast cancer efforts. Ross lost her mom to breast cancer.

Jenell Ross has been active with local and national dealer groups for 15 years. In 2001, she joined the AIADA board, representing Mercedes-Benz. She will take over the reins of the group in 2013, becoming the second woman and first black dealer to hold the top position.

Already, she's one of the association's most outspoken dealers on the issue of repealing the estate tax. In April 2005, she testified before a congressional Subcommittee on Tax, Finance and Exports, saying that when her father died, Ross' family received a federal tax bill of "hundreds of thousands of dollars."

Losing her mom meant the family had to deal with the estate tax twice, she says. "Working with AIADA to eliminate the death tax and what it can do to families and small businesses is something of importance to me," Ross says.

Despite the chill in the air on this October day, though, members of the "Norma Ross Pink Ribbon Driven" team, many wearing pink pullovers identical to Ross', are pumped. As the start time nears, the crowd near Ross' tent thickens. Some walkers browse the stacks of T-shirts, hats and other souvenirs for sale while others stand in line for free pink bracelets. Sale proceeds will be donated to the Norma J. Ross Foundation, which benefits local youth in education and the fine arts.

Ross poses for photos with members of her team. Then she yells, "Is everybody ready?" She leads the crowd through downtown Dayton past the State of Ohio Korean War Memorial and around mud puddles in Island MetroPark.

In 2010, Ross and her team of 30 walkers raised $12,000 for the American Cancer Society. In 2011, that grew to 50 walkers and $23,000. This year, she decided to pick up the pace.

Her goddaughters came up with the "Pink Ribbon Driven" slogan, and her advertising agency created a special logo: the familiar pink ribbon icon with line markings that mimic a road, threaded through a steering wheel. Ross decorated the exteriors of her stores with pink vinyl wrap and "Pink Ribbon Driven" logos. She wrapped a Fiat in pink and white.

After the walk, the Ross team packs up. Only a couple of T-shirts are left. The free bracelets are long gone. The sun shines brightly; rain never fell.

Pledges are still coming in, but the tally by early November shows that the Norma Ross team raised more than $40,000. Even without a final tally, Ross says, the event "was worth every minute." AN

CAPITOL AUTO GROUP, SALEM, ORE.

Gaining an edge with a golf wedge at Oregon dealership's floating green

Printed in Automotive News Oct. 8, 2012

Larry P. Vellequette
lvellequette@crain.com

Some might see an eight-acre pond amid three auto dealerships as a big chunk of wasted space.

Scott Casebeer saw opportunity.

Casebeer, owner of Capitol Auto Group in Salem, Ore., last month anchored a floating golf green in a pond that dominates the 25-acre landscape surrounding his Chevrolet-Cadillac, Toyota-Scion and Subaru stores.

Then he bought 6,000 floating golf balls and invited his customers and employees to swing away.

"We probably have 30 or 40 customers a day who go out there to hit golf balls, and there's quite a few more that will just sit out there in lawn chairs and watch people hit balls," Casebeer explains. "You go around town, and everybody comes up and they're talking about it."

The three dealerships were built over the past two years on the campus. They also share a paved pathway that customers can use for exercise or relaxation while their vehicles are being serviced.

Casebeer says he bought the floating green for $50,000 from a company in New Hampshire and had it installed in early September. Its cup is about twice the size of the cup on a standard golf green, and the turf is laid over more than 2 tons of sand so the ball lands as it does on a normal green.

Capitol Auto Group owner Scott Casebeer saw an opportunity in the large pond sitting on his property: He invested in a floating golf green, which is used by his customers and staff. He says: "We probably have 30 or 40 customers a day who go out there to hit golf balls."

The green floats about 110 yards from the two driving mats, which are placed close to the Toyota-Scion store. Customers aim toward Casebeer's Subaru store as they strike the ball. A large fountain also puts out a giant decorative spray elsewhere in the pond.

Every three days or so, Casebeer dispatches a pair of attendants armed with fishing nets in a small boat with an electric motor to retrieve the balls.

Of course, giant fountains, island greens and floating balls attract more than just established customers, who are allowed to hit a bucket of balls for free. Casebeer says he charges $5 a bucket for golfers who aren't customers to take their swings. He donates the fees to a local charity.

Casebeer says his new installation is starting to bring in new customers.

He says: "One of my salespeople said to me just the other day that he had a customer who told him he wouldn't buy a car unless he let him hit some golf balls. So we gave him a bucket and let him swing away." AN

SERRA AUTOMOTIVE INC.

Serra group tests ideas and trains managers at Michigan auto plaza

Printed in Automotive News Oct. 1, 2012

Jesse Snyder
jsnyder@crain.com

Joe Serra, the Michigan dealer who was on the vanguard of no-haggle pricing 20 years ago, has long been an idea man.

For example, he hosts annual one-day meetings with all of his lenders and has linked the pay of 24 of his managers to the net profit of his six-store Al Serra Auto Plaza in Grand Blanc, Mich., a suburb of Flint. His may be one of the only privately held dealership groups to employ a director of acquisitions — in this case a retired General Motors corporate vice president.

Now Serra is on a growth tear. Serra Automotive Inc. is up to 25 stores in five states after opening Volkswagen, Kia and Subaru stores this year. And he expects to open a Cadillac dealership and make a four-store acquisition before year end.

"We'll buy or we'll build on an open point — the only thing we won't do is accept a poor return on investment," Serra says in an interview in the one-story brick headquarters built by his late father, Al, who began by opening a Chevrolet store in Grand Blanc in 1973.

Joe Serra prefers auto malls and dealership clusters, but he also has purchased stand-alone stores: Gold Coast Cadillac in Oakhurst, N.J., and BMW of Schererville in northwest Indiana. And there are other stand-alones throughout Michigan.

"We have no targets, no specific goals except to stay focused and be profitable," Serra says. "We need three things for growth: opportunity, capital and people."

Pete Gerosa, 70, the director of acquisitions, focuses on the opportunities. He was hired in 2007 after retiring as GM's corporate vice president of advertising and marketing. Gerosa scouts for purchases and his factory-guy credentials enhance Serra's bids for open points from manufacturers.

Unofficially, Gerosa also is a sounding board for Serra and his senior managers.

"He doesn't need the job, so he is free to tell me, 'You screwed up on that one,'" Serra says.

Serra's expansion drive is a rebound from the recession. In 2009, the group closed two Saturn and two Hummer stores.

Joe Serra, right, with son Matt, who heads Serra's Answer Team. The team provides auto technology assistance — regardless of a vehicle's brand or where it was purchased.

Serra Automotive Inc.

- **Owner:** Joe Serra
- **Headquarters:** Grand Blanc, Mich.
- **Group:** 25 dealerships, 19 brands
- **2011 new-vehicle sales:** 17,122
- **2011 used-vehicle sales:** 15,357
- **2011 revenue:** $992 million

Joe Serra: A leader in the no-haggle concept

"We lost the No. 1 and No. 5 Hummer stores in the country and the No. 2 and No. 7 Saturn stores," he says.

And while he has added two Cadillac points, the new Kia, Volkswagen and Subaru stores are a deliberate diversification from GM. Serra would like to add Ford and Nissan as well.

The growth strategy helps drive Serra's innovations — and vice versa. Capital is critical during rapid expansion, so he has initiated an annual meeting with all his lenders.

"Ally, Huntington, Citizens — we share our financials and tell them where we're going," he says.

Al Serra Auto Plaza is both a test bed of ideas and the cradle of future dealership managers. There, Serra relies on key managers, including Denny Dunfield, plaza general manager; Tony Nichols, comptroller; Dave Wenzel, plaza sales manager; and Paul Householder, fixed operations director.

The plaza, which by December will have seven new-car stores, is where Serra introduced no-haggle pricing in 1992.

He says increasing price transparency has moved the whole auto industry toward his concept. "With the Internet, how can you not price one-price?" he asks.

In 2000, Serra did away with departmental business silos at the plaza in favor of more cooperation. He did that after discovering that a competitor could sell pickup bed liners for less because each Serra department had internal markups. Now all 24 managers are paid monthly bonuses on the net profit of the auto plaza rather than the results of their individual departments.

And all managers get daily online reports

see **SERRA**, next page

SERRA

continued from previous page

and weekly printouts of each department's results.

"It creates harmony among managers, helps them learn all the operations," Dunfield says.

Joe Serra says the cooperative approach stresses profitability while giving young managers insight into how other departments function. And it prepares them to run their own stores.

"You've turned six of my managers into GMs running their own store in the last six years," Dunfield playfully calls out as Joe Serra walks by during an interview. "How about giving one back sometime?"

Walking out of earshot, Serra says softly, "Don't tell Denny, but it's seven we've taken, not six."

Serra is keen to train his managers at the plaza because he relies heavily on his general managers at the outlying locations, giving them wide latitude on operations but demanding a strong return on investment.

He says: "Trust the guy you put in the stores."

The managers appear to trust Serra.

At 52, Serra still has the lean and agile look

"With all the brands and how much technology each has, this is needed. Even if you do a perfect job on [a new-vehicle] delivery, two weeks later the customer has questions."

Matt Serra on the need for Serra's Answer Team

he had as the shooting guard captain of the 1980-81 Albion (Michigan) College basketball team.

The waitress at Little Joe's in downtown Grand Blanc automatically delivers his "usual" lunch, a no-dressing grilled chicken breast salad.

He's approachable by all employees. Spotting Serra passing the double-line Fast Lane at the Buick-GMC store, a worker buttonholes him to explain how rerouting the pneumatic line on a new tool eliminated a tripping hazard. Efficiency counts.

"We get 250 a day" who line up to roll through the line for a $12.95 oil and filter change and lube, Serra says.

Serra also is a prankster. Most plaza employees root for the University of Michigan Wolverines and tease Serra about Albion and his wife's alma mater, Michigan State.

When Appalachian State upset U-M in 2007, Serra recalls: "I bought every T-shirt in the Appalachian State bookstore by phone and passed 'em out like party favors. Man, was I unpopular that week."

Joe Serra's latest innovation is something called the Answer Team, or A Team, which provides instruction to customers on auto technology features.

You don't need to be a Serra customer, and it doesn't matter whether the Serra dealerships sell your vehicle brand.

Joe's son Matt, 24, has been heading the new initiative since graduating from Miami University in Ohio in June.

"With all the brands and how much technology each has, this is needed," Matt says. "Even if you do a perfect job on [a new-vehicle] delivery, two weeks later the customer has questions."

The Answer Team is free to anybody who asks for it, but the younger Serra figures it's an excellent if indirect marketing tool for the Serra group.

He says: "It gets them thinking about you." AN

Joe Serra prepares to cut the ribbon during opening ceremonies for the Grand Blanc, Mich., Volkswagen dealership in September 2012.

G. STONE MOTORS, MIDDLEBURY, VT.

Whatcha got? Cows, pigs and syrup all work as trade-ins at Vt. dealership

Printed in Automotive News Oct. 29, 2012

Nick Bunkley
nbunkley@crain.com

There's no Blue Book value for pigs, cows or maple syrup.

But Gardner Stone has taken all of those as trade-ins from customers of his Ford and GMC dealership in rural Vermont.

He boldly claims the business, G. Stone Motors, "will take anything in trade." He really means it.

"I feel everything is worth something," says Stone, 71. "Lots of times you'll get into the middle of a deal and the customer won't be able to go any further. So we always ask them, 'What else you got that you're not using?'"

Stone has been bartering antiques, livestock and other oddities with car and truck shoppers for nearly 50 years. He says such transactions represent about 20 percent of his sales.

Recently, his unique business approach caught the attention of a production studio, Lionsgate, which thought the dealership would be an ideal subject for a reality show.

A pilot the company filmed tested well, and GSN — formerly the Game Show Network — ordered a season of eight half-hour episodes. Filming just wrapped up after about six weeks, and the show, titled "Family Trade," is planned for sometime in 2013.

"Gardner is a great businessman, and he really goes by his gut," says David Schiff, GSN's senior vice president for programming and development. "The variety of things that come in that door are so unique and so interesting and so much fun."

Stone initially thought someone was playing a prank on him when Lionsgate first broached the idea. He agreed to do the show as long as it was not staged and depicted his dealership conducting business the same way it normally does.

"I'm very adamant about making this a legitimate thing," Stone says. "I can't stand these reality shows that you just know aren't right. We don't know where any of the deals are going to go prior to negotiating on the air."

Stone founded a used-car lot in his lifelong hometown of Middlebury in 1974, gaining GMC and Ford franchises in the 1980s. In 1993 he became one of the first Hummer dealers.

Above, car dealer Gardner Stone: "I feel everything is worth something." At left, Stone makes friends with some pigs he took on a trade-in at his rural Vermont store. His dealership caught the attention of a production studio, which thought it would be an ideal subject for a reality TV show.

Stone's son and daughter grew up around the dealership and now help run it; Todd manages the main dealership and Darcy oversees a commercial division that sells trucks and trailers.

A prominent aspect of "Family Trade" is the younger Stones having to figure out how to turn the items their father accepts into cash. They use eBay and Craigslist for a lot of the acquisitions and know people that will repeatedly buy certain things, such as tractors.

Many of the items are displayed for sale in the showroom, while animals typically are either sent to a nearby auction barn, sold to local farmers or temporarily housed on one of his children's pastures. (They're currently creating a bigger pasture.)

"It works for us," says Todd Stone, 44, who

see **STONE**, next page

G. Stone Motors

Founded: 1974 by Gardner Stone

Location: Middlebury, Vt.

Brands: Ford and GMC

Annual sales: 400 new, 250 used

Currently listed under "cool trades and odd inventory": Antique Gilbert & Parker gas pump, vintage-1900 post-office window, antique desk, charter bass boat, Blizzard Speed Wing snow plow, Brunswick phonograph, coin-operated children's rides

STONE

continued from previous page

grew up watching his father wheel and deal and expects he will continue the tradition after eventually taking over. "It's helped us get some deals that we wouldn't have gotten, and most of the time we do make good money. Even if we break even, we still sold the automobile, and we made money on that."

Gardner Stone, a veteran of the Vermont Air National Guard, is a champion tractor puller who used four jet engines to create a 12,000-hp flame-throwing tractor named "The General." He says he doesn't spend much time evaluating or researching items before offering an appraisal. "We shoot from the hip," he says. "We don't definitely know where we're going to place everything. You just roll the dice, but at least you make a deal."

He adds, "We win more than we lose."

G. Stone is not the only auto dealership that accepts unusual trade-ins, but few get more adventurous than boats, all-terrain vehicles and the like. The business, which sells about 400 new and 250 used vehicles a year, is receiving compensation, which neither the dealership not GSN would disclose, but Schiff of GSN says the Stones are "not getting rich off it."

"They're not going to give outrageous amounts of money just for the television show," says Schiff, whose network is also developing a similar show about a cash-for-gold emporium. "They really have to make a deal. There's a lot of tension in these negotiations."

In the pilot episode, which has not been broadcast publicly, one customer traded in 30 gallons of maple syrup from his farm. Another deal involved several pigs. Negotiations over a hot-air balloon fell apart.

This month G. Stone sold a Ford F-550 by closing a $2,500 gap with an antique phone booth, desk and Victrola phonograph.

Stone records a segment of "Family Trade," a reality TV show based on his unusual retailing philosophy.

Another deal just closed with Stone taking possession of a 2½-year-old heifer. "We were down to $1,500, and I just couldn't make the guy move," Stone says. "He said, 'I have some beef cattle.'"

The cow later sold for $1,000, Todd Stone says.

Over the years, Gardner Stone says he has agreed to take airplanes, pool tables, cowboy boots, horses, donkeys, a barber chair and land in the Florida Keys.

"If you can think of it," he adds, "I've probably negotiated on it." AN

> **"We don't definitely know where we're going to place everything. You just roll the dice, but at least you make a deal."**
>
> Gardner Stone

AUDI MECHANICSBURG, MECHANICSBURG, PA.

Going above and beyond is part of Pennsylvania Audi store's culture

Printed in Automotive News Dec. 17, 2012

Diana T. Kurylko
dkurylko@crain.com

Steven Baun, general manager of Audi Mechanicsburg, says superior service sets the store apart from the competition. "Treat the customer as you would yourself – and sometimes it does cost you money," Baun says. "We don't get any compensation."

It's one thing to go out of your way to help a customer and another to do it the Audi Mechanicsburg way.

Earlier this year, the Pennsylvania dealership — near Harrisburg, the state capital — sent a sales technician and a master mechanic on a two hour-plus, 113-mile drive, to replace the tires and wheels that were stolen off a customer's A8 sedan.

The owner had parked his car at a hotel near Philadelphia International Airport and left on a Caribbean holiday. He returned to find his car propped up on landscaping rocks.

The car owner "called here in a panic," says Steven Baun, general manager of Audi Mechanicsburg and Sun Motor Cars Porsche, housed in the same building. "He had the sport package with wheels, and the car was almost sitting on the ground."

The owner didn't want his car towed by an emergency service for fear it would be damaged. It was 4 p.m. on a Friday, and the dealership closed at 4:30, but Baun didn't flinch. A limousine was dispatched to pick up the Audi owner and his wife and drive them home.

Two employees volunteered to make the drive. They emptied a parts vehicle, pulled the wheels off a new A8 and headed out on the Pennsylvania Turnpike. They returned the car to the owner's house in Harrisburg at 2:30 the next morning.

It was costly and time consuming. The owner's insurance covered the wheels and tires, but he wasn't charged for the service.

But there was an upside for the dealership because six months later the rescued owner bought a new A8. Baun says he also "sent a lot of business our way" and even gave the two dealership employees lifetime memberships at the Gold's Gym health clubs that he owned.

That wasn't the first time Audi Mechanicsburg went above and beyond what's expected of a dealership. Baun says the idea is baked into his business model.

He doesn't dare add up the man hours expended, but Baun says superior service is what sets the store apart from its competition. And in a secondary market such as Mechanicsburg, he says, positive word of mouth is essential.

"Treat the customer as you would yourself — and sometimes it does cost you money," Baun says. "We don't get any compensation."

He says the extras the dealership provides are not part of the Audi Emergency Roadside Services program run by Allstate Roadside Assistance and free to new-car buyers for four years.

Audi of America executives like what Baun is doing. They asked him to speak in October to a group of dealership employees at Lincoln Center in New York. The event was part of a daylong seminar launching the brand's "Kundenbegeisterung" customer service program. Audi translates the long German word very loosely as "creating Audi fans."

