

AUTOCONNECT

BDC FOCUS INCREASES DEALERSHIP'S SALES AND PROFITABILITY

“Starting a BDC is not plug-and-play. Dealers must champion the effort and remain very hands-on.”

TODD WENZEL, OWNER OF BUICK GMC IN GRAND RAPIDS, DAVISON AND WESTLAND, MICHIGAN; CHEVROLET IN HUDSONVILLE, MICHIGAN

Todd Wenzel, owner of four successful Michigan GM dealerships, is an advocate of BDCs. He values the bottom-line results a properly run BDC can have on sales and service. He also dedicates the time, resources, direct staffing and training necessary so that his BDC can generate new business and improve customer communications.

“A productive BDC must be worked every minute of every day, 24/7,” said Wenzel. “You can’t just bring in a vendor and expect to see results. Our BDC is managed to maximize new opportunities.”

In Wenzel’s first Michigan dealership, he and four employees handled all inbound and outbound calls, Internet leads and DMN leads. **Today, Wenzel has the gold standard in business development — one “super” BDC supporting all of his dealerships.** In 2013, he and COO Pete Ferris combined lead generation and customer communication into one office. Its goal: maximize lead generation and convert all customer contacts into face-to-face appointments.

An army of 20 employees, three managers and BDC Director Chris Johnson use the latest CRM tools and software to answer telephones and respond to email leads, input customer information, make sales and service appointments, follow

up on all customer touches and more. The results have been remarkable. Wenzel attributes an increase in sales volume and service profitability at all of his dealerships to the single BDC.

“BDC development and implementation take time,” said Ferris. “Despite all of the assets available, starting a BDC is not plug-and-play. Dealers must champion the effort and remain very hands-on.”

“The BDC and sales team are extensions of each other,” said Wenzel. “With the BDC managing communications, sales consultants are now devoted to developing personal relationships with customers. This improves the customer experience and, for us, increases the closing ratios at all of our stores.”

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DEALER SAYS SUCCESS IS ALL IN THE NUMBERS

For more than a decade, Charles Winton spent 45 weeks a year in dealerships scouring financials as a CPA.

"I kept looking at all of those numbers thinking, 'I can do better,'" said Winton. "I wanted my own dealership."

To achieve that goal, Winton's mentor suggested he first gain experience selling cars. Winton said by the time he was accepted into the MDD program, he knew the business from "the top down and bottom up." In 2007, Winton opened Estero Bay Chevrolet, outside of Fort Myers, Florida.

"I wouldn't be a dealer today without GM and MDD," he said. "Because of GM's courage and commitment to diversity, people like me have opportunities they otherwise wouldn't have."

Today, Winton is preparing to open his second store — Rock Hill Buick-GMC, in Rock Hill, South Carolina.

"With the opportunity to own a GM dealership comes great responsibility and risk," he said. "When minority dealers aren't successful, it sets the program back. That's why we must prepare ourselves by learning every part of the business. I lean on my financial background every day. That perspective gives me a solid foundation to make sound business decisions."

In 2011, Winton was elected to the MDAC, representing the Southeast Region.

"I waited to join the Council until I had the credibility to represent my fellow dealers," Winton said. "I encourage all MDD dealers to get involved."