Seminars were held this fall in 14 U.S. cities, and about 15,000 dealership employees were invited to learn how to engage customers better, personalize sales and service and learn from other industries.

"Audi Mechanicsburg is helping to lead the way," says Jeffrey Tolerico, director of Audi of America's Eastern region.

Audi Mechanicsburg is part of Sun Motor Cars, a family business with four luxury franchises.

The Audi business was acquired in November 2007 and moved to a new dual outlet with Porsche in 2009. The dealership is on track to sell about 260 new Audis this year, up from 190 in 2011, Baun says.

The Audi store sold only 62 new vehicles the year it was acquired by Sun Motor Cars.

"We want to get to 500 units in the next two to three years," Baun says, and he's convinced that customer service is a key to reaching that goal.

Baun says the situation is a bit different at the Porsche store. The same level of care is afforded the customer, but it's not the same kind of wow factor because the customers more or less expect it.

"That client has different expectations," Baun says.

In one situation, an Audi customer locked her keys in the car. She was 40 miles from home and had to pick up her grandchildren, Baun says.

Rather than make her wait the usual two or three hours for Audi to send a tow truck, the dealership cut a key and had someone drive 90 minutes to help her.

The dealership has brought gasoline to stranded customers and changed flat tires, all for free.

"If someone owns our products, and they are in trouble and even if we are an hour way, we grab our gear and go — for no compensation," Baun says.

"If you help the customer out, maybe they will buy another Audi. We believe what goes around comes around." AN

AUBURN VOLKSWAGEN, AUBURN, WASH.

VW dealer's viral video campaign generates buzz and wins customers

Printed in Automotive News Dec. 24, 2012

Gabe Nelson
gnelson@crain.com

Matthew Welch, owner of Auburn Volkswagen in Auburn, Wash., was sick of hearing all the talk about hybrids in this green-minded suburb of Seattle.

In 2008, with gasoline prices reaching record levels, Welch wanted to call attention to one of Volkswagen's fuel-sipping diesels that was about to go on sale. So he hired a video production crew and drove from the dealership to San Francisco with a 2008 Toyota Prius gasoline-electric hybrid and a 2009 Volkswagen Jetta TDI.

Refueling was forbidden. The Prius ran out of gas in Redding, Calif., after 549 miles, but the Jetta, with its larger fuel tank, traveled the full 733 miles to the San Francisco area. Welch said it ended up with slightly better fuel economy: 50.5 mpg, compared with 48.2 mpg for the Prius.

The video went viral.

Projects like that "TDI Challenge" proved so successful that Welch decided to spend his marketing money on digital marketing rather than conventional advertising. Web site visits have tripled since 2008, and the number of new Volkswagens sold has risen by more than 40 percent, from 709 in 2008 to more than 1,000 in 2012.

"If you would have told me five years ago that my marketing budget for 2012 would be 75 percent digital, I would have said 'no way,'" said Welch, who eliminated the dealership's radio and newspaper budgets but still advertises on TV.

During the videos that resulted from the first trip in 2008, posted on YouTube.com, Welch takes frequent shots at the Prius. The hybrid bore stickers during the trip that read: "The Jetta TDI gets better MPG than this car."

The project cost $13,000, and it wasn't profit that motivated Welch.

"No one had heard of it compared to the Prius," he said when asked why he took the trek with the Jetta.

It was the right time to draw attention to the Jetta TDI, and it paid off.

Welch got phone calls from radio hosts and

Matthew Welch uses videos to get across short, punchy messages about high fuel economy.

landed interviews with local news outlets as he drove down the Pacific coast with his crew.

Last year Welch reprised the trip with a pair of Passat TDIs at a cost of $14,000. Volkswagen liked the idea so much that it chipped in about half the cost.

"We thought it would get enough hits and draw enough attention to the brand and to the store that it was something we felt we could piggyback on," said Werner Mersch, director of Volkswagen's Western region.

In 2012 the store tripled its video spending to about $50,000 and made dozens of videos.

Hits have increased from 3,000 or 4,000 per month to 11,000 per month since the first trek. Welch said 35 percent of those visitors make phone calls to the dealership, according to data he gets from Cobalt, a service from ADP Dealer Services Inc.

Welch said the hardest part of the process was getting over his anxiety about making viral videos. The advertising firm that did the dealership's TV commercials had a creative director who was active in social media campaigns for big companies such as Microsoft, and he was able to help.

The dealership also learned to keep the videos brief — less than two minutes — so viewers wouldn't lose focus and so they would continue to Auburn's Web site.

"As long as we keep the videos short and relevant, we're serving up just what the customer is asking for," Welch said.

Welch said the videos play particularly well to Volkswagen's target market and the dealership's clientele in Seattle, home to legions of young, tech-savvy, white-collar workers who care about the environment.

The videos often are backed by an electronic music soundtrack. John Polnik, who runs the social media firm Interpolnik and works with Welch on the videos, said he trusts his young video producers to give the segments a youthful feel.

It's a break from the ordinary advertising model, said Polnik. Rather than explaining why people should buy a product or visit a store, the videos focus on customers and community groups. They just have Auburn Volkswagen's logo at the beginning or end.

This is the type of content that people will share on social media Web sites "because they don't feel that they're being sold," Polnik said.

"If you make a commercial, very few people are going to share it on their Facebook page or their Twitter feed," he added.

But making videos about car enthusiasts "buys good will, and it spreads the brand all over the place, like wildfire. It's fantastic." AN

KEN STOEPEL FORD-LINCOLN, KERRVILLE, TEXAS

FordDirect helps give Texas store's Internet sales whiz more time to sell

Printed in Automotive News Dec. 10, 2012

Bradford Wernle
bwernle@crain.com

Terry Massey, general manager of Ken Stoepel Ford-Lincoln in Kerrville, Texas, can remember the incident like it was yesterday.

The nightmare started with a miscommunication between his staff and a customer over which month her first $460 payment for her new vehicle was due. Instead of complaining directly, the customer posted a message on Google accusing the dealership of misleading her.

"We had a slight misunderstanding between a business manager and a salesman. The lady thought we had lied to her about her car payment. It went viral within a matter of days. She's got our reputation right in the palm of her hand," Massey recalls. "Here we are a President's Award winner."

Ken Stoepel Ford-Lincoln tried to settle the issue by giving the customer a free payment, but the scars endured. The incident helped lead the dealership to seek outside help managing its social media reputation.

"As the car dealer, we're guilty until proven innocent. We need some help to manage our reputation," says Massey, 42.

So this fall, Ken Stoepel Ford-Lincoln signed with the FordDirect Social Media and Reputation Management Service. FordDirect began offering the service in July and has signed about 150 paying dealerships, says Ryan Soffa, senior vice president of product development at FordDirect, a joint venture between Ford and its dealers to help them establish a more effective online presence.

For Ken Stoepel Ford-Lincoln, subscribing to a prepackaged reputation management service had another big benefit. It freed ace Internet salesman Michael Rodriguez to spend more time selling cars.

Before coming to Ken Stoepel Ford-Lincoln, Rodriguez, 33, had been on a very different sales and marketing career path: working on big corporate accounts for such computer companies as Dell and Cisco Systems. After he was hired at the dealership in 2007, he blossomed as a car salesman.

Rodriguez's tech skills served him well at the dealership. But he was almost too good at handling an array of tech-related tasks — from making sure his colleagues were following sales leads to taking digital photos of cars and posting them to the dealership Web site to composing monthly e-mail blasts to customers. For a while, Rodriguez was even the go-to guy for computer troubleshooting and repairs.

Michael Rodriguez can spend more time selling cars via the Internet now that he no longer has to handle social media chores. It's "such a refreshing relief," he says.

After the workday, Rodriguez spent many evenings on his home computer tending Ken Stoepel Ford-Lincoln's social media sites, responding to customer posts and posting notices to the community about events at the dealership.

In short, many of the tasks Rodriguez had performed were just what FordDirect's service now will do for the dealership.

Says Massey: "It was too much. He's the kind of guy who has that kind of passion and commitment. He was spread kind of thin."

Massey wanted Rodriguez to spend more time at his original specialty: selling cars via the Internet.

Now, Rodriguez can hand the social media duties over to FordDirect.

"It's such a refreshing relief not to have to do that," said Rodriguez. With more than 10 social media channels out there, FordDirect is "hitting a lot of media channels you just can't keep up with."

Says Todd Smith, a former Chevrolet dealer who now is CEO of ActivEngage Inc., a provider of online chat services for car dealers: "For a lot of dealerships, selling cars and running a dealership is a difficult business in itself. Marketing has changed so much and changed at such a rate that the average dealer struggles with what to do. The dealer doesn't want to make a mistake. Mistakes cost money and dealers don't operate on such a margin they can afford to make a mistake."

So they're turning to services such as the FordDirect Social Media and Reputation Management Service or General Motors' GM Primary Reputation Management, Smith says. Those services have vetted myriad service providers and packaged them for dealers.

FordDirect, for instance, contracted with Digital Air Strike, a Sunnyvale, Calif., company, to handle the social media chores under its new program after a nine-month bidding process that included two other providers, a FordDirect spokeswoman said. She did not identify the other bidders.

For the $399 monthly Premier-level fee, dealers get an adviser assigned by Digital Air Strike.

That adviser will engage with customers and provide content. For the $799 Elite-level fee, the adviser will respond to every customer posting.

Says FordDirect's Soffa: "On the reputation side, there are 20 different sites we'll manage for reputation and social media" including Facebook, Twitter, Google and YouTube.

"Every dealer has more satisfied customers than unsatisfied customers," says Massey. "One thing the Ford program does is helps us get the happy people up there."

The FordDirect program has paid big dividends in that department, he says. "We've doubled our friends and fans in one short month. Our impressions have gone through the roof."

Says Massey: "Everybody is looking at your Yelp ratings" these days. "You have to have a solution. It's going to make you more accountable and make your people more accountable. The better reputation you have, the more likely your customers are to come back." AN

DCH AUTO GROUP

With innovation and respect, DCH blends tradition with new twists

Printed in Automotive News Jan. 7, 2013

Jesse Snyder
jsnyder@crain.com

Dah Chong Hong Ltd., a Chinese food and textile distributorship, survived World War II by relocating to avoid military occupation — first from Shanghai to Hong Kong, then to Macao and only returning to Hong Kong after the war ended in 1945.

Thus the company that evolved into DCH Auto Group, which today operates 29 car dealerships in New Jersey, New York, Connecticut and California, has a long history of moving and adapting.

The man who led the transformation into autos was founder B.Y. Lam's son Shau-wai, who was born in 1941 while DCH was ensconced in Hong Kong. In 1959, the younger Lam was sent to America for an education — and with the idea of eventually joining the family's commodity import business on the U.S. side.

After earning bachelor's and master's degrees in math from Purdue University and an MBA from New York University, Shau-wai Lam went to work for DCH in New York in 1967.

Now 71, Lam said he put the "customer-first" tradition of a Chinese merchant to work in the United States.

But he also sought new opportunities, and that led him to the fledgling Honda franchise. In 1977, DCH opened its first dealership, Paramus Honda in Paramus, N.J., and the conversion of the family business from importing food and clothing to selling cars had begun. By 1979, Lam moved to Los Angeles as head of DCH's western region, opening what is now DCH Gardena Honda and DCH Tustin Acura.

Switching industries "made sense" to a company already used to big changes, Lam said.

"The margin on distributing commodity products like food and clothing was very small, and we didn't set the prices," he said. "Selling autos has a higher margin, fewer entry barriers and is a more efficient use of capital."

By 1988, Lam became president of DCH as it continued to expand its automotive operations.

Shau-wai Lam, left, chairman of DCH Auto Group, says: "Most of our philosophy has been passed down generation to generation." As DCH grew, that philosophy became part of a formal mission statement. He is pictured with son Brian Lam and wife Marie Lam.

"Most of our philosophy has been passed down generation to generation by informal tradition," said Lam, who is now chairman of the group.

But as DCH grew and more people from outside the family filled key positions, Lam knew dinner-table lessons weren't enough.

"In 1997, we wrote it down and created a formal mission statement," he said. It includes the key tenets of customer service, integrity and innovation.

"We want to be industry leaders, be innovative, take better care of customers because we have happy employees who act as a team," Lam said. "The power of a team is much stronger than the sum of individuals added together."

Lam said happy employees mean less staff turnover, which gives the company a competitive advantage in stability and lower training costs.

On the corporate side, it starts with strong employee benefits, including medical and dental insurance. In addition, a profit sharing plan helps create "a sense of ownership" in employees, said Roy Bavaro, director of marketing and brand development.

But it's up to general managers to implement personal touches that keep the staff engaged at individual stores. Dick Hsu, who has run DCH Tustin Acura in Southern California for 24 years, said if workers go beyond the norm in helping a customer, they might get a $25 gift card. But they get it at the mid-month staff meeting in front of their colleagues in between birthday and anniversary call-outs. "The card is just a token," Hsu said. "The real reward is the pat on the back."

The approach works. Hsu's Tustin store and DCH Millburn Audi in Maplewood, N.J., were on *Automotive News'* 2012 list of the 100 Best Dealerships To Work For.

Even the evolution of the corporate name from Dah Chong Hong Ltd. in Hong Kong to DCH Auto Group reflects Lam's commitment to blending tradition with new twists.

The initials are the same, but in America, DCH is also a trademarked marketing slogan: Delivering Customer Happiness.

The company's approach helped it weather the recession. But sticking to policies can be a challenge, Lam said, particularly when it comes to the trade-off of maximizing profits on a purchase and long-term profitability.

"It's better to let the customer win," he said. "If you always want to win, then the customer becomes a loser and the relationship with him will not last long." AN

VICTORVILLE MOTORS, VICTORVILLE, CALIF.

California dealer's car raffle boosts attendance, brings goodwill sales

Printed in Automotive News Jan. 21, 2013

Larry P. Vellequette
lvellequette@crain.com

Lots of dealers have given away vehicles to boost their business and help local charities. But a Chrysler Group dealership's annual $75,000 car raffle has pumped more than $1 million into struggling local schools and earned the dealership dozens of extra sales.

Last year, Victorville Motors, a family-owned Chrysler-Jeep-Dodge-Ram dealership about 90 miles northeast of Los Angeles, developed "It's a Gas to go to Class."

Eligible for the raffle are high school students with perfect attendance. The campaign culminates in a daylong festival in spring where valuable prizes — including two new Dodge Darts — are raffled off.

Victorville Motors rewards perfect high school attendance with a raffle ticket that might win the holder a vehicle. At left, Sydney Toney, with keys below, won a 2012 Jeep Patriot.

Even though the contest is only in its second year, the impact on the local school districts is impressive because school funding in California is based partially on attendance. Participating schools have enjoyed a fourfold increase in perfect attendance, significantly higher state revenue and better academic performance by students.

And the dealership says it has sold more than five dozen vehicles over 18 months as a direct result of the contest.

"I had no idea how successful it would be," said Tim Watts, the dealer principal.

Victorville Motors had long been involved in its community, raising funds and sponsoring events for local groups, Watts said.

But when one of the parents of a local Future Farmers of America chapter asked whether the dealership had ever considered giving away a car, the question planted a seed in Watts' mind.

"It wasn't just about us. We wanted to do it as a multilayered approach and an outreach that includes other local businesses," said Watts, 47, who runs the dealership with his brother Chet, 65.

Last year the dealership sold 850 new and 756 used vehicles.

Two dealership employees, Kevin Smilen and Billy Mack, developed the idea for the annual perfect attendance contest. The first thing they did was reach out to local district superintendents to weigh interest.

"Every one of the superintendents was over the moon about it," Tim Watts recalled.

Elvin Momon, superintendent of Victor Valley Union High School District, said that before the contest started, there were "maybe 15 or 20 kids" within his district's three high schools that finished the year with perfect attendance.

"But with the chance to win a car on the line? We had several hundred kids that came to school every single day," he said.

Six school districts and 12 high schools are participating in this year's contest, which will raffle off a pair of Dodge Darts. At the beginning of the academic year, the schools hold a rally where the prizes are shown and the rules explained. Tracking attendance is left to the districts.

Midyear, students who have maintained perfect attendance are eligible to win supplemental prizes, such as gift cards, as a motivational tool. And as the school year comes to a close, students with perfect attendance are given a special golden ticket.

That ticket allows the student to attend a final wrap-up event where the vehicles and other prizes are raffled off. In the contest's inaugural event, more than 3,800 people attended the final six-hour event, where sponsoring businesses set up booths.

Under California law, minors aren't allowed to win vehicles, so if the ultimate prize winner is under 18 the car is awarded to the parent, Watts explained.

Watts said the prize vehicles, with special wraps announcing the contest, visit participating high schools several times during the year.

They also appear at football and basketball games, especially when two participating schools play each other. About 31,000 students attend participating schools.

The contest isn't the traditional kind of advertising message in that there is no direct or indirect solicitation. Victorville purchased special wraps for the exterior of four Dodge Darts to advertise the contest, though only two will be raffled off. But the product exposure and good will generated have been phenomenal, Watts said.

"We sold over 50 vehicles on the program during the first year, mostly to educators, who were delighted to see a local business helping out its local schools," Watts said. "And we've had 64 sales directly attributable to the contest over the first 18 months. It's been as trackable and achievable in sales results than I would get from a traditional broadcast media, radio or TV campaign." AN

BILL KNIGHT FORD AND BILL KNIGHT LINCOLN-VOLVO, TULSA, OKLA.

Knight school: If you're sunk on Sync, tech-savvy dealer can help

Printed in Automotive News Feb. 18, 2013

Bradford Wernle
bwernle@crain.com

Bill Knight: "It's great for me because it keeps me connected to our customers — and with the technology, too."

Tulsa's tech teacher

Dealer principal: Bill Knight, 50

Dealerships: Bill Knight Ford and Bill Knight Lincoln-Volvo

Where: Tulsa, Okla.

2012 sales: Ford — 1,725 new, 1,250 used; Lincoln — 240 new, 250 used

Best practice: Knight, assisted by Best Buy's Geek Squad, teaches monthly clinics for customers on how to use Sync, MyFord Touch and MyLincoln Touch.

When Bill Knight started offering monthly clinics on Ford Motor Co.'s Sync entertainment and communication system back in 2009, only a handful of customers showed up for each session at his Tulsa, Okla., Ford and Lincoln stores.

Fast forward to 2013. The clinics' popularity has soared to the point that customers have to reserve spots in advance, and 30 to 50 people usually attend.

It would seem that Knight, who owns Bill Knight Ford and Bill Knight Lincoln-Volvo, might have enough to do just running his two dealerships. He's also the 2013 chairman of the Lincoln National Dealer Council.

But Knight, 50, happens to like technology. And he gets a kick out of teaching customers to operate Sync, MyFord Touch and MyLincoln Touch.

"It gives me a chance to engage our customers. People know if I can take the time to learn it and be comfortable with it and communicate it, they can, too," says Knight, whose calm and reassuring manner helps to put technophobes at ease.

"It's great for me because it keeps me connected to our customers — and with the technology, too. It's wonderful."

The clinics alternate between Knight's Ford store and his Lincoln store. They start at 7 p.m. and last about 90 minutes. Knight starts with a slide presentation that lasts a half an hour or so. Then many customers want to get into their cars and practice what they have learned.

A handful of salespeople and other employees hang around to sit with people in their cars. Technicians help customers with software upgrades or any other issues.

Because so many of his customers' issues relate to the compatibility of telephones with Ford's systems, Knight made an arrangement with a nearby Best Buy store to have Geek Squad personnel on hand to solve phone queries.

Knight believes it's the dealerships' responsibility to sort out those issues, even if the problem is with the mobile phone and not the car.

"It's very difficult to tell the person to go back to the phone store. We never do that. If you say, 'It's a phone problem, so you have to go to your phone store,' that's a real pain point for the customer," he says.

The worst that could happen, he says, is the dealership sends a customer back to the phone store only to have the phone store say: "'That's a Ford problem.' We work hard not to let that happen."

The clinics have the added benefit of helping customers get over their natural reluctance to set foot in an auto dealership any more than necessary.

"I think people are a little hesitant, thinking we're trying to sell them something," he says. "It gives us another way to bring them in the dealership in a very open and inviting way where we're here to help. We're not selling anything, just trying to help them enjoy their ownership experience as much as they can."

Knight finds he has to scramble to keep up with the material he teaches, especially with "all the myriad phones and how to pair the different phones. I try to read all the tools that Ford provides us. I take in all the information that comes to us regarding MyFord Touch. I need to be accountable, to know it."

Accountability is part of the reason Knight teaches the classes himself and why the dealership posts the schedules six months in advance. Having the classes run on a clockwork schedule has helped promote their popularity, he says.

Attendance also bumped up when the MyFord Touch and MyLincoln Touch systems were launched a couple of years ago.

Knight worked for Penske Automotive Group as a regional manager before buying his own stores in 2008. A year later, he launched the classes.

"It's hard to believe it's been four years we've been doing it. Now we see customers come who bought their Fords and Lincolns at other dealerships," says Knight.

That's just fine with him.

"Technology can be so intimidating," he says. "It is wonderful technology. If they know it and know how it operates, they get a ton out of it." AN

BRAD BENSON HYUNDAI, SOUTH BRUNSWICK, N.J.

Hyundai store simplifies Web sales, makes its Internet customers VIPs

Printed in Automotive News Nov. 26, 2012

Ryan Beene
rbeene@crain.com

By catering to Web-savvy car shoppers, Dave Cantin says sales generated by his dealership's expanded Internet department have more than doubled in the past six months.

Cantin, vice president of Brad Benson Hyundai in South Brunswick, N.J., says that until this summer, the dealership had just a run-of-the-mill business development center. Now, the store's Internet department aims to simplify the car-buying process and minimize the time customers spend in the showroom.

Fifteen dedicated employees handle only customers sourced from Internet leads, compared with six earlier this year. The negotiating, vehicle selection and financing are arranged via e-mail or on the phone. The department also has streamlined the paperwork, vehicle delivery and deal-signing process to be completed in 30 minutes or less.

The result? Cantin says monthly Internet department sales now average about 250 new vehicles, compared with 100 units in an average month under the old system.

The department, which is now referred to at the dealership as the "Customer Service Center," is designed solely to give Internet shoppers what they want, Cantin says.

He says Internet car shoppers know vehicle details inside and out, and often they have narrowed their choice to a specific model and trim and color. So by the time they contact a dealership, Cantin says, his department needs to make it as easy as possible to make a sale.

The additional volume has helped Brad Benson Hyundai keep its share of a growing local market in which competitors' brands have become more aggressive this year with incentives and marketing, Cantin says. Brad Benson Hyundai is one of Hyundai's largest dealerships, selling about 7,000 new vehicles annually.

"Those customers would rather not waste their time going from dealer to dealer but instead do all of their legwork on the Internet, narrowing it down to what dealership has the car they want in stock with the right color and equipment and what dealership is going to give them the best price," Cantin says.

Dave Cantin says his store's Internet department boosted average monthly sales from 100 under the old system to about 250.

Cantin, 33, knows firsthand that time is precious. He was diagnosed with leukemia in 2011. The cancer is in remission, and Cantin is heavily involved with cancer-fighting organizations. Chief among them is the Leukemia Action Foundation, which Cantin founded last year to fund advanced research into leukemia treatments.

When he's not working 12-hour days overseeing every aspect of the dealership, which sells between 550 and 600 new Hyundais a month, he spends his free time with his wife and two young children.

"My family is No. 1, and No. 2 is this dealership," he says. "This business to me is a passion. I wake up excited to come to work every day."

Leads are fielded by Internet technicians, who are instructed to respond within 15 minutes of receiving a lead on a potential customer. The goal is catching those customers while they're still online.

"How long are you online for? If it's for 30 minutes, and the dealership doesn't respond, they're probably out of the running," Cantin says.

Instead of responding to a lead with a boilerplate price quote, his staffers try to pinpoint a customer's needs and present him with the specific vehicle he's looking for. And rather than trying to get a customer to visit the dealership, all of the details of the deal are worked out in advance via e-mail or phone.

If a customer wants to look at a specific car but doesn't have the time to come for a test drive, a staffer will take the car to the customer's home or office at a convenient time.

"Maybe you don't have time to come in. But maybe you have a two-hour window from 7 a.m. to 9 a.m. on a Tuesday when I can bring you the car and if you love it come back the next day to do the paperwork," Cantin says.

To make the department stand out, it's housed in its own building away from the rural New Jersey dealership's main showroom.

Cantin says there's very little price haggling in the department. That's because the dealership offers a competitive price to begin with, while ensuring a respectable gross.

"I'll never lose a sale because of price," Cantin says. "I'd rather make a little money on each car and sell a lot of cars than make a lot of money on each car and sell fewer cars."

Once a price is agreed on and financing is lined up, the customer is told to come directly to the Internet department's stand-alone building, where the car is detailed and prepped for delivery.

All the necessary paperwork is ready and waiting when the customer arrives. The customer just has to sign it, pay and drive off.

Cantin says once the customer arrives at the dealership, the buying process takes 30 minutes or less.

"If it's a busy Saturday, they're not waiting," he says. "This is the VIP list at Brad Benson Hyundai." AN

"How long are you online for? If it's for 30 minutes, and the dealership doesn't respond, they're probably out of the running."

Dave Cantin, Brad Benson Hyundai

RICK CASE FIAT, DAVIE, FLA.

Florida Fiat store thrives with staff of youthful auto retail newbies

Printed in Automotive News March 25, 2013

Jamie LaReau
jlareau@crain.com

Rick Case Fiat's top salesman is a 19-year-old from Jamaica.

The finance and insurance manager is a 24-year-old former cashier with no previous dealership experience.

The oldest employee is a 40-year-old service technician.

But the dealership last year was the top-selling Fiat store in its region and No. 4 in the nation, Chrysler Group says. And a newspaper honored the dealership last year as one of the top places for young professionals to work in the Fort Lauderdale, Fla., area.

Rick Case Fiat in Davie, Fla., is about 20 miles west of Fort Lauderdale. It opened July 1, 2011, and sells about 660 new and used Fiats annually.

The dealership faces challenges: Six other Fiat stores are within 60 miles and its 14 staff members, most of whom have no previous dealership experience, have a heavy workload.

But Rick Case Fiat gets an edge from its youthful and energetic staff, a general manager eager to hire and train staffers from outside automotive retailing, lots of community face time and a love for Fiat cars that makes selling them fun.

The store is part of Rick Case Automotive Group, which ranks No. 21 on the *Automotive News* list of the top 125 dealership groups in the United States with retail sales of 21,154 new vehicles in 2012.

General Manager Raquel Case, 28, the daughter of Rick and Rita Case, who own the group, likes to defy convention.

Raquel Case learned the auto retailing business from her parents.

With young, energetic employees, Rick Case Fiat was No. 4 last year in U.S. Fiat sales.

Despite growing up in an automotive retailing family and receiving a degree in automotive marketing and management from Northwood University in West Palm Beach, Fla., in 2006, Case moved to Nantucket, Mass., to work as a professional chef in May 2008.

Just eight months later, she returned to the auto industry as a sales and finance and insurance staff member at Rick Case Automotive Group's Smart dealership in Davie, which today is Rick Case Fiat. About a year later, she became the general manager.

"I loved being a chef. It was a blast," Case says. "But the car business was definitely where it was at for me. I just love it and every day is a new day."

The family's car business lets Case give opportunities to others. Two years ago, for instance, Case hired Cynthia Toro-Azicri out of college as a cashier when the store was still a Smart dealership.

"Then, I taught her to sell cars and she was good at it," Case says. "She helped me build Fiat, doing a lot of our creative advertising, our fliers and banners. She came to me one day and said, 'I want to make more money.' I said, 'OK. What do you want to do?' She wanted to learn F&I."

For two months, Case taught the woman about F&I, she said.

"No one else in any dealership would have given her an opportunity like that," Case says. "She would not be an F&I manager at age 24."

Case Fiat's customers range in age from 16 to 91. And when they enter the store, they're likely to meet Shane Kelly, a laid-back and personable 19-year-old Jamaican.

Kelly came to the United States in June 2009. By 2011, he planned to study marketing. But a chance encounter on the highway that summer led him into auto retailing.

"I saw a Fiat drive by me and I'd never seen one before," Kelly says. "I'm a fast driver so for a little car to fly past me, that got my attention."

Later, he searched on the Internet for Fiat, found Rick Case Fiat's Web site and applied for a sales job. Applying for the job was mostly on a lark, Kelly says.

Raquel Case saw an "exceptional person" who was "not a typical 19-year-old," she says.

Kelly, a full-time student considering a career in sales, works every other day. He sells about 20 new cars a month, more than the three other salespeople on staff.

Kelly says: "I love it. I love it. I love it." AN

Country music group Florida Georgia Line performs in a packed parking lot at Carl Black's Orlando store. Below is group member Brian Kelley.

Free concerts create good will and a buyer base for Carl Black group

Printed in Automotive News April 1, 2013

Mike Colias
mcolias@crain.com

On Jan. 26, Mike Bowsher had a record day at Carl Black Chevrolet-Buick-GMC of Orlando. About 1,000 people jammed his lot for a two-hour concert by Florida Georgia Line, an up-and-coming country band. In more than 15 years of hosting concerts at Bowsher's four Carl Black stores in Orlando, Atlanta and Nashville, it was his biggest crowd.

A few attendees might have ended up buying cars or trucks, too. But Bowsher, dealer principal of the four-store group, isn't worried about that. Yet.

"The goal is to get them on the lot, let them meet our people and see what good folks we've got," Bowsher says. "If you're doing it to see how many cars you can sell that day, you're missing the point."

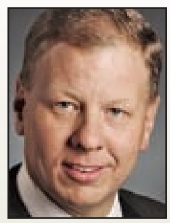
What began in the late 1990s as a cheap way for Bowsher's cash-strapped store to attract some warm bodies to the lot has evolved into the signature marketing tool of Carl Black Automotive Group, which sold 5,445 new

Chevys, Buicks and GMCs last year.

Bowsher says he spends around $500,000 — more than half of his annual marketing budget — on promotional events and sponsorships, including the Live on the Lot concerts. Each store hosts shows or autograph signings at least quarterly and more frequently during warm months. Carl Black also sponsors the Verizon Wireless Amphitheatre, a concert venue near Atlanta.

The rest of his budget is spent on radio, advertising exclusively on country music channels 52 weeks a year.

The bands play for free, on a handshake agreement, in exchange for exposure. On Carl Black's radio spots, the artists plug upcoming shows or autograph sessions and often get their songs played on the air. Bowsher loans Chevy or GMC pickups to some of the bands.



Bowsher: "The goal is to get them on the lot."

Melony Wilson, Bowsher's advertising director, is in charge of finding exposure-hungry young talent. She spent nearly a decade as a consultant soliciting corporate sponsorships for Country Music Association events.

Wilson says the radio spots serve a dual purpose: to promote the Live on the Lot shows and to differentiate Carl Black's commercials from other dealerships' advertising.

"We start with these artists when they're

see **BLACK**, next page

BLACK

continued from previous page

young," Wilson says. In 2007, the Carl Black Kennesaw, Ga., store, near Atlanta, hosted a concert by Luke Bryan, then a little-known singer who since has become a country sensation with several songs that have hit the top five on the country charts.

For most shows the biggest cost is for the sound stage and production crew, and that typically runs about $10,000, Wilson says. Radio promotions add to the cost. The dealership partners with local vendors to provide food and beverages. There are also plenty of kiddie attractions: bouncy houses, face painting, balloon artists.

It's a big hassle, Bowsher says. Setting up a sound stage and carving out room for concertgoers can require shuffling hundreds of cars. The store parking lot often gets clogged.

"It'll throw a hand grenade into Saturday afternoon," Bowsher says. "But we've been doing this for so long, we've got it down to a science. We've got detail guys jockeying cars. Everyone knows their role."

"We've developed that reputation. Country music fans are a loyal bunch, and they're big truck buyers. When they go to buy a vehicle, they think of us."

Mike Bowsher

Big Kenny of the country duo Big & Rich performs at Carl Black's Orlando store.

Everything is free for concertgoers. So what does Bowsher get out of it?

■ Reputation. So many residents in his markets associate Carl Black with country music, Bowsher says, that his stores get calls about concerts that have nothing to do with the dealerships.

"People habitually come back to us for these concerts because it's such a blast," says Bowsher, a first-generation dealer who grew up in the mountains of Virginia and is self-deprecating about his "redneck" drawl.

"We've developed that reputation," he says. "Country music fans are a loyal bunch, and they're big truck buyers. When they go to buy a vehicle, they think of us."

■ An appealing demographic. The crowds skew toward 20- and 30-somethings, a demographic that dealerships struggle to court.

The recent Florida Georgia Line show at his Orlando store was jammed with students from the University of Central Florida a few miles away. Professionally shot photos and video clips from the shows are uploaded to each store's Facebook and Twitter pages, which are filled with concert listings and links to other local country performances.

■ Customer data. Store employees roam the lot with wireless devices to sign up attendees for service deals and giveaways. Their information gets rolled into the store's customer relationship management system for follow-up.

Bowsher plans to install a software system that can document how many concertgoers become buyers or service customers. For now, though, he has faith that the events pay off.

For Bowsher, an amateur banjo player, the main event of the year — and a personal favorite — comes each November, when he buys tickets for 450 of his best customers to attend the Country Music Awards in Nashville. He also hosts the lucky 450 at a Carl Black-sponsored afterparty, and artists drop in and perform. Bowsher estimates that he spends $100,000 on his CMA festivities.

"These customers are so loyal and send us so much damn business, I won't let them buy one drink when they're down there," Bowsher says. "You wouldn't believe the number of customers throughout the year who'll tell me, 'I want to go to the CMAs again this year. Tell me when I need to trade.'" AN

BOB DANCE AUTOMOTIVE, SANFORD, FLA.

Florida dealer buoys business with Payless rental, used-car operation

Printed in Automotive News Feb. 4, 2013

Lindsay Chappell
lchappell@crain.com

Scott Dance: "This gives us another life. If the factory ends one life, we have another."

To fortify his Hyundai-Kia retail business, Florida dealer Scott Dance has turned to a nontraditional franchise for daily rental cars and used-vehicle sales, under the Payless brand.

Acquiring multiple franchises is nothing new in auto retailing. Car dealers have been diversifying their dealerships for decades, counting on the good fortunes at one showroom to balance downturns at the other.

But Dance's strategy is different.

Dance, owner of Bob Dance Automotive in Sanford, Fla., on Florida's Space Coast, wanted more flexibility in expanding than the new-car factory franchise system offers.

While automakers limit the density and locations of new-car franchises, Dance sees the Payless brand as a way of putting used-car sales and rentals where he wants around his market. He began opening Payless operations a year ago as a private label sales and marketing channel. He now has two Payless rental centers and one Payless sales store.

As the dealer envisions it, the independent channel will connect used-car customers with his new-vehicle dealerships, and vice versa. It will allow him to capture daily rental customers that his service shops previously referred to corporate-owned providers such as Enterprise and Budget.

And it will create a stream of low-mileage used vehicles for his Hyundai and Kia lots. Payless currently inventories Ford, Toyota, Nissan, Dodge and Jeep vehicles as rentals — all products that might be a little tough for a Kia dealer to acquire. Dance can sell those used rental cars from his Payless lot or shift them to his Hyundai and Kia lots. Likewise, he can move used cars from his new-car stores to the Payless lot.

"This complements everything we do currently and have been doing in the business," says Dance, 48. "And it fulfills a wish that my father and I talked about for years of owning a franchise for certified pre-owned vehicles."

But Dance's motivation is also to balance his reliance on auto manufacturers.

"This hedges us," he says. "Let's face it — sometimes the manufacturers like you, and sometimes they don't. This gives us another life. If the factory ends one life, we have another."

The St. Petersburg, Fla.-based Payless Car Rental System, a subsidiary of Avalon Global Group, has 80 locations in 20 countries. Most U.S. locations are still corporate-owned. But at the end of 2011, the company changed direction.

Payless recruited Keith Wiesman, a former executive with the Florida automotive finance giant JM&A Group, to become CEO of Payless Development. The company removed a number of independent operators around the country and instead began recruiting new-car franchisees to own and operate locations in conjunction with their auto dealerships.

Last month Dance opened his second Florida Payless rental location, putting a daily car-rental store in Port Canaveral, about 10 miles away from his Bob Dance Kia store in Merritt Island, Fla.

It costs $30,000 to obtain a Payless franchise, in addition to signs and real estate. The new store sits in plain view of passengers disembarking from cruise ships at Canaveral, one of the busiest cruise ports in the world.

Dance wants the nonfactory branding to give him a bit more buffer from the sort of manufacturer policy changes and retail turmoil that have roiled the dealer world over the past decade. He and his father before him, the late Bob Dance, lost franchises as factory fortunes changed.