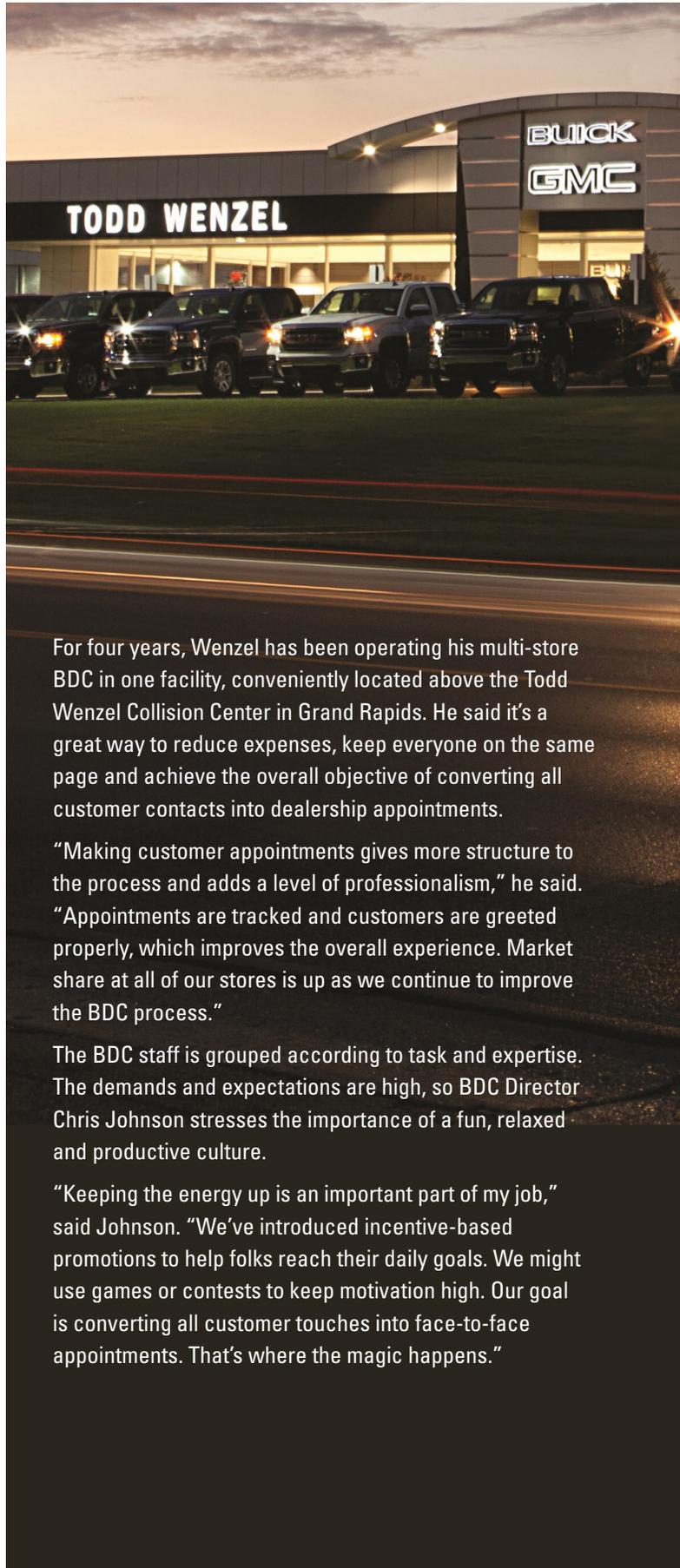


Winton also encourages dealers to join an MDD 20 Group and take advantage of the assets MDD offers.

"GM is the industry leader in providing leadership support, resources and opportunities so that its minority dealer network begins to mirror the buying public," he said. "Many first-generation minority dealers don't have the capital to start their own dealership," said Winton. "Through GM, MDD and Motors Holding, we have a chance."

Charles Winton

Dealer principal, Estero Bay Chevrolet



For four years, Wenzel has been operating his multi-store BDC in one facility, conveniently located above the Todd Wenzel Collision Center in Grand Rapids. He said it's a great way to reduce expenses, keep everyone on the same page and achieve the overall objective of converting all customer contacts into dealership appointments.

"Making customer appointments gives more structure to the process and adds a level of professionalism," he said. "Appointments are tracked and customers are greeted properly, which improves the overall experience. Market share at all of our stores is up as we continue to improve the BDC process."

The BDC staff is grouped according to task and expertise. The demands and expectations are high, so BDC Director Chris Johnson stresses the importance of a fun, relaxed and productive culture.

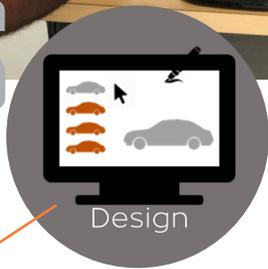
"Keeping the energy up is an important part of my job," said Johnson. "We've introduced incentive-based promotions to help folks reach their daily goals. We might use games or contests to keep motivation high. Our goal is converting all customer touches into face-to-face appointments. That's where the magic happens."

NEXT GEN WEB SITE MAXIMIZES ONLINE PRESENCE



Sales associate Adrian Achaibar and Tatiana Dyer believe GM's next-gen website platform is effective at attracting digital savvy shoppers.