Since acquiring their first dealership in Florida in 1973, the family's lost franchises include AMC, Renault, Peugeot, DeLorean and Dodge.

"We were one of the 789 affected Chrysler dealers," Dance says, referring to Chrysler's decision to eliminate 25 percent of its dealer body in 2009 as part of its bankruptcy restructuring. The decision pulled the plug on his Bob Dance Dodge in Sanford.

"We had the rug pulled out from under us," he says. "That won't happen to me with this business. Having another branded franchise selling like-new and affordable used vehicles protects you. Otherwise you can dedicate years to a brand that might be taken away from you one day for reasons beyond your control." AN

CASCADE AUTO GROUP, CUYAHOGA FALLS, OHIO

Aha! Ohio group reaps the many benefits of bringing retirees on staff

Printed in Automotive News March 18, 2013

Amy Wilson
awilson@crain.com

In 1997, fixed-operations manager Richard Bauman opened up a whole new world of hiring possibilities for Cascade Auto Group's Michelle Primm.

Bauman, then 61, had worked at a nearby dealership until it closed, but he wasn't ready to leave the business permanently. Though he didn't want to work full time, Bauman wanted to stay busy yet have a flexible schedule.

Primm, who was finding it increasingly difficult to hire dealership employees, decided to bring him on at her family's dealership in Cuyahoga Falls, Ohio. Bauman qualified for a state of Ohio computer training program that would pay his wages for six months.

"He never left," Primm, the store's managing partner, said of Bauman, now 76, who works 20 hours a week tracking her parts inventory. "It works great. He has trained my last two parts managers and really mentors them and helps with different inventory projects. I work around the births of his grandchildren and his golf game."

Moreover, the experience convinced Primm of the benefit of hiring retirees or near-retirees to work in the dealership. Sixteen years later, Cascade employs a dozen people fitting that description and ranging in age from their late 50s to their 80s. They make up about 19 percent of the company's work force.

Hiring has changed since the "old days" of the car business, Primm said. She jokes that's when you'd hire someone if you could hold a mirror up to his or her face and it fogged. Today Primm says she prospects for potential employees 365 days a year.

So realizing that older workers could be a boon to the dealership turned into an aha moment for Primm.

"My gosh, I can count on these people," Primm recalled. "They show up on time. I don't have to tell them what to do more than once. As long as I can get my staff comfortable with the idea of variable schedules, it's going to be a win for everyone."

Another benefit: They generally don't need health care benefits, saving the dealership money, though Primm hasn't quantified how much.

From left, Michelle Primm and part-timers Richard Green, Bill Robinson and her mom, Sally Primm, 80, who works three days a week doing payroll and conducting compliance checks.

Since Bauman's hiring, Cascade has added such people as a retired librarian, a policeman, two accountants, an insurance agent and a former Mazda field representative.

Primm doesn't recruit at the senior center, but she does ask current customers that have retired recently whether they would consider part-time work. Some of her retiree employees refer their friends.

They handle tasks ranging from service department marketing and shuttling service customers to handling dealer trades and working as dealership ambassadors at events. Primm's mother, who is 80, works three days a week handling payroll and doing compliance checks.

Some baby-sit grandchildren on their off days or schedule longer breaks to enjoy travel and family. One employee takes two or three weeks off at a time to visit his daughter, who lives in Colombia.

Richard Green, 65, retired from his accounting job at a telecom company three years ago to spend more time on his woodworking hobby and volunteer work.

A customer of Cascade, Green asked one day when his car was in for service whether the dealership needed more drivers. He now works up to 15 hours a week, mostly driving, but he also has offered tax and accounting expertise when needed.

"It's a fun job and a place where you can get out and keep busy," Green said.

Bill Robinson, 70, who also works as a driver, retired as a sales manager after 30 years at 3M. He came to work at Cascade after getting to know Primm's father and brother through volunteer organizations.

Robinson enjoys the camaraderie with co-workers and customers. "We meet a lot of people here from a variety of backgrounds," Robinson said.

Richard Bauman, who got it all started, says the work at Cascade keeps him sharp but gives him the flexibility to visit his daughters and grandchildren in North Carolina and Florida. He'll keep working "as long as my mind holds out."

He doesn't need the money, but Bauman says it helps when golf season starts — he plays three days a week.

Bauman, who got a hole-in-one at age 73, said: "It does pay for my golf." AN

Scan this to hear more from the Ally leadership team.

At Ally, our mission is simple — to be part of our dealers' success.

That's the way it's been for the nearly 100 years that we've been in the auto business. And through it all we have always believed in developing deep relationships rooted in our "all in" philosophy.

Whether it's providing a broad suite of products, innovating around new ones, delivering high levels of service or simply listening and strategizing together, our focus is straightforward and clear — to be the dealers' ally.

It's our passion, our pledge and our promise.

ally AUTO®

It's more than our name,
it's our promise.

WEGNER AUTO CO., PIERRE, S.D.

For 5th-generation S.D. store, iPads augment old-fashioned eye contact

Printed in Automotive News April 15, 2013

Jesse Snyder
jsnyder@crain.com

When you find a thriving seven-franchise dealership in sparsely populated South Dakota that has been in the same family for 106 years, you know the folks there have learned a thing or two about finding and keeping customers.

Wegner Auto Co. in tiny Pierre, S.D., has been in the family since Henry Wegner built a livery stable-car storage building near the state capitol in 1907.

Now sibling partners Jim and Jenny Wegner are teaching their mix of innovations and old-school tricks to a fifth generation, Jenny's son Bryan Boocock, 22.

Pierre is smack dab in the middle of South Dakota, but almost all of the state's 833,000 population lives either on the east edge near Sioux Falls or the west side near Rapid City. So life for the Wegners is traditional selling on steroids: building, cultivating and maintaining relationships generation after generation.

"We only have 40,000 people within 80 miles," says Jim Wegner, 63. "We have always taken care of our customers."

But modern technology helps the Wegners and their 54 employees stay in touch.

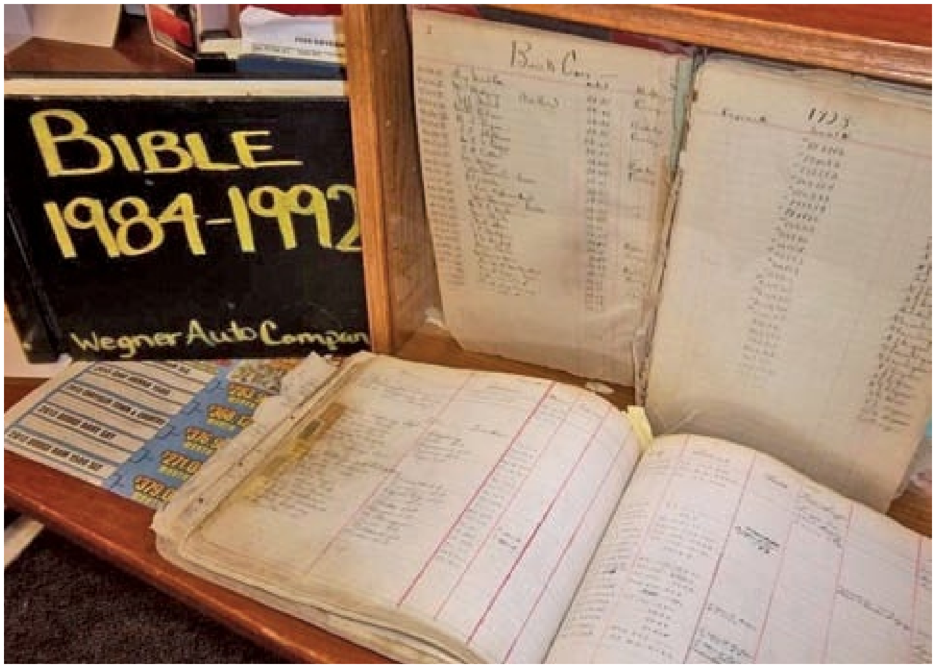
Technicians use iPads to speed repairs and maintenance. Internet Manager Andy Binegar's store Web site lets customers research new and used inventory but also look up staff members' pictures, tenure and comments. Binegar also handles Facebook and tweeting. Jim Wegner shops distant auctions virtually to save on time and travel expenses.

Salespeople supplement calls to customers with texts and e-mail. The dealership's traditional daily newspaper, TV and radio advertising schedule is supplemented by e-mail and other new-media marketing.

It's a balance, says Jenny Wegner, 57. "I respect that my family laid the foundation for a fourth generation to continue, but I recognize that we need modern technology to operate the computers, Facebook, texting and Twitter," she said.

"We blend that with person-to-person selling, but our customers prefer the personal touch."

There's a vintage patina over modern technology at the main Wegner location along Sioux Avenue, near the bridge over the Missouri River and two blocks from the Capitol.



The Wegner family "bible"can tell a customer if an ancestor bought a Buick in the 1920s.

The technicians with their iPads and computerized diagnostics are inside the service department, between the Buick and GMC showroom on one end and the Chrysler, Dodge, Ram, Jeep and Nissan showroom at the other.

While a salesman configures vehicle specifications on the desktop monitor, a customer might peruse the Wegner "bible," a fragile, glass-enclosed ledger of dealership records, to see if great-grandpa bought a Buick in 1923.

Being the state's oldest auto dealership is a powerful sales tool, and the family tries to make the most of it.

In 1907, after Nebraska mill operator Henry Wegner "came up the Missouri to see what was up," Jim Wegner says, keeping a roof over the three automobiles in town was barely a side business to his horse-and-wagon livery.

But later that year, Henry started selling Reos obtained from out-of-state distributors and soon added Dodge and Buick.

As a full-time auto dealer, Henry weathered World War I, the Great Depression and the 1941-45 hiatus on civilian auto manufacturing during World War II. In 1945 Henry turned the business over to sons Varro and Lester.

In the late 1950s, Varro's two sons, Hank and Tony, bought out Lester's son Peter's equity, though Peter stayed as parts manager until 1980.

Tony was childless. Two of Hank's kids became dealer principals, Jim in 1972 and Jenny in 1986.

The Wegners have diversified to seven brands and added a separate body shop and the under-$7,500 used-vehicle Miracle Motors a mile down the road. The operation is shaped by population density and geography, both a blessing and a curse.

The low population keeps sales modest — an average 38 new and 65 used units a month — but limits the number of sales and service competitors. There are two other dealerships in town, a Ford-Lincoln-Toyota store and a Chevrolet-Cadillac outlet.

At the Wegner operation, "it all works because everybody wears three hats," Jim Wegner says. "We all sell or service GM, Chrysler and Nissan brands." AN

JOHN BOWMAN CHEVROLET, CLARKSTON, MICH.

Operations overhaul helps small store be competitive in Chevy-heavy area

Printed in Automotive News July 22, 2013

Jesse Snyder
jsnyder@crain.com

Katie Bowman Coleman and her father, John, didn't always agree on how to modernize the family business, John Bowman Chevrolet in Clarkston, Mich.

In fact, Coleman, 49, left the dealership in 2009 and enrolled in General Motors' women's retail network program, training to open her own store.

"But the family interceded, and we settled our differences," she says. She returned in 2011 and replaced her father as dealer principal in early 2012, months before his death.

The store had done well since John Bowman purchased it in 1976, as Clarkston grew from a sleepy Oakland County suburb 40 miles north of Detroit into a built-out bedroom community in Michigan's richest county.

But what Coleman took over in 2012 was a single-point operation surrounded by four Chevy stores less than 15 miles away. And in an era of stair-step factory incentives that reduce the wholesale costs of higher-volume outlets, she needed to grow to compete against larger dealership groups in metro Detroit.

Coleman took swift action. She opened the store on Saturdays, revamped the Web site and advertising, replaced a sales manager, expanded service capacity, refurbished the showroom and made the store more inviting for female customers. Expanding the four-car showroom was impractical because it's landlocked in a busy business district.

Through the first half of 2013, sales of new vehicles rose 42 percent compared with the same period last year to 736 units. Used-car sales rose 20 percent to 352. Service business is up 40 percent.

It's still a single-franchise operation, but Coleman says the store is already more competitive against the big groups, as measured by Chevrolet's regional sales yardstick that compares the market shares of dealerships within metro areas.

"We're already up three levels of sales effectiveness," she says. "The changes are working."

LEONORA ANDERSSON

Katie Bowman Coleman of John Bowman Chevrolet says the changes she made are working: "We're already up three levels of sales effectiveness" on Chevy's regional sales yardstick.

The modest-sized showroom still holds only four vehicles, but after a recent updating it is brighter and seems larger. The solid walls that closed off the sales team's offices around the perimeter have been replaced by transparent panels.

The oldest of three daughters, Coleman didn't always think her future was in the auto business. She grew up knowing her way around the compact dealership before heading to Granville, Ohio, to study speech communication at Denison University, her parents' alma mater. She spent the next five years working for the Ralph Lauren fashion house.

"I didn't officially work at the store until I was 27," she says. "I started working the parts counter and drove the parts delivery truck. Dad had me on a full rotation through every department — back end, front-end finance, on the sales floor, then accounting in the main office."

And now back in the family business, Coleman added a master's degree in finance at nearby Walsh College, attending nights and weekends. And a year after giving birth, Coleman went through the National Automobile Dealers Association's yearlong dealer candidate academy program.

Coleman has long worked to enhance the dealership's reputation as female-friendly, says Rhonda Jensen, director of service, parts and body shop. Coleman has hired more female sales and service-writing personnel, but in a sense it's just tweaking a family tradition started by her father, she adds.

"I started as a car biller 23 years ago," Jensen says, "but Mr. Bowman let me sell cars after I finished my regular work every day, then moved me to service writing and eventually I took over service."

Making it easier for women to buy a vehicle and get it serviced is only an extension of how to treat any customer, Coleman says.

"But it absolutely is a competitive advantage" when women are the primary deciders on 80 percent of all vehicle purchases, she adds. "Nobody has a larger proportion of decisions of what is bought." AN

BESPOKE MOTOR GROUP, JERICHO, N.Y.

Once a high-tech CEO, car collector blends financial expertise, passion

Printed in Automotive News April 8, 2013

Diana T. Kurylko
dkurylko@crain.com

Antoine Dominic was set to ease into early retirement in 2008 after selling the high-tech laser company he had run for several years and making a fortune on the stock he owned.

Dominic, a native of Sri Lanka, stayed on as a consultant and indulged his passion for collecting and driving ultraluxury sedans and exotic sports cars.

But fate took him in a new direction. Within a couple of years, the owners of ailing Champion Motor Group, a luxury-brand retailer on New York's Long Island asked if he was interested in buying its Bentley store.

"They were trying to salvage the company, and I was probably one of their largest customers," he said.

Champion also had a Lamborghini franchise and sold used exotics from its opulent 65,000-square-foot building in Jericho, N.Y.

Dominic did buy Bentley Long Island in March 2010 and leased the same building used by Champion, which declared bankruptcy and lost its Lambo franchise.

In 2011, he bought a Rolls-Royce dealership and moved that operation into the building. Last year, he added an open Lamborghini point at the Jericho site. The new Lamborghini showroom opened in January and is the largest Lambo store in North America, said Michael Lock, CEO of Automobili Lamborghini America in Herndon, Va.

Dominic, 51, is anything but retired, but it's not a problem.

"I'm like a kid in a candy store," he said.

Dominic operates the three stores as Bespoke Motor Group. Each has its own showroom and entrance, and there are accessory boutiques and configurators for customers to personalize their cars. The showrooms share a lounge area, eight-seat theater and the service area in the rear.

"We want customers to use our facilities as a meeting and networking point," Dominic said. "We do functions and networking for our customers," he said.

Bespoke Motor Group is expected to sell about 300 new cars this year, up from 175 in 2012. The cheapest is the 2013 Bentley Continental GT, with a base price of $176,725. The most expensive is the Lamborghini Aventador LP 700-4 Roadster at $445,300. The prices include shipping.

Antoine Dominic sells Rolls-Royces, Bentleys and Lamborghinis: "I'm like a kid in a candy store." Dominic said he found the transition from collector to retailer a culture shock.

Dominic knew his way around such hardware before becoming a dealer. His personal stable includes a Maserati MC12, a Porsche Carrera GT and "a few Lamborghinis," as well as his daily drivers — several Bentleys and Rolls-Royces. He used to own Ferraris — including an Enzo, an F50 and an F40 — but sold them when he became a Lamborghini dealer "out of loyalty."

But moving from collector to retailer was a culture shock.

"I came from high-tech, and I worked with Ph.D.s developing products," he said. "If you don't have the next best thing, you will be left out. Here it is a different type of pressure. I do not design the product, but we have to sell it."

Dominic studied at Radford University in Radford, Va., where he earned a degree in accounting and later an MBA. He's also a certified public accountant.

After school, Dominic joined CompuDyne Corp., a maker of security systems in Annapolis, Md. He rose through the ranks to become CFO.

In 1995, he moved to Excel Technology Inc., a struggling laser and laser systems company in East Setauket, N.Y., as CFO. He became the company's CEO in 2000, engineered a recovery and sold it in 2008.

Dominic thought he could remain semiretired, even after buying the Bentley store, but he soon discovered otherwise. His new employees, many hired from the defunct Champion stores, all had experience in auto retailing. But Dominic said the dealership needed a dose of financial discipline.

He also had to persuade manufacturers to appoint him as a dealer for their high-end franchises. In particular, Rolls-Royce's North American management in New Jersey was skeptical, until Dominic began pointing out similarities between the company he had run and car dealerships.

"I was used to working with small margins," he said, "and a lot what we did was Internet-based." AN

RIZZA CARS, CHICAGO

Driven by Gen Y, old-school Rizza roars into the app-filled digital age

Printed in Automotive News May 20, 2013

Lindsay Chappell
lchappell@crain.com

In an age when auto dealers are plunging into digital tools for marketing, store management and customer retention, Chicago's Rizza Cars has become a star practitioner.

The six-store retailer with Ford, Lincoln, Acura, Buick, Cadillac, GMC, Kia and Porsche brands is a case study of a traditional dealership group transforming in a new era of operating technologies.

At Joe Rizza Ford Orland Park, the group instituted ServiceEdge, an ADP Dealer Services app that aims to speed service work and improve in-store communication.

Here's how it works: Service advisers photograph any problems on incoming vehicles. The technicians who will work on the vehicles receive the digital images on iPads, review the photos and use the iPads to order from the store's parts department, which makes needed parts ready as the vehicles arrive in the service bay.

That's typical of the tools Rizza Cars uses to increase efficiency and appeal to consumers who expect digital commerce, says Dan McMillan, CEO of the Orland Park Ford store and CFO of the dealership group, which sells about 450 new vehicles a month.

"The technology is just exploding," McMillan says. "You go to a seminar and think, man, this is the answer. And then something even better comes along.

"The common trend in all of it is consumer empowerment. The consumer has more information than he did in the past and we have to be ready.

"Be it good or bad, it's technology where we have to go," he says. "We don't have a choice."

Nine months ago, Rizza Cars launched a mobile app for customer smartphones developed by the vendor Dealerbug. The app enables customers to peruse Rizza Cars' inventory, download owner manuals and watch videos that the group uploads to YouTube and other social media sites.

"It's the Y generation that's driving this," McMillan says.

Rizza Cars CFO Dan McMillan: "The common trend in all of it is consumer empowerment. The consumer has more information than he did in the past and we have to be ready."

"This is how they want to do business."

McMillan hired Linda Tew as an Internet manager in 1999. At the time, the operation had only an AOL account and three nonfunctional Web sites. Today, Tew and her team of more than a dozen employees handle all of Rizza Cars' online activity.

"At least 20 percent of my time is devoted just to reputation management," Tew says. "Your reviews on DealerRater, Google and Yelp are more important than the manufacturers' CSI scores.

"Your customers don't really see your CSI scores. J.D. Power can talk about CSI all they want, but what consumers care about now is what they read online and how many five-star ratings you have."

Rizza's Orland Park Ford store was recently part of Ford's pilot to use third-party reputation management vendor Digital Air Strike. Rizza Cars has now expanded Digital Air Strike to all of its franchises.

Mindful of the importance of positive reviews on social sites, Rizza Cars has begun inviting customers — while still in the store — to post reviews using dealership iPads.

The salespeople don't push the requests if customers don't want to post reviews in the store, Tew says. But it is easier to get positive reviews when customers are completing their purchases than it is to follow up days or weeks later after the memory of the experience has faded, she says.

A recent conversation with McMillan found him fresh out of a video session to create spots to be uploaded to YouTube for the Porsche Cayman. Back at his desk, he pulled out a new iPhone he had just purchased for the boss, Rizza Cars' owner Joe Rizza, and prepared to install the store's personalized dealer app onto it.

"The technology train has left the station, and retailing is never going to go back to the way it used to be," McMillan says.

"We all knew we had to change. You can't ignore Facebook and Twitter today," he says. "That's where your customers are. And that's one thing that hasn't changed in this business — you've got to be wherever people are." AN

FIRST TEXAS HONDA, AUSTIN, TEXAS

No-haggle pricing, live music make Austin dealer the best show in town

Printed in Automotive News June 17, 2013

Mark Rechtin
mrechtin@crain.com

First Texas Honda was the first Honda franchise granted in the Lone Star State back in 1971, but its performance hasn't always been first-rate.

It was a sleepy sidewalk dealership with a three-car showroom. Through much of the early 2000s, the store's throughput ranked third among the three Honda dealerships in the Austin area. The haggling and rancor on the sales floor were so bad, employees wouldn't send friends or relatives to their own dealership.

"We were a high-gross store, with a high net-to-gross," said dealership President Jim Olmstead. "But everyone would go home whipped — the salesmen, the managers and especially the customers."

But things have changed since Olmstead instituted one-price selling in 2010, just before First Texas Honda moved into a massive new facility in Austin that accommodates 80 vehicles, a 100-bay service department and even a concert soundstage where an employee band performs — all on a 20-acre parcel.

Since instituting one-price selling, the store has jumped from 380th among Honda dealerships in terms of sales volume to the top 30, and from selling 200 new and used vehicles a month to 450.

"I've been in the car business 45 years, and the first 43 years was the same crap: Start the deal as high as you can, steal the trade-in, wear out your customers, wear out your salesmen," Olmstead said. "Now we have a system we feel good about, where you can send your mom or dad."

First Texas Honda is part of Continental Automotive Group, which includes Mercedes-Benz, Infiniti and Subaru franchises in Austin. The Honda dealership is giving upscale touches to a mass-market store. The giant sales floor, delivery area and service area are indoors and air-conditioned, a huge plus in Texas summers.

But the one-price system was the turning point. Olmstead says vehicle sales negotiations as practiced by First Texas Honda weren't making the dealership many friends.

"It seems like everyone is looking for the one customer who hasn't gone on the Internet," Olmstead said. "Instead of hiding from technology, we embrace it and show it to them."

First Texas Honda President Jim Olmstead, left, and co-general managers Andrea Baker and Garrett Liming jam on the stage inside the dealership in downtown Austin, Texas.

Still, one-price came at a price. When the change was made, many longtime salespeople walked out. So did a couple of managers. Even Olmstead, now 65, considered retiring rather than starting over at square one. But his curiosity got the better of him.

First Texas Honda's online price-listing policy occasionally has put it at odds with American Honda Motor Co. When factory incentives allow the dealership to list a vehicle for less than invoice, First Texas Honda does — even though that violates Honda corporate policy. As punishment, Honda has sometimes withheld regional marketing funds from the dealership, Olmstead said.

"The factory plays so many games with pricing, who knows what the frickin' price is. We're going to do the right thing for the customer. We're going to be transparent," Olmstead said.

The dealership also embraces Austin's love of live music. In the back of the showroom is a sound stage. Some employees have formed a band called The Continentals, named after the dealership's corporate owner. The Continentals like to jam during downtime.

These on-staff axmen are no slouches: Wholesale buyer Kent Liming once warmed up for Jimi Hendrix; salesman Steve Carter played with Willie Nelson and Stevie Ray Vaughan; salesman Mauricio Dominguez plays in a nine-piece ska band, and salesman Robert Hacker has been playing bass for four decades and built three custom basses for Motley Crue's Nikki Sixx.

The stage setting is large enough for professional gigs. The dealership is working on hosting a concert benefiting the March of Dimes. First Texas Honda also is in talks with SXSW — Austin's huge arts and music fest in March — to allow the dealership to become one of the city's live-music venues.

"Music creates excitement and activity," Olmstead said. "We want to have an official music night. Plus, our cafe is complimentary, so people can come in and listen to Austin music and it doesn't cost them anything to get barista coffee." AN

FIELDS CHRYSLER-JEEP-DODGE-RAM, NORTHFIELD, ILL.

JAM Werks unit custom-builds Jeeps, helps double store's accessory sales

Printed in Automotive News May 6, 2013

Nick Bunkley
nbunkley@crain.com

The staff at Fields Chrysler-Jeep-Dodge-Ram noticed that many of the Jeeps they sold looked different when their owners came in for an oil change or other service appointment.

The vehicles might have new tires, flashier wheels or modifications such as suspension lift kits. Seeing this sparked a big idea to increase revenue, set the Northfield, Ill., dealership apart from competitors and help local charities in the process.

Late last year Fields began a customization division it calls JAM Werks, using an acronym for "Jeep and Mopar." Mopar is Chrysler Group's parts and service brand.

"We're looking at this going, 'We can do this, and we can do a better job and keep the business in house,'" recalled Jim Moyer, vice president of operations for the dealership in Chicago's affluent northern suburbs. "At the end of the day, our bottom line is shrinking just like everybody else's, and we were looking for opportunities to optimize our income."

So far JAM Werks has produced about 20 Jeep custom builds, each of which has anywhere from a few thousand dollars to $15,000 in dealer-added accessories, Moyer said. A few were ordered specifically by customers, but most were dreamed up by Moyer and his team to display in the showroom.

Until they find a buyer, the vehicles, most of them Wranglers, show customers what the dealership can do with various Mopar accessories. JAM Werks has helped Fields more than double its sales of accessories, from $103 per vehicle in 2012 to $250 per vehicle this year. Counting accessory sales made after the original transaction, the effect has been even bigger, Moyer said.

Before starting JAM Werks, Fields — the top-selling Jeep dealer in Chrysler's Midwest Business Center — typically didn't perform any customization work more complex than light guards and other bolt-on items, leaving the rest to the factory or aftermarket shops. Now, Moyer said, the store does everything except powdercoat wheels.

Jim Moyer, the dealership's vice president of operations: "We were looking for opportunities to optimize our income."

Pat Dougherty, Mopar's vice president of sales and product development, said the company loves to see dealers undertaking such efforts to promote the brand, but few go this far.

"They've been a great dealer for us," Dougherty said of Fields and its parent, Fields Automotive Group, which has 32 stores in the Chicago area, Florida and several other locations. "The guys that are really good at this kind of stuff, they build a brand all to themselves and get a lot of people talking about it because they do unique things. We try and help them as best we can. The exposure is great."

Dougherty said accessories can help Chrysler and its dealers build customer loyalty by encouraging return visits and future vehicle purchases.

"People buy a Wrangler and they treat it like a house," he said. "They can't afford to put everything on it all at once, so they come back year after year."

Accessories also tend to have higher margins than many other revenue sources, so selling a few upgrades to a customer can increase the value of a transaction significantly.

JAM Werks

Created by: Fields Chrysler-Jeep-Dodge-Ram

Location: Northfield, Ill.

Affiliation: Fields Automotive Group

Dealership's monthly vehicle sales: 100 new, 50 used

Web site: fieldschryslerjeepdodge.com/jam-werks.htm

Chrysler does not break out sales or financial results for Mopar, but Dougherty said "it is a profit pillar for the company." In addition, he said, parts and accessories "definitely help build the profit for the dealer."

To help get the word out about JAM Werks, Fields customized a Wrangler for the Chicago Police Memorial Foundation. Moyer said they chose the organization in honor of a friend of his who died in a 2004 car crash while on duty with the Chicago Police Department.

The vehicle, which has a retail value of more than $50,000, features a 2-inch lift kit, Katzin leather seat covers, a "police baton" shifter handle, 17-inch black aluminum wheels, a 50-inch light bar and custom-designed decals. Mopar donated parts for it, the dealership covered a portion of the Wrangler's cost, and its staff donated the labor to create it. Chrysler showed it on the Jeep stand at the Chicago Auto Show in February.

Eventually Moyer hopes to offer similar customization options for Chrysler's other brands. When the dealership moves next year into a 45,000-square-foot building that is under construction, JAM Werks will have a separate display area in the showroom much like Chrysler's actual brands.

"It allows us to come to work and do something different and be creative," Moyer said. "It really changed our whole perspective. It makes you feel a little better walking in the front door because you're not doing the same things every day." AN

SUBARU OF WICHITA, WICHITA, KAN.

Suzuki's top-selling U.S. dealer finds a successful new path with Subaru

Printed in Automotive News April 29, 2013

David Barkholz
dbarkholz@crain.com

Closing up shop was not an option for Scott Pitman, America's best-selling Suzuki dealer.

After Suzuki announced in November that it would stop U.S. vehicle sales this year, he couldn't fathom leaving the business and laying off 86 employees at his Suzuki of Wichita in Wichita, Kan.

So Pitman, 45, bought half the equity in a crosstown Subaru store owned by a business partner and moved the operation to the site of his Suzuki dealership.

His plan: Adopt many of the practices for Subaru that made Suzuki of Wichita the brand's top-selling U.S. store, including aggressive regional Internet marketing and noncommissioned sales staff.

"We had to move swiftly," said Pitman, who bought into the Subaru store in March. "Those employees were counting on us to lead."

Pitman said he is now selling Subarus as he prepares for $700,000 in store improvements to bring the dealership to brand standards.

He is optimistic about sales because Subaru's vehicles, with all-wheel drive and high safety ratings, have broader appeal than the low-priced Suzukis. Subaru also puts more resources into national TV and Internet advertising than Suzuki did, he said.

"We think we can make some waves," he said, adding that the store has had no layoffs.

He expects that within a year Subaru of Wichita will sell 100 new vehicles a month and replace the new-car volume he is losing with Suzuki. Suzuki of Wichita sold 1,325 new vehicles in 2012 and 1,809 used ones.

By comparison, the Subaru store at the previous location was selling fewer than 50 new vehicles per month, he said.

Aaron Wirtz, social media director at the store, said switching the Web site from Suzuki to Subaru has been surprisingly smooth. Subaru has been sending videos and inventory feeds of Subaru products to drop immediately onto the Web site and to use for other marketing applications, such as YouTube, Wirtz said. Under Suzuki, the store shot most of its own photos, Wirtz said.

Hundreds of customer reviews for Suzuki of Wichita on DealerRater.com and Google have been carried over and listed under Subaru of Wichita, Wirtz said. Those reviews help sway shoppers to choose the store and would have taken months to replace if they hadn't been transferred, he said.

"We had to move swiftly. Those employees were counting on us to lead. ... We think we can make some waves."

Scott Pitman on making the transition to selling Subarus after Suzuki decided to stop U.S. vehicle sales

Pitman said he will continue to price vehicles near their final selling price, while allowing "limited negotiation."

Subaru of Wichita, like Suzuki of Wichita before it, pays salaries to salespeople and not commissions. That encourages salespeople to find the best fit for buyers rather than steer them toward the most profitable vehicles, he said.

Subaru buyers generally also do lots of Internet research on their potential purchases, making the role of the salesperson more one of helping the shopper navigate the process rather than trying to push a vehicle on them, Pitman said.

Pitman intends to keep his Suzuki clients. Suzuki customers can still get repairs and maintenance at the new store, he said.

Pitman and business partner Brandon Steven, who own a used-vehicle store called Super Car Guys, turned the former Subaru store into a second Super Car Guys location.

Pitman said about half of his Suzuki vehicle buyers last year came to the dealership through credit leads. Those are generated on the dealership Web site or third-party shopping sites when a person fills out credit information to determine how expensive a car he or she can afford.

Pitman said he could put many of those buyers into a new low-priced Suzuki rather than a used car. He said his operation will continue to cater to buyers with poor credit at the Subaru and used-car stores.

Pitman said the Subaru store is keeping intact a five-person Internet department that handled credit leads. About one-third of those leads were generated on his dealership Web site and the remainder were bought from third-party sites, he said. AN

GREG MAY HONDA, WACO, TEXAS, AND GREG MAY CHEVROLET, WEST, TEXAS

Texas stores' weekly scrutiny of bills cuts costs, encourages collaboration

Printed in Automotive News June 24, 2013

Amy Wilson
awilson@crain.com

During the depths of the recession, Texas dealer Greg May knew he needed to look at all options to limit expenses.

After scrutinizing monthly financial statements with his office manager, May realized that he had to involve all of his department leaders.

"I said, 'We really need to be concentrating on these things all the time,'" May recalled. "We need to make good decisions on these expenses, and we really need to share all the expenses for all the dealership departments, so we could all learn from them."

The weekly expense review meeting was born. In 2009, May and the managers at his Honda store in Waco, Texas, and Chevrolet store in West, Texas, began to set aside the first part of their Tuesday management meeting to review the previous week's bills one by one. A so-called redline report is created at the end of the month with a detailed spreadsheet for each vendor to help managers catch anomalies.

Dealer Greg May involves all his managers in a weekly review of expenses. In the first full year of the program, in which bills are reviewed one by one, expenses dropped 20 percent.

May saw big results from the beginning. Expenses dropped 20 percent in 2010, the first full year of the program. At the Chevrolet store, monthly expenses fell from $325,000 to a steady $250,000 today. At the Honda store, monthly expenses are down $25,000 a month.

The reductions have touched all areas of the dealership from office supplies to head count, May said. Some porter positions were eliminated when managers questioned whether they were needed after seeing that some porters stood around with long waits between customers. Scam billings — solicitations designed to look like invoices or bills for services that hadn't been authorized by dealership personnel — also were weeded out more effectively.

The review uncovered a leak in the Honda store's sprinkler system when managers questioned why the water bill had spiked. It also led to lower electricity bills: Covers and locks were installed on thermostats so employees couldn't bump up the heat in the winter or lower the air conditioning in the summer.

May considers peer review the most important aspect of the program. It has led to new programs and more collaboration among managers. Managers are more careful before they sign up for a new expense because they know they will have to defend it.

"We question everything we do because we know we'll talk about it in that managers' meeting every week," May said.

The biggest reductions have come in advertising. Before the reviews started, "we just spent and spent and spent" on new promotions hoping they'd bring more business into the dealership, May said. Now managers look at promotions more analytically, seeking evidence that they are working before programs are continued.

The managers were surprised when they saw how much the dealerships were still spending on Yellow Pages advertising. That was eliminated at a savings of about $3,000 a month.

May changed his bonus system to reward managers for total store results, not just for their own departmental outcomes.

If the stores hit a certain net profit goal, managers receive a $2,000 bonus that must go toward taking a trip.

The Honda store hit its yearly goal for the first time in 2012, and managers have gone to such places as Las Vegas, Colombia and the Caribbean.

May has watched collaboration blossom among managers. They brainstorm ideas for new programs and look for ways to spread benefits across departments and reduce duplication of spending. For instance, if a sales manager is considering a direct mail campaign, the service director might ask for a section of the mailer to print a service promotion.

"You'll see [managers] going to each other outside of the meeting and bouncing ideas off of each other," May said. "It's 10 times more effective because they've actually taken ownership in the deal. This is our store." AN

FITZGERALD AUTO MALLS

Goal for Fitzgerald's 'champions': Sell accessories all day, every day

Printed in Automotive News June 10, 2013

Arlena Sawyers
asawyers@crain.com

The folks at Fitzgerald Auto Malls don't leave the sale of vehicle accessories to chance.

They leave it to the accessory champions: employees whose jobs it is to show every customer the factory and aftermarket accessories that are available to trick out, personalize and enhance the comfort and security of a new car or truck.

About half of Fitzgerald's 18 stores — those that sell at least 200 new vehicles a month — have accessory "champions" who sell accessories all day, all the time. Sales managers double as accessory champions at lower-volume stores.

In both cases, the champions' goal, with assistance from other salespeople, is to sell accessories to every new-vehicle customer, says Larry Branche, aftermarket sales manager at Fitzgerald Auto Malls. He says the company sells at least one accessory to 40 to 50 percent of its customers. Those accessories include sunroofs, satellite radios, window tinting and body-side molding.

Nationwide, accessory sales is a $30 billion industry that can help dealers bolster dwindling margins, says Jack Fitzgerald, the group's owner.

"Manufacturers have taken what was a 25 percent discount and made it into as little as 1 percent," says Fitzgerald, who owns stores in Florida, Maryland and Pennsylvania. "The average is 4 percent. It shrinks a little bit every year. I don't know what they're going to do when it gets down to zero."