Benefits



Design



Audience



Retail Tools

- › Mobile first
- › Fully responsive design seamless experience across all devices
- › New design choices and customization options
- › Speed and efficiency
- › Faster site editing

- › Increased SEO
- › Intelligent Sites
- › Personalized customer experience
- › Audience insights
- › Promo pop-up offers while shopping

- › Redesigned inventory pages
- › Redesigned model pages
- › Short lead forms
- › Seamless integration with dealership third-party plugins

Tatiana Dyer understands the value a Web site can have on dealership profitability, growth and retention. That's why the dealer principal of two Chevrolet dealerships in Florida — Dyer Vero Beach and Fort Piece — was the first in her area to transition to GM's Next Gen dealer Web site.

"We did an early launch because the new platform is much more mobile-friendly," said Dyer. "That was important since 60 percent of our shoppers are using mobile devices. Next Gen also offers more opportunity for us to customize the site to the Dyer brand."

It took the dealerships about two weeks to make the switch, a task Dyer and web manager Ray Saez said was very straightforward.

"A lot of the transition was plug-and-play," said Saez. "Much of the information is nationally populated and pre-tagged, such as brand and vehicle features. That gives us more time to focus on our local offerings, such as specials, inventory, parts availability and lead generation. We're finding that customers are spending more time on our site."

Dyer has been assigned a CDK ProCare Account Advocate to maximize the dealership's online presence and assist with site maintenance.

"Our site is now very transparent on both the sales and service side," said Dyer. "We even use it as sales reference with phone customers. It is a tool that increases repair orders significantly."

In fact, 83 percent of Dyer's Web site leads are converted into repair orders at a \$196/order value. Dyer still makes phone calls and uses DMN leads, but she said the Web site is a critical part of her sales and service business.

"We use every resource to maximize our customer contact," Dyer said. "On the digital side, that means reaching customers online. In addition to our Web site, we optimize our SEO, paid digital marketing, lead management and social media. Based on our metrics, we devote marketing resources to the most effective tools."

Is your dealership using digital marketing tools effectively? Review the [Digitally Driving Traffic checklist](#) to optimize your dealership's online presence. Also check out the Service & Parts WebEx Meeting, "[A Digital Deep Dive](#)", to learn more about transitioning to the Next Gen Web site.

DEALER CREDITS MOTORS HOLDING/MDD FOR START

Like many young men, Leo Portaluppi followed in his father's career footsteps, becoming a dealership technician. He eventually became the dealership's fixed operations manager, but his interests didn't stop there. After 13 years learning every part of the business, Portaluppi left that store to become a part owner in a small Chrysler dealership in Kentucky.

About that same time, Portaluppi attended an MDD recruiting event for minority dealer candidates. After speaking with Motors Holding representatives, he began entertaining the idea of owning his own store.

In 2013, an open point in Columbus, IN, caught Portaluppi's eye. On New Year's Eve, Portaluppi got the call that the store was his. "That call changed my life," he said. "I could not have done it without Motors Holding. No investor would have supported me with the minimal investment I had."

During the process, Portaluppi talked daily with his Motors Holding contact. "I was opening a *new* store in a *new* town with a *new* brand," he said. "I had no customers, no database, no equipment, no anything. The resources of Motors Holding were invaluable."

Portaluppi said Motors Holding was much more than a financial investor, it became a partner. "Motors Holding helped me with all aspects of my business — product, rebates, financial statements, hiring and training," said Portaluppi. "They did everything possible to help me be successful."

In just over two years, Portaluppi paid back the Motors Holding investment. He is now full owner of Chevrolet of Columbus. Portaluppi advises other dealers to take full advantage of Motors Holding's resources. "I may not have taken the risks I did without the support of Motors Holding," he said. "They gave me the confidence to push forward. If there's ever another opportunity to work with Motors Holding, I would take it."



Bill Mistele (L) and Tim Jones, Motors Holding North Central Regional Manager (R), present Leo Portaluppi with a plaque celebrating the dealership's financial independence. Portaluppi achieved the buy out in just over two years.