Branche says the group's sales in the last two years "have grown exponentially. In the first three months of this year, we're tracking about 15 to 20 percent more than in the previous year" in terms of profits.

Fitzgerald Auto Malls is No. 44 on the *Automotive News* list of the top 125 dealership groups in the United States, with new-vehicle retail sales of 15,163 units in 2012. The group also retailed 9,212 used units.

Branche says accessories sales can enhance customer satisfaction because buyers can get exactly what they want without spending money for other equipment in vehicle packages they may not want or need.

Aftermarket sales boss Larry Branche: Nearly half of the company's customers buy accessories.

"A lot of times people will buy a vehicle and they want a certain option, but to get that option they have to go up a couple of vehicle model trim levels," Branche says. "If all they want is a sunroof, we have the opportunity to give them that without spending the $2,000 or $3,000 more for the package."

The accessory champion steps in near the end of the sales process, just before the customer sits down to discuss financing and insurance. The salesperson will have alerted the champion about which accessories are of interest to the customer.

The champion shows customers how accessories can enhance and add a personal touch to their vehicles.

The dealership group has always been involved in the sale of accessories, Branche says, but the process wasn't seamless. In the middle of the sales presentation, salespeople would have to call the parts department and the service department to price an accessory and its installation labor charge.

It was cumbersome, and some salespeople just didn't bother.

But that changed in 2007, when the dealership group enlisted the help of Insignia Group, a company that helps dealerships set up accessory sales systems and provides training for salespersons, managers and champions.

Salespeople are taught how to help customers find accessories to fit their needs and their budgets.

Accessories' popularity varies, for example, by region and customer gender, says Scott Ascher, the group's director of vehicle operations. For example, remote starters are popular in the Northeast, while window tint and exterior sealants get the nod in Florida.

Dealerships that sell a lot of trucks sell a lot of running boards or side steps, bed liners and trailer hitches.

"Women are more interested in things that are more soft, safety and comfort-related," says Ascher, such as "hands-free Bluetooth, seat warmers, navigation and backup cameras."

On the other hand, he says, "navigation isn't as popular as it once was. Now everyone has a cell phone they can use for navigation." AN

PALM SPRINGS MOTORS, CATHEDRAL CITY, CALIF.

For desert dealer, tax breaks, rebate build a business case for sun power

Printed in Automotive News June 3, 2013

Bradford Wernle
bwernle@crain.com

In balmy Palm Springs, Calif., the desert sun shines an average of 350 days a year. So converting an auto dealership to solar energy might seem to be a no-brainer.

But Paul Thiel studied the economics of solar power for seven years before he took the leap and converted his Palm Springs Motors, a Ford-Lincoln store in Cathedral City, Calif. For a long time, he couldn't make the numbers work.

"We started studying it in 2005. The price of the solar system was too high," Thiel says. "It didn't justify to where you could make it pencil, where it would pay off in a reasonable amount of time. The payback would have been 10 to 12 years."

Waiting paid off in a big way for Thiel, 61, a South Dakota native who worked for Ford as a general field manager before buying his dealership in 2000. He estimates the system cost 60 percent less than it would have seven years ago because of a combination of factors: a $220,000 Southern California Edison rebate, a $600,000 federal energy tax credit and 50 percent bonus depreciation that reduces the dealership's tax bill.

The result: After the less than five years it takes Thiel to pay off the $2 million system, his Southern California Edison electric bill will mostly disappear. Thiel's average monthly electric bill is $15,000 but goes as high as $30,000 during summer, when the temperature sometimes soars above 120 degrees.

The system began operating in December after five months of construction.

The benefits of converting to solar power go beyond monetary savings. Those 3,000 solar panels, which take up 50,000 square feet, serve as a giant billboard for the dealership's green credentials, boosting Palm Springs Motors' image in the community.

"It's a big deal. We get positive press from it. Everybody who lives in the desert has suffered through these rolling brownouts where the air conditioning shuts down," Thiel says. "By taking enough power off the grid, we're going to reduce the number of times they have to do this.

"If I had it to do over again, I probably would have tried to place the panels across the front of the dealership because they would have been more visible. We're amazed that almost daily we get positive comments from the public. They're happy to see a business that cares about rolling brownouts."

The brownouts are power outages that occur mostly during the peak of summer when electricity use soars and utilities are forced to shut off power for short intervals.

Several years ago, Palm Springs Motors installed a backup generator to keep the power running during brownouts.

The dealership sells an average of 130 new and 70 used cars each month and has 120 employees.

It still draws power from Southern California Edison, but the store's solar panels generate about 1.1 million kilowatt hours of power annually for the power grid.

That's enough electricity to power 40 homes for a year. Over the system's 20-plus-year life, it will prevent 23,402 tons of carbon dioxide from being pumped into the air. That's the equivalent of removing 3,989 cars from the road. The estimates come from the utility company and LaSalle Solar Systems of Cathedral City, which installed the system.

The system has other benefits. The panels stand 14 feet high and provide shade for cars on the lot. Temperatures inside those vehicles can reach 160 degrees on the hottest summer days.

The success of the solar system has encouraged Thiel to study other green steps.

"When we remodel our facility for Ford's Trustmark [design standards], we're going to enhance the insulation on the roof and walls to make it easier to cool. We're going to put in solar tubes for lighting. That saves electricity and shows the cars better. Every area we possibly can, we'll do it."

Thiel couldn't be happier with the system at Palm Springs Motors.

"Whether you believe in global warming or not, we're still helping the environment. What's wrong with that?" AN

Solar panels at Palm Springs Motors, above, not only gather energy that helps reduce the dealership's operating costs but also provide shade for many vehicles in the lot and act as a giant billboard to tout the store's green credentials. Dealer Paul Thiel, left, says: "We're amazed that almost daily we get positive comments from the public."

Shammas Automotive Group's projects on Figueroa Street just south of downtown Los Angeles include, from left, new homes for its Porsche and Audi stores and an overhaul of its Mercedes-Benz store, expected to be completed next year. Its dealership projects will total almost $80 million.

Historian-songwriter-developer leads revival of legendary L.A. auto row

Printed in Automotive News May 27, 2013

Ryan Beene
rbeene@crain.com

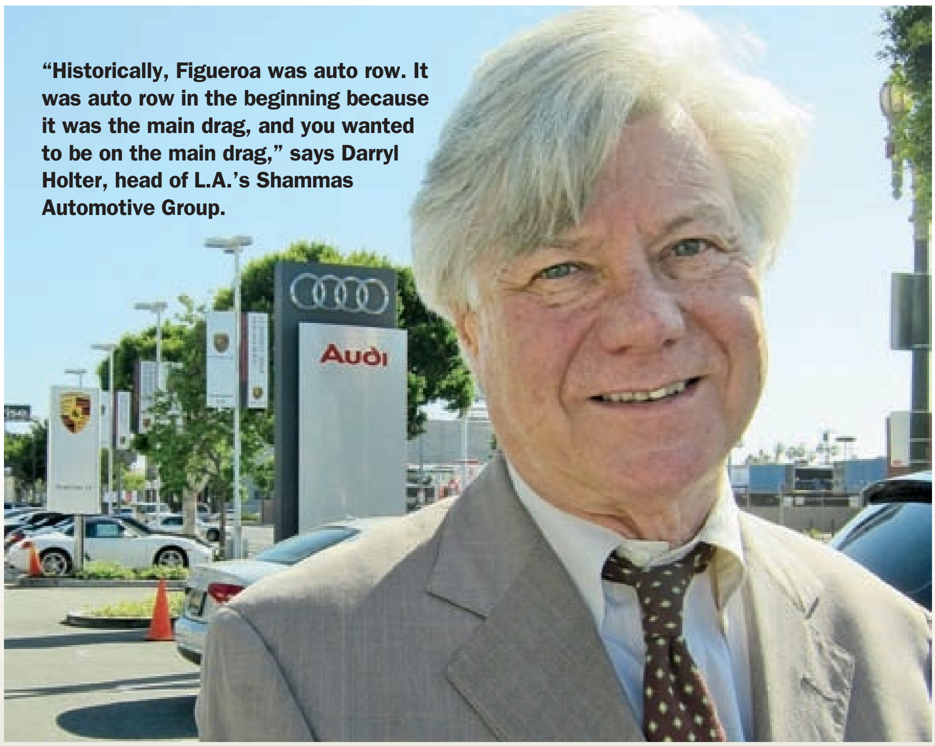
On a mile-long stretch of Figueroa Street just south of downtown, a former history professor is rebuilding part of Los Angeles' automotive heritage.

Long before L.A. became a skein of freeways, Figueroa was the city's Automobile Row. As far back as the mid-1920s, the street was chockablock with dealerships for such brands as Dodge Bros., Buick, Flint Motors and Hupmobile.

Nearly a century later, Darryl Holter, the onetime academic who heads L.A.'s Shammas Automotive Group, is putting the finishing touches on a $30 million overhaul of his Downtown L.A. Motors Mercedes-Benz store. The new building is the latest in a series of dealership projects that will total nearly $80 million and will have helped reestablish Figueroa as an auto row in the heart of Los Angeles.

Since the plan got under way in 2004, Holter estimates the group's sales have grown from about 250 a month to a record of more than 1,700 new vehicles in March. The project also has yielded new or renovated facilities for Holter's Volkswagen, Porsche, Audi, Nissan and Chevrolet dealerships.

Next up: a new $20 million dealership one block away for the Toyota franchise recently awarded to the Shammas group. "That's the last parcel that we have that isn't fully utilized," Holter says. "In that sense, I'll feel that I've satisfied my goal."



Yet at age 66, the CEO shows no signs of slowing down. He is chairman of the California New Car Dealers Association, where he's lobbying for legislation to help clarify state franchise laws and help dealers handle factory-set performance standards. He's also an adjunct professor and occasional lecturer at the University of Southern California and a singer-songwriter who has released three albums. In his latest project, Holter is writing the music for a collection of song lyrics written by Woody Guthrie in the late 1930s.

No matter what happens, he says, "it's not like I'm going to sit around and do nothing."

Holter, a former labor activist and academic with a Ph.D. in history from the University of Wisconsin-Madison, came to California in the early 1990s, never intending to be in the car business.

He was working as a history professor at the University of California, Los Angeles,

see **SHAMMAS**, next page

SHAMMAS

continued from previous page

when his father-in-law, Nick Shammas, asked him to help the family business figure out how to revive its struggling dealerships. In the aftermath of the 1992 riots, which accelerated the area's decay, customers were avoiding the neighborhood, he says, and Shammas was considering shutting down.

"'You can't close the dealerships,'" Holter recalls telling Shammas.

Holter took a leave of absence from UCLA and joined the dealership group. By 1995, he had succeeded his father-in-law as CEO and begun evaluating the condition of the dealerships. He soon concluded that it would take more than cost controls and sales growth to turn them around.

The neighborhood was a wreck. Weekly security reports on the block turned up a litany of inner-city ills: drug deals, gang activity, littering, vandalism and theft. Conditions were so bad that General Motors wanted Shammas to relocate the Felix Chevrolet store, a fixture at the corner of Figueroa and Jefferson Boulevard since the late 1950s, Holter says.

"It became clear that while the dealerships were functioning, they weren't functioning as well as they could," Holter says. "It was also clear that the whole neighborhood was in such shape that unless you figured out a way to make it better, you weren't going to go anywhere anyway."

Shammas Automotive Group wasn't the only neighborhood stakeholder feeling the pressure. Kitty-corner to Felix Chevrolet, USC was hearing from alumni who were put off by the neighborhood and reluctant to send their children to the university.

"'I got a letter from General Motors saying we should close Felix Chevrolet because the neighborhood's so bad and that we should move to the suburbs,'" Holter recalls telling Steven Sample, president of USC, in a late-1990s lunch meeting. "He says, 'Yeah, I've got trustees saying we should move USC to Malibu.'"

Instead, and with USC's support, Holter in 1998 rallied property holders and local officials in the area to form the Figueroa Corridor Partnership, a business improvement district that he led until last year. The partnership hired cleaning teams to keep the streets free of trash — and scrub more than an acre's worth of graffiti — and private security firms to patrol the neighborhood in cooperation with police, among other activities.

The resulting transformation has helped pave the way for more than 40 projects, including those under way, accounting for more than $1.5 billion in investment, according to the partnership's Web site.

USC LIBRARIES

A 1925 view of auto row on Figueroa Street looking north from Venice Boulevard in Los Angeles

A fixture on Figueroa

Shammas Automotive Group CEO Darryl Holter, who oversees 6 new-car stores — and soon a 7th — on Figueroa Street in Los Angeles, has worn many hats. Here are some of them.

- Founding chairman of the Figueroa Corridor Partnership, 1998-2012
- Chairman of the California New Car Dealers Association, current
- Adjunct professor of history at the University of Southern California, 2003-present
- Singer-songwriter with 3 albums: "Darryl Holter" (self-titled), 2008; "West Bank Gone," 2010; "Crooked Hearts," 2012

"In a lot of ways, it was a forgotten area of the city," says David Galaviz, executive director of local government relations for USC. "There was no reason for anybody to come down here. Today, that's changed, and a lot of that is due to Darryl's leadership."

As the neighborhood's revitalization — along with a broader downtown rebound — helped stabilize the dealerships over the next several years, Holter turned to his next challenge: what to do with 27 acres of property that Shammas controlled on Figueroa Street south of Interstate 10. The properties included an Office Depot, a fast-food restaurant, vacant storefronts, a historic building, apartments and seven new-car franchises spread across three parcels.

"Basically what I came up with was 'What are we going to do in the future?'" he said as he pulled the original plans from a shelf in his office in the historic Petroleum Building downtown.

After analyzing the holdings, their prime location near two freeways and the area's changing demographics — including an influx of more-affluent residents to downtown — Holter decided to expand the dealership operations to turn the corridor into an auto retailing center, as it had been for much of the 20th century.

"Historically, Figueroa was auto row," Holter says. "It was auto row in the beginning because it was the main drag, and you wanted to be on the main drag."

The effort would require millions of dollars of investment to build dealerships and refurbish ones that were dated, crowded or out of place. Holter's Volkswagen, Audi and Porsche operations, for example, were shoehorned into a single 153,000-square-foot parcel, along with the used-car department of Felix Chevrolet and a collision center.

In 2006, Shammas invested a total of $20 million to give the German brands their own showrooms up the street, while service and parts departments were consolidated into an adjacent 40,000-square-foot shared space.

Shammas tore down the old Porsche-Audi-Volkswagen building to make way for University Gateway, a 1,400-unit apartment development occupied mostly by USC students. That brought a new core of residents to the block, and customers to support a growing crop of new businesses.

"The most important thing down in this area was the University of Southern California," Holter says, "and the biggest need of the University of Southern California as far as I could tell was appropriate student housing."

Across from USC, Shammas last year completed a $2 million renovation of Felix Chevrolet, following new building guidelines from GM but leaving in place the playful vintage sign atop the building. Shammas' Nissan store got a $5 million makeover.

The redo of the Mercedes-Benz dealership is expected to be completed next year, with the new Toyota building coming afterward.

It's not just Holter's stores that line the street. A 189,000-square-foot building with a glass tower overlooking I-110 houses Motor Village L.A., a Chrysler-Dodge-Jeep-Fiat dealership that opened in 2011. The street is also home to Kia and Honda dealerships.

Once the Toyota project is done, Holter says he may consider retiring but isn't likely to do so.

After all, he says, his 92-year-old mother-in-law "still comes in and reads the mail every day." She also attends the weekly meeting of dealership general managers.

"In this family," he says, "it seems like you work until you die." AN

SHORTLINE AUTO GROUP, AURORA, COLO.

Bilingual staffers at Colo. dealership help strengthen community ties

Printed in Automotive News July 1, 2013

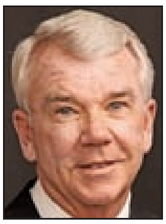
Jamie LaReau
jlareau@crain.com

In 1998, Bill Carrera spoke very little English. However, Shortline Subaru in Aurora, Colo., hired him to sell cars.

"I ask, 'How could they have hired me when I couldn't even respond to the questions?'" Carrera jokes.

But in just four years, Carrera became the store's sales manager, proving he is a quick study and the kind of employee Shortline Auto Group's owner, Don Hicks, wants.

The dealership group's employees should reflect their communities, Hicks says. Over the past few years, Hicks has steadily hired bilingual employees, focusing on Spanish and, this year, Korean speakers. Hicks also has salespeople who speak Bosnian, Romanian and other European languages.



Hicks: Staff should reflect the community.

Nine of Hicks' 150 employees speak one or more languages besides English. Hiring bilingual employees is a key goal for Hicks. He plans to increase his bilingual salesforce by hiring one bilingual employee every four to five months, depending on the market's needs.

Hicks also is increasing advertising to non-English-speaking consumers. This year's budget to advertise in Spanish- and Korean-language newspapers is 25 percent higher than last year's.

Aurora is a suburb of 335,000 east of Denver. Hispanics account for about 29 percent of Aurora's population, Carrera says. And although Koreans make up slightly more than 1 percent, both are rapidly growing groups.

Hicks says that the group's new-vehicle sales and customer satisfaction scores have risen in recent years and that his bilingual staffers are attracting new consumers.

"They are more comfortable speaking in their own language and that alone makes them come to us first," Hicks says. "They know we cater to them and we understand them."

Statistics are unavailable on how many U.S. dealerships employ bilingual staff members, but the practice generally is more common in larger dealerships in the Southwest and South and on the East and West coasts, says Chip Maher, dealership management consultant for the National Automobile Dealers Association 20 Group Program in McLean, Va.

Shortline Subaru's sales manager, Bill Carrera, right, stands with most of Shortline Auto Group's bilingual and multilingual sales staffers in the Subaru showroom. Nine of the Colorado dealership group's 150 employees speak at least two languages.

Maher says it's unusual for dealers to hire bilingual employees in areas with "just an undercurrent" of ethnic growth, such as Aurora. But, he says, "the larger the store, the more metro the store and the more regional it is, you're certainly going to have to go that route to serve the customers."

Shortline's three Aurora dealerships sell Subaru, Hyundai and Kia brands. Hicks also owns a Porsche store in Colorado Springs, about 65 miles south of Denver. Annual new- and used-vehicle sales are about 5,000 for the group, Hicks says.

About 10 percent of Shortline's customers are Hispanic, Carrera says.

"The most important thing is that, even as the sales manager, I go and talk to the Hispanic customers in Spanish," Carrera says.

Even if the customers speak English well enough to work with English-speaking salespeople, when it comes to signing documents and understanding financing, Carrera builds trust and closes the deal by speaking to customers in their native tongue.

Since three other Spanish-speaking salespeople joined Carrera at the dealership about four years ago, the store's annual new- and used-vehicle sales have roughly doubled. But because the sales gain has coincided with the country's economic rebound, Carrera says he cannot attribute all of the rising sales to the bilingual employees.

Still, he says, "we believe that our bilingual salespeople are selling about 30 to 50 cars a month for us that we wouldn't be able to sell if we didn't have that team with us."

Finding bilingual job candidates is easy, Carrera says. He advertises for them online or posts job notices at the businesses a particular ethnic group frequents.

The challenge is training them.

"That takes more patience and experience," he says. "But we're not surgeons. This is something you can learn." AN

KUNI LEXUS OF GREENWOOD VILLAGE, COLO.

Colo. store offers buyers the trappings of luxury

Printed in Automotive News July 15, 2013

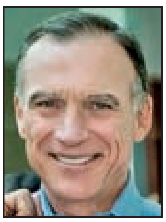
Diana T. Kurylko
dkurylko@crain.com

Kuni Lexus' new dealership, at top, opened in May and is four times larger than the old one in Littleton, Colo. Above, amenities include guest patios that overlook picturesque vistas.

Customers compare the new Kuni Lexus of Greenwood Village, Colo., to a resort — they would rather be there than at home, says Gregg Stone, the dealership's president.

"Guests say: 'I have never felt that comfortable. Where do I check in, and can I stay here longer?'" That's music to the ears of Stone and parent company Kuni Automotive, which owns 14 dealerships, including four other Lexus stores.

Customer service is the new battleground for luxury dealerships as competition intensifies and margins shrink, says Stone, 54, who has run the store since June 2006. Like all the other Kuni general managers, he is a part owner of the dealership.



Goodwin: Store will build owner loyalty.

So when Kuni set out to move the Lexus store, which it has owned since 1991, it wanted to build something that would provide more of what Lexus is known for — customer service and the customer experience, says Greg Goodwin, 62, CEO of Kuni Automotive. The old store, Kuni Lexus of Littleton, was 8 miles away. The new store opened May 7. It was renamed because Lexus dictates that its stores have their location in their name.

Greenwood Village is just south of Denver and sprang up after gold was discovered. It is known for its 300 acres of parks, nature trails and open space.

Kuni Automotive of Vancouver, Wash., is the 79th biggest dealership group in the United States, based on its new-vehicle retail sales of 9,828 units in 2012, according to the Automotive News Data Center.

Kuni expects the dealership's new-car sales to grow by at least 25 percent annually for the next few years, Stone says. Last year it sold 1,134 new and 860 used vehicles.

Kuni told F. Michael Graves, CEO of Dakota Co., to make the store look like a luxury resort. Graves' company has designed more than 20 dealerships, including two other Lexus stores the group owns.

The new 196,000-square-foot, three-story store is four times larger than the old dealership. The 52-bay service area takes up about 85,000 square feet.

With the Rocky Mountains as a backdrop, the locally sourced Colorado stone and glass dealership blends in with the environment. The three-lane service drive is flanked by a wall of 1,700 live plants that are irrigated and will be switched out nine times a year.

A 40-foot water wall is the first feature customers notice coming into the dealership. A dramatic staircase leads to the second floor, which has vehicle displays but is predominantly for customer use. Three movies can be shown simultaneously — the middle screen has a surround system and the other two offer wireless headphones — in the 16-seat movie theater with plush leather chairs. A concierge area is stocked with drinks and warming trays with such goodies as muffins and warm nuts and cookies.

The customer lounge has leather sofas and wide chairs that wouldn't be out of place in a luxurious hotel lobby. A black leather massage chair sits in a private nook.

A restored 1917 vintage Brunswick pool table with mother-of-pearl insets sits ready for gamers.

A concierge provides customers who want to read newspapers or periodicals with iPads because the dealership wants to be as paperless as possible, Stone says. Two guest patios overlook picturesque vistas.

The dealership has a massive, professionally equipped kitchen where food is prepared for customers and employee events.

Goodwin wouldn't disclose how much it cost to build the Greenwood Village store. He's convinced that the store will build owner loyalty and increase sales higher than Kuni had forecast.

The dealership also will demonstrate that the group is "the type of organization that manufacturers would like to represent their brand in a number of markets," Goodwin says.

"We have a desire to grow. In 1999, we had six rooftops. Today we have 14. We are developing great leaders, and you have to have a place for them to lead." AN

LEGACY FORD-LINCOLN, LA GRANDE, ORE.

In remote northeastern Oregon, store gives a lift to those in need

Printed in Automotive News Jan. 28, 2013

Nick Bunkley
nbunkley@crain.com

People and businesses in northeastern Oregon opened their arms to 38 tourists who survived when the charter bus they were on last month skidded off an icy interstate and into a ravine, killing nine passengers.

None went nearly as far — literally — as Legacy Ford-Lincoln in La Grande.

According to news reports, managers at the dealership, about 25 miles from the scene, heard that many of the survivors were afraid to board another bus to get home. The bus that crashed was based in Vancouver, British Columbia, and on the last leg of a trip to see Las Vegas and the Grand Canyon.

Legacy contacted the local Red Cross chapter and offered enough vehicles and drivers to transport everyone for free. The store plucked three Explorers, two Expeditions and a Fusion off its used-car lot.

A caravan with 12 of the bus passengers on board began the journey of 450 miles one way north three days after the Dec. 30 crash, and six more people were sent on their way the following day.

The dealership also reunited a husband and wife who had ended up in distant hospitals, and it plans to arrange more trips for the victims whose injuries were still being treated.

"It was just a matter of realizing that these people were stuck now in a place a long ways from home and their only prospect for getting home looked like getting back on a bus," says Roger Barnes, Legacy's new-car manager. "If I were in that situation, I would not get back on a bus."

Legacy's response to the bus crash, Oregon's highest-fatality traffic accident since 1971, furthered a tradition of using its vehicles and staff to provide transportation in the remote, mountainous region.

Legacy's drivers typically spend their workdays traveling hundreds of miles at a time, shuttling vehicles to and from auctions, to off-site events or to other dealerships. But they also spend considerable time helping local charities, schools and other groups in need — for instance, taking children who need cancer treatments to hospitals in Portland or Boise, Idaho.

Above: Mark Jensen, Legacy Ford-Lincoln's parts manager, helps load a shuttle truck that takes children to a ski resort 45 miles away each winter weekend. Left: Dealer Tony Grover, from left, new-car manager Roger Barnes and general sales manager Chris Huxoll with one of the vehicles that transported bus crash victims to Canada.

Each weekend during the winter, Legacy Ford-Lincoln and a nearby sibling store, Legacy Dodge-Chrysler-Jeep-Ram, transport children who need rides to the Anthony Lakes Ski Resort 45 miles away. On New Year's Eve and other prime party days on which people might have too much to drink, the stores provide vehicles to get partiers home safely.

Tony Grover, the stores' owner, says he encourages his 220 employees to help out whenever possible, especially "in times of trouble and tragedy."

"It's a natural fit for us," says Grover, who also owns Legacy Ford in Pasco, Wash., and a Ford Quick Lane franchise in Walla Walla, Wash. "Our drivers are out there on a daily basis; they know the roads in good weather and bad."

One of Legacy's drivers, Lyle Harmon, says she was glad to be able to help after last month's bus crash. Harmon drove an Explorer carrying two teenage students, suitcases and a wheelchair to the Canadian border. She and another driver didn't have a passport, so she asked some friends to trade places with them and finish the trip.

Many of the 47 passengers on the bus when it crashed through a guardrail on I-84 were Koreans studying in Vancouver. Harmon says her passengers spoke very little English, so communication during the eight-hour trip was often difficult.

"My two wanted me to sing 'Do Re Mi' with them, but it took a while for them to get it over to me what they wanted," she says. "They were so happy to be getting home and not be on a bus."

Speaking to reporters gathered outside a diner near the international border, the crash survivors said they were extremely grateful for Legacy's help getting home.

"They know we had an accident so they drive safely," Seokwon Kang, a 24-year-old language student from Korea, told *The Vancouver Sun*. "They are very kind." AN

PARK PLACE DEALERSHIPS, DALLAS

Dallas group lures talented interns to tackle challenges in real world

Printed in Automotive News July 29, 2013

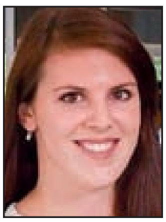
Gabe Nelson
gnelson@crain.com

For many college students, a summer job in the car business might mean washing vehicles or greeting customers.

Not at Park Place Dealerships.

The Dallas-based dealership group offers paid summer internships to accounting, marketing and information technology majors, along with the usual car fanatics. It has proved to be a potent recruiting tool, helping the 16-store group find talented young employees who might otherwise shy away from working at a car dealership.

Now in its third summer, the internship program has a lower acceptance rate than an Ivy League university. This year, Park Place doubled the size of the program and still had to turn away 95 percent of applicants, with 600 students vying for 32 spots.



Cloud: Ex-intern was hired as an accountant.

"It is creating a candidate pool that we wouldn't have otherwise had," Kurtis Vanous, the group's human resources brand manager, said.

Park Place, which sells luxury brands such as Mercedes-Benz, Lexus and Porsche, has hired eight of the 32 students who worked as interns the past two summers.

Others have yet to graduate. Vanous said the company's ultimate goal is to hire half of its interns once they are ready for a full-time job.

Guy Davis, assistant director of the career center at Southern Methodist University, said Park Place has shaped job duties to ensure its interns learn something of value. Big corporations with national internship programs tend to think about that, he said, but local businesses sometimes overlook it.

Park Place also pays interns $12 to $15 an hour in an era when many college students must resort to unpaid internships to get a foot in the door.

About half of the dealership group's interns get college credit as well.

This summer's interns at Park Place Dealerships gather with Stephen Rand, left, director of service operations at Park Place Motorcars Grapevine, and Kurtis Vanous, the group's human resources brand manager, right. The dealership's internship program is in its third summer.

It all adds up to a rewarding program, Davis said.

"Being paid is part of it," he said. "But along with being paid, you need to have meaningful, real-world work. And that's what Park Place gives our students."

To lure ambitious students, Park Place offers more responsibilities than college-age employees typically get.

One intern has been tasked with developing an iPad-based delivery system for sales of Sprinter commercial vans, which are sold by Mercedes-Benz. Another intern oversees the loaner-car office at a Mercedes store, making sure the 185-car fleet is fueled, clean and free of damage every day.

A benefit of the program is seeing whether the interns are a good fit for the company. It helps the dealership group make fewer hiring mistakes and spend less money on training for employees who do not work out.

Without the internship program, Park Place may have been unable to hire Stephanie Cloud, 22, who worked as an intern last summer and started last month as a full-time staff accountant at the group's corporate headquarters in Dallas.

Cloud, a native of suburban Dallas who graduated with an accounting degree this year from a liberal arts college in Arkansas, was used to working summer jobs with no long-term prospects.

One summer she worked at a bank and spent most of her time scanning documents rather than using the skills she was developing as an accounting major. She also had worked as a secretary and kept score for basketball games at a local recreation center.

"I needed an internship that wouldn't just last the summer," Cloud said. "I wanted it to be the key to getting a job in the future."

Cloud was surprised to learn Park Place would hire her for the summer. She expected that only big accounting and consulting firms wanted interns in her field.

Once she arrived, she was impressed by the ambition of the group's employees.

"It's so different from anyplace else I've ever worked," Cloud said. "They have really high standards, and it seems like everyone is always above those standards." AN

TED BRITT FORD, FAIRFAX, VA.

Hiring of full-time retail researcher helps keep store's low-price pledge

Printed in Automotive News Aug. 5, 2013

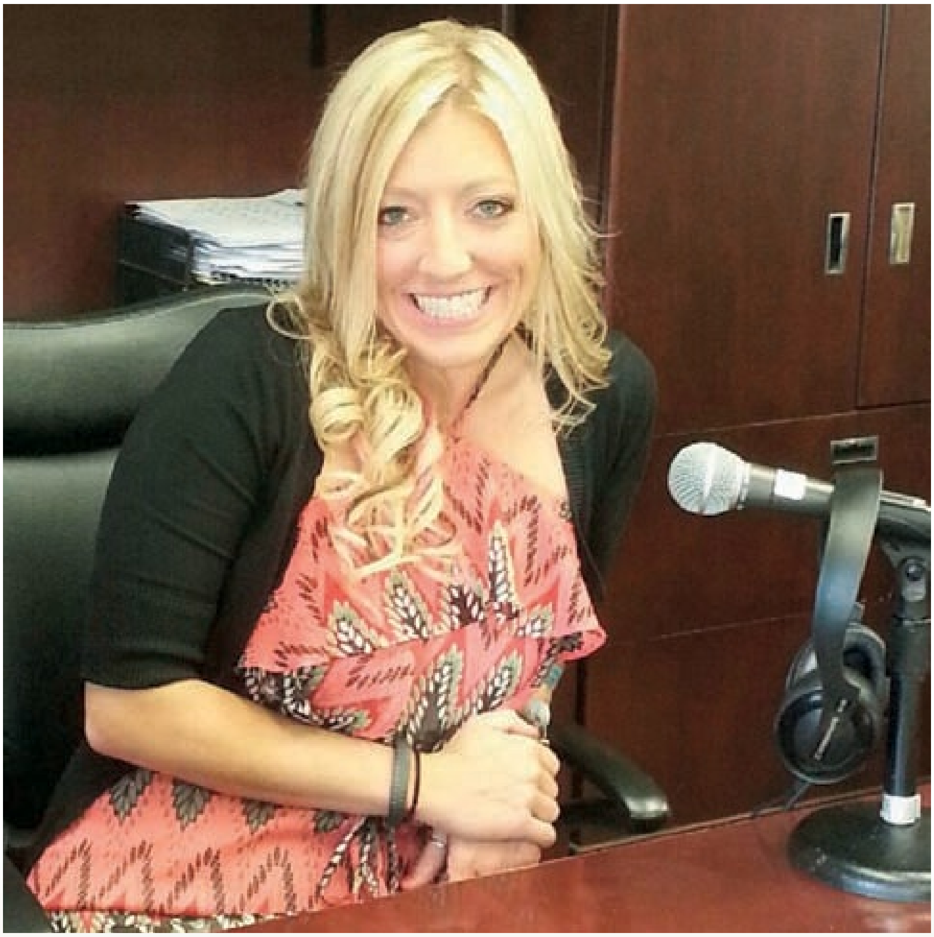
David Barkholz
dbarkholz@crain.com

When Ted Britt Ford launched a radio ad campaign 18 months ago in the Washington area touting the lowest new-vehicle prices in town, the dealership also hired a full-time researcher to stand behind that promise.

That researcher spends every workday checking vehicle prices on rival Ford dealers' Web sites and reports her findings to Evelyn Smallwood, general sales manager of Ted Britt Ford in Fairfax, Va.

Smallwood uses the information each day to adjust new-vehicle prices at the Fairfax store and at Ted Britt Automotive Group's Ford-Lincoln store in nearby Chantilly, Va. The prices are reflected on the stores' Web sites and third-party online shopping sites where their vehicles are listed.

"Our whole goal is to move metal and sell to a happy customer."



Evelyn Smallwood, right, recording Ted Britt Ford's radio spots promising the lowest new-vehicle prices in town

"We're making good on our promise," said Smallwood, who at 33 has been general sales manager of the Fairfax store for six years.

Her approach to competitive pricing is low-tech in an automotive retailing world increasingly dominated by software that promises to tell dealers and shoppers what vehicles should sell for.

It's not that Ted Britt Automotive is anti-technology. For instance, Smallwood said the group is happy with the way software vendor vAuto helps the stores manage used-vehicle inventory and pricing by gleaning information on competitors from multiple sources.

But new-vehicle pricing at Ted Britt Ford is more personal. Smallwood's assistant, Emily Robinson, is employed full time surfing rival Web sites and dutifully logging vehicle prices on a spreadsheet.

Then about 2 p.m. every day, Robinson calls to Smallwood, "Are you ready?" before giving the rundown, Smallwood said.

"Our whole goal is to move metal and sell to a happy customer," Smallwood said.

Last year, Ted Britt Automotive Group was one of just 22 Ford franchisees around the country named as a Triple Crown winner for excellence in sales, service and customer satisfaction.

The two stores together sell between 400 and 500 new vehicles per month, Smallwood said.

Smallwood's credibility is on the line with the stores' low-price guarantee. She is the voice on the radio commercials, recording them in an office in the store.

Those commercials, which promise to beat any competitor's best deal, run on a country FM station in the market, WMZQ. "You know we sell a lot of trucks — Ford Country, Toby Keith," Smallwood said.

Keith is a country music star who has made pickup commercials with Ford.

Until a couple of years ago, the Fairfax store could stay a high-volume dealership by simply quoting $1,000 under invoice price, Smallwood said. That was good enough to beat most of the competition.

But as pricing generally became more sophisticated, Ted Britt Automotive turned to its simple but effective price verification system to ensure discounts. The group has branded its deals as the VIP price.

Said Smallwood: "We know where we're at. We're comfortable that we'll deliver the best deal." AN

SOAVE AUTOMOTIVE GROUP, KANSAS CITY, MO.

K.C. store's social media plan: Race a train, win acclaim and followers

Printed in Automotive News Aug. 12, 2013

Amy Wilson
awilson@crain.com

When Kris Nielsen received a tweet last winter declaring that cars are useless compared with public transportation, he couldn't let it pass.

After all, Nielsen manages social media efforts for Soave Automotive Group, a luxury dealership group in Kansas City. The tweet came from a local public transportation advocate, who — like Nielsen — is active on social media outlets such as Twitter and Facebook.

So the two hatched a face-off. Nielsen would drive a car and his Twitter challenger, Matt Staub, would take the train. The first to get from Union Station in Kansas City, Mo., to Millennium Park in Chicago would win.

Killilea: Extends Soave's reach

For Soave's Aristocrat Motors in Merriam, Kan., the race offered the perfect opportunity to highlight the Jaguar XJL's all-wheel-drive technology. It also was a chance to leverage social media.

"We needed to play in that arena, but we weren't going to do it unless we had the right focus and the right person to do the work," Soave COO Kevin Killilea said.