MOTORS HOLDING | GM

For nearly 90 years, Motors Holding has been helping qualified candidates become GM dealers. An integral part of GM's Sales Operations, Motors Holding has launched thousands of dealerships using a strategic buyout plan.

"Our investment models have changed to fit the market," said Bill Mistele, Director Dealer Network, Motors Holding & Public/Mega Dealers. "But our mission has not. We are developing the next generation of dealers by providing a realistic path to store ownership."

Today, the majority of Motors Holding's investments are with minority and female dealers, reflecting GM's commitment to diversity.

"We are helping grow a strong and diverse GM dealer network by providing financial tools and operational assistance," said Mistele. "Assisting diverse and female candidates in achieving their dream of dealership ownership is a top priority."

Mistele said that Motors Holding is by far the best investment option dealers have.

"Other lending institutions are more risk averse and don't understand the cyclical nature of the auto business," said Val Schuster, Motors Holding Investment Manager. Motors Holding is a patient partner. We want our dealers to succeed, and are willing to go to great lengths to make that happen."

In 2015, Motors Holding added two new investment options that allow dealer candidates more flexibility in obtaining a GM dealership. The result:

- Dealers are getting into stores that before would have been beyond their means;
- Dealers are able to buy more expensive stores with the same financial investment;
- Many dealers are able to buyout Motors Holding more quickly.

"Our new model gives dealers more room to stretch," said Mistele. "By working with Motors Holding, dealers are able to achieve greater long-term benefits. Many of our dealers now have multiple stores."

New Motors Holding Investment Options

CAPITAL LOAN PROGRAM: This tool allows dealer candidates to leverage dealership opportunities in a unique and highly beneficial way within the Motors Holding Investment Plan. It helps dealers meet higher minimum capital investments, buy larger stores with the same initial investment and/or buyout Motors Holding more quickly. It has allowed Motors Holding to do more investments with more dealers that before wouldn't have met the financial requirements. It also requires dealers to buy back less stock and quickens the road to financial independence.

PARTNER PROGRAM: Motors Holding has increased the flexibility when bringing in Financial Participants. Although the dealer must still have 15 percent ownership in the store, a Financial Participant allows increased capital for larger and more lucrative opportunities and opens the door for mentors or others to invest in the success of a candidate.

“I was opening a NEW store in a NEW town with a NEW brand. I had no customers, no database, no equipment, no anything. The resources of Motors Holding were invaluable.”

LEO PORTALUPPI, OWNER,
COLUMBUS CHEVROLET,
COLUMBUS, OHIO



DEALER MENTORS ARE MDD'S BACKBONE



“One minority dealer helping another is the backbone of the MDD.”

**BILL PERKINS, OWNER,
TAYLOR CHEVROLET,
TAYLOR, MICHIGAN**

Bill Perkins, during his days working for General Motors, signed one of the original five dealers to join GM’s Minority Dealer Development program. Today, he owns Taylor Chevrolet in Michigan in the Detroit metro area. He credits MDD and mentorship for his success.

“If it were not for one dealer helping another,” Perkins said, “I would not be where I am today. MDD provides excellent training and mentorship, which takes their program to the next level. Not everything is written down in a book. Things are going to happen — especially as a minority dealer — that you need to be prepared for. Mentors help new dealers avoid getting their education all through trial by fire.”

When Perkins opened his first store in 1988, he was mentored by dealers that helped prepare him for obstacles and other pitfalls he would face.

“I will always be thankful for the help those men provided,” Perkins said. “I show my gratitude by mentoring new dealers. Four of the men I’ve mentored are running successful businesses today. Now, I’m mentoring my son Monte Perkins, a vetted and approved MDD dealer candidate. It has been the most rewarding experience of my life. Mentoring is an obligation we should all share. One minority dealer helping another is the backbone of the MDD, and has been for 45 years.”

BILL PERKINS: Three Key Messages — Mentoring

- 1. FIND A GOOD FIT:** People make or break a dealership. Mentor someone who shares your goals and objectives, and wants to be on your team.
- 2. BE OPEN:** I allow the people I mentor to sit in my chair and see, touch and feel what they will face as a dealer. They don’t just observe. They are forced to make decisions and experience consequences.
- 3. IT WILL BE COSTLY.** People make mistakes. In most cases you will lose someone you’ve invested in. Mentoring