Since hiring Nielsen in 2011, the Soave group has been involved in some unusual promotions that have attracted large Twitter followings.

The car-train race this year, in particular, showed the power of social media.

The parties didn't inform Amtrak about the Feb. 1 race, but they tweeted about the challenge along the way that day. Nielsen had a sidekick with him to tweet; he also was prohibited from speeding.

When Amtrak officials learned about the race, they set up Staub in a private train suite and retweeted the messages. Fast-food purveyor Jimmy John's also got involved, arranging and tweeting about a lunch delivery to Nielsen's Jaguar at a fuel stop along the way.

Soave Automotive Group's Kris Nielsen, left, and Justin Meyer, then social media manager for Kansas City International Airport, generated huge social media buzz from their 2011 Race Across Missouri between a Porsche Panamera and a Southwest Airlines jet.

"All these brands saw all this commotion going on and jumped on board and amplified the message in a way we couldn't even have remotely predicted," Nielsen said.

On Twitter, the race scored more than 200,000 impressions — the number of times it appeared on a feed, without necessarily being clicked on — and attracted 325-plus tweets by more than 50 people, Nielsen said.

On Facebook, Aristocrat gathered more than 100 likes, while Amtrak's posts drew more than 1,000 likes. Facebook impressions totaled more than 25,000.

But did it result in sales? For Killilea, that's the million-dollar question with social media. And it's tough to answer.

"All we're trying to do is extend our reach with this stuff," he said. "It would be great if we could translate everything we do to a car sale, but we know that's not realistic."

Nielsen says making sure such events have a cool factor will pay off.

When he joined Soave, owned by Detroit business tycoon Anthony Soave, Nielsen set up Facebook and Twitter accounts and studied what other dealerships were doing. Few promotions seemed social in nature, he said. Photo caption contests and iPad giveaways were more common.

Nielsen aimed to be different. Killilea had charged him with appealing to the wider community, beyond the car geeks who want the latest Porsche or Jaguar photos.

In September 2011, Nielsen raced something bigger than a train: a Southwest Airlines jet flying from Kansas City to St. Louis. The Race Across Missouri was prompted by a Twitter discussion on whether it was more efficient to drive or fly for a short trip.

Nielsen arranged to race the plane driving a Panamera. The event trended on Twitter in Kansas City and St. Louis. Local newspapers and TV stations covered the event.

Southwest Airlines, Porsche and Kansas City airport officials tweeted about the race. Twitter impressions totaled more than 300,000, Nielsen said.

For a cost of about $1,000, the event got a lot of people talking about the dealership group, he said.

"If we got people talking about us for some reason, and it's not in a negative way, that's a pretty good opportunity," Killilea said.

Oh, and who won those races? Call it a split: Nielsen beat the train but lost to the plane. AN

ROGER BEASLEY MAZDA KILLEEN, KILLEEN, TEXAS

In Fort Hood's hometown, Mazda store reaches out to military families

Printed in Automotive News March 11, 2013

Ryan Beene
rbeene@crain.com

Jim Bagan has an audacious goal for the Mazda dealership he manages in the military town of Killeen, Texas: a 9 percent share of the local new-vehicle market.

That target is a tall order, given that Mazda's U.S. share of the new-vehicle market last year was 1.9 percent.

In Killeen, Bagan, 51, caters to soldiers at nearby Fort Hood. He runs the only Mazda store in town, so he is free to compete with other brands without fending off rival Mazda dealerships. And he uses Google to nab customers of Toyota and other big brands.

Killeen is about an hour's drive north of Austin, where Bagan and dealer Roger Beasley have made Mazda a significant player.

Beasley, with Bagan as equity partner, owns all three Austin Mazda dealerships. Bagan oversees these as managing partner, a position he has held since 1995. Each of the three stores is among the top-performing Mazda dealerships in the country and together they have earned Mazda a 10 percent market share in Austin, Mazda says.

Bagan is looking for similar results at Roger Beasley Mazda Killeen, which Beasley acquired last March, by achieving a 9 percent share by year end.

"I think with the full concentration of what we're doing in there and with our marketing position, we can maintain a solid 9 percent or 10 percent market share but also give the Tier 1 brands a serious run for their money," Bagan says.

He says the Killeen dealership sold 417 new vehicles and 145 certified-used Mazdas in 2012 after it was acquired. Bagan says the store is on pace to sell 650 new vehicles this year. Under the store's previous ownership, new-vehicle sales totaled 282 units in 2011, and the dealership did not participate in Mazda's certified pre-owned sales program. The sales growth has earned Mazda a 6 percent share of the local new-vehicle market.

Tom Donnelly, general manager of Mazda North American Operations' Gulf region, says the turnaround is no surprise considering the performance of Beasley's other Mazda stores.

As managing partner of Roger Beasley Mazda Killeen, Jim Bagan has tried to forge strong ties with the military community at Fort Hood, one of the world's largest military bases.

Beasley, one of Mazda's original U.S. dealers, opened his first store in Austin in 1972. The Austin stores consistently rank among Mazda's highest performing dealerships nationally in sales, customer loyalty, service retention and customer satisfaction, Donnelly says.

"The fact that Roger has been a Mazda dealer for 40-plus years shows that he's really committed to the brand," Donnelly says.

Killeen is home to Fort Hood, the U.S. Army base that employs some 50,000 soldiers and 5,000 civilians. It's one of the world's largest military bases.

After the Killeen acquisition, Bagan brought in a team of managers, employees and consultants from the group's other stores to implement the company's best practices, Donnelly says. Part of that effort included Bagan and his staff meeting with military service members stationed at the base to raise the dealership's profile there.

The previous owner made less of an effort to forge strong ties with military personnel at Fort Hood, Donnelly says.

Bagan says the store implemented sales strategies to cater to military car shoppers and their families. For instance, enlisted men and women can take home paperwork necessary to buy a vehicle to review a potential deal with their spouse, military superiors on base and other support staff before signing.

"The young officers on the base appreciate that business model because we're not taking advantage of young servicemen and putting some of their guys in situations that younger buyers or first-time buyers can get into," Bagan says.

He says the store tries to stock plenty of vehicles featured in local advertising.

"What we advertise is what we sell, so it sets a good tone," he says.

Bagan says the group's strategy is to dominate the market for the brands it carries.

Bagan says the Killeen store was a growth opportunity. "I've got the Mazda market pretty well saturated" in Austin, Bagan says. "We've got to fish other places, and I've got to go where the Asian brands already have credibility and where the Mazda nameplates might not have the recognition yet." AN

RICK CASE HONDA, DAVIE, FLA.

From weddings to haircuts, dealer is in pursuit of the 'wow' moment

Printed in Automotive News Jan. 14, 2013

David Barkholz
dbarkholz@crain.com

More than 50 years in auto retailing have only heightened Rick Case's desire to give shoppers a "wow" moment. For instance, Rick Case Honda provides a 10-year, 100,000-mile limited powertrain warranty on all new Hondas, twice that of the manufacturer.

Outside the six-story dealership, customers with rewards cards line up to buy discounted gasoline at an eight-pump gas station. Customers can also get unlimited free car washes.

Inside the dealership in Davie, Fla., near Fort Lauderdale, are conveniences of a small town. In addition to a well-stocked cafe, Rick Case Honda has a barbershop, driver's and marriage license bureau, wedding chapel and, on Election Day, polling booths for about 3,800 voters from Broward County.

"We offer amenities other dealers won't," says Case, 70, who opened Rick Case Honda in 2002, 40 years after he started in auto retailing with a used-car dealership in Akron, Ohio.

Today Case and his wife, Rita, oversee the 28th-largest U.S. dealership group. Rick Case Automotive Group in Fort Lauderdale has 15 dealerships with 2012 new-vehicle sales of 20,726.

The Honda store in Davie sold 5,450 new vehicles in 2012, the most in south Florida and fifth most nationally, according to Honda.

Case said he's always looking for an opportunity to bring potential customers into the store.

Take the gas station. Customers who buy a car at Rick Case Honda get a rewards card that entitles them to buy discounted gasoline at the store's station, get free car washes and earn points when they spend money at the store.

The gasoline sells at 8 cents to 35 cents a gallon less than a customer would have to pay at retail. The gas station is the only one in the group, which will add two dealerships near Rick Case Honda this year.

Case plans to spend $18 million to open a Volkswagen dealership by October in the same auto mall that currently houses his Honda, Hyundai and Fiat stores in Davie. The VW store will have an eight-story showroom and inventory deck because the dealership is squeezed onto four acres.

Case also plans to spend $15 million to open a Kia store by November five miles up the road in Sunrise, Fla.

He said expensive land prompted the original design of the $20 million Honda store. It has a six-story inventory deck adjacent to a showroom so shoppers can go up to see vehicles.

A pneumatic tube, similar to those used for drive-in banking, sends keys to salespeople for test drives.

Case, who opened Hyundai's first U.S. dealerships in 1986, argued forcefully in the mid-1990s as a member of the Hyundai dealer council that Hyundai offer a 10-year, 100,000-mile limited powertrain warranty on its vehicles. Hyundai announced the plan in 1998.

Case said he decided in 2002 to adopt the same confidence-boosting strategy that he pioneered at Hyundai — doubling of the manufacturer's warranty — on every vehicle he sold at his dealerships.

"It's one of those 'wow' things that sets us apart," Case said.

To lure people who might not normally come to Rick Case Honda, Case has made space available at no cost to numerous agencies and other service providers. Two barbers offer $10 haircuts, Case said.

There are also government offices for paying parking tickets, renewing driver's licenses and obtaining a marriage license to get married, possibly at the dealership's chapel.

The store is so busy with people coming and going each day buying gasoline, kicking tires or having a meal in the cafe that Case calls General Manager Richard Bustillo the "mayor" of Rick Case Honda.

The store also has a 40-bay service center, express bays and a collision center with nine paint booths. Case said: "It's about drawing people to the store." AN

Above, Rick Case Honda has a six-story garage adjacent to a showroom for inventory. At left, Rita and Rick Case in the dealership's wedding chapel.

HENDRICK BMW, CHARLOTTE, N.C.

At Hendrick, rewarding staff pays off in satisfaction and retention

Printed in Automotive News Dec. 3, 2012

Jamie LaReau
jlareau@crain.com

In January, receptionist Sherry Doherty became the first CEO at Hendrick BMW.

But at the Charlotte, N.C., dealership, CEO stands for chief energy officer, a snazzy term for outstanding employee of the month.

"I earned it because I am a fairly happy, optimistic person," Doherty says. "I really enjoy the customers and I help people get in a better mood when they're at work. I like my job and it shows and it was noticed."

Hendrick BMW has been the top performer among Hendrick Automotive Group's 85 dealerships for five straight years. It sells about 3,700 new and used BMW and Mini vehicles annually and is the luxury sales and market share leader in Charlotte, Hendrick leaders say. But the store's success stems from its leaders putting workplace culture before business.

In 2005, dealership General Manager John Desmond started holding monthly employee luncheons, monthly one-on-one coaching sessions between managers and employees, and daily employee debriefings. This year, he launched the CEO award. The store's employee turnover rate dropped by 50 percent from 2004 to 2005 when the programs started and has remained at about 15 percent annually, Desmond says. Nationwide the average turnover rate at BMW dealerships is around 19 percent, he says.

"Bricks and mortar don't make a store," Desmond says. "People do."

Desmond launched the CEO program to coincide with the monthly employee luncheons.

At the January luncheon, he named Doherty the first CEO. Doherty then chose the next CEO among nominated employees. That winner picked the next one and so on.

"They espouse what we're trying to achieve and their peers select them," Desmond says.

The winner gets $500 on the spot and is eligible to win a year-end cash prize of $5,000. But it's not the money that makes the award popular among the store's 165 employees.

"When I was standing in front of our whole group at that luncheon and John was talking about my accomplishments, everyone was smiling at me and nodding," Doherty says.

Hendrick BMW General Manager John Desmond with two recipients of the dealership's award for outstanding employee of the month — service assistant Kelli Frederick, left, and receptionist Sherry Doherty — in front of a prize wheel that employees spin to win during monthly luncheons.

She was so proud, she did not cash her $500 check for several months. "When I'd see it, it reminded me of what a nice day that was," Doherty says.

Kelli Frederick, a service assistant, was chosen as April's CEO because she consistently helps others, even those in different departments. Still, winning the CEO award surprised her. "I actually cried. It feels good to be recognized," Frederick says. "You work hard daily, so it meant a lot that my co-workers noticed it."

But the 90-minute luncheons are for more than recognizing CEOs, Desmond says.

"It's about talking about positive things, and sometimes we have to talk about things we need to improve upon," Desmond says.

He also holds daily 10 a.m. meetings that last no more than 30 minutes. In those, department managers analyze the previous day's business and discuss the present day's work.

"It's critical," says Desmond. "You have all department managers there so you can communicate, 'Hey I have five cars to deliver today and I'll need this or that from your department.'"

Likewise, every Monday Desmond holds a 2½-hour manager meeting to take an in-depth look at the previous week's business and the upcoming week's outlook.

Many companies do annual manager-employee performance reviews. At Hendrick BMW, the reviews take place monthly.

Department heads spend 30 to 45 minutes with each employee in their departments reviewing performance during the previous month and coaching ways to improve.

"How do you eat an elephant other than one bite at a time? So you do it every month. It keeps everyone focused and on task to achieve our goals — and we have big goals," Desmond says.

Desmond's store is striving to repeat its 2011 ranking as the nation's No. 1 BMW store based on BMW's Balanced Scorecard. The scorecard grades BMW stores in 16 metrics, including retail volume, used-vehicle volume, local luxury market share, parts purchases and lead conversions, Desmond said.

He also wants to hit his profit target and to be the Charlotte luxury market leader for the fourth straight year.

Reaching those goals will happen only with a positive culture where regular communication keeps everyone on track, Desmond says.

Frederick knows that is how she won CEO: "I overcommunicate everything and so I love how everyone communicates here and the level of respect we all have." AN

AUTONATION DEALERSHIPS

Visiting group stores across the U.S., mobile clinic saves lives and money

Printed in Automotive News Nov. 19, 2012

Amy Wilson
awilson@crain.com

In July, Gene Clayton was ordered to the hospital after a health care screening found troubling symptoms.

He's among scores of AutoNation Inc. employees who got wake-up calls when the retailer's Know Your Numbers Health Bus rolled into town. The bus travels the country to AutoNation dealerships with a team that takes blood pressure readings, checks cholesterol and blood sugar levels and provides advice on doctors and exercise programs.

The bus has saved lives, says Clayton, the company's vice president of benefits who helped dream up the mobile clinic. It also is persuading employees to adopt healthier lifestyles and is helping the nation's largest auto retailer to control its health care expenses.

"We've found diabetics who didn't know they were diabetic," Clayton says. "We've seen people with hypertension. They were a walking time bomb. They didn't even know it."

Clayton himself had surgery after his scare in July and is doing fine. He didn't want to talk specifics about his condition. "It's not about me," he says.

Clayton knows of at least five AutoNation employees who were in critical danger when they got on the health bus and were sent straight to the emergency room. One employee was having a stroke, an AutoNation manager says.

Julio Ayala, who worked as a sales manager at AutoWay Nissan of Brandon in Tampa, Fla., until recently, credits the health bus with saving his life. Having long maintained his weight at 145 pounds, he was reluctant to get on the bus, believing he was healthy.

The screening found his blood sugar level more than five times the norm. Another test indicated uncontrolled diabetes.

"It was my getting on this health bus that finally gave me the rude awakening that I got," Ayala tells other AutoNation employees in a video testimonial. "I probably should have been dead, so the fact that I'm here is a miracle."

AutoNation CEO Mike Jackson, left, and Gene Clayton, vice president of benefits, stand in front of the Know Your Numbers Health Bus. The 80 percent sign indicates AutoNation's goal for employee participation on the current tour.

Other AutoNation employees tell stories of high cholesterol readings or other results that set them on a path to eating better, exercising more and losing weight. Some have lost more than 100 pounds.

The bus is part of CEO Mike Jackson's carrot-and-stick approach to health care. Employees pay more for their benefits if they make unhealthy choices such as smoking. But there are incentives for making good choices, and they enjoy such perks as free or discounted gym memberships.

"We say to our associates, 'We'll give you lots of choice, but you're going to have personal responsibility and a personal stake in managing your health,'" Jackson says. "If you don't have people who are engaged in managing their health and making decisions on what they're going to do for their health, then your costs are uncontrollable. They just skyrocket."

That hasn't been a problem for AutoNation. The company says its health care expenses have stayed relatively flat during the past eight years.

Without such programs as the health bus, the cost to AutoNation employees for health care benefits would have risen 82 percent between 2000 and 2012 instead of the reality of less than 10 percent, the company said.

Over the past 12 years, AutoNation's total health care costs have gone up by an average of about 2 percent annually vs. about 8 percent for companies nationally, Jackson says.

The health bus is on its third tour of AutoNation's 215-store network.

Each tour takes about 16 months and costs AutoNation about $400,000. The bus is staffed by a crew of four contract employees, including a nurse and health care technicians. A health care concierge from Blue Cross also is on the bus.

Clayton is hoping for employee participation of 80 percent, up from 50 percent participation on the first tour in 2006. With visits to a quarter of the company so far, participation is running at 77 percent.

While most dealership groups are too small to justify the expense of a roving health bus, smaller retailers can take other steps, AutoNation executives say. For instance, they could hold low-cost health fairs with screening tests at individual stores.

Making employees aware of their conditions and getting them focused on taking better care of themselves is the first priority.

Says Clayton: "Everyone wins, and our costs are mitigated. Our productivity goes up, our care for our people goes up, lives are saved, people are healthy." AN

On the road

AutoNation's health bus is covering lots of ground on its 16-month journey around the United States.

- 20,000 employees offered health checks
- 14,000 miles traveled
- 111 cities visited
- 240 stops at AutoNation locations

Source: AutoNation Inc.


Josefina Hooker Dealer Principal,
Freedom Buick GMC
Bill Perkins President,
Bill Perkins Automotive Group
Josefina's story ...
"IF YOU TRULY WANT TO THRIVE IN THIS BUSINESS, YOU HAVE TO HAVE THAT FIRE IN YOUR BELLY TO SUCCEED."
Bill's story ...
"I'M VERY PROUD OF TAKING UNPROFITABLE DEALERSHIPS AND TURNING THEM INTO WHAT I CALL 'MONEY-MAKERS'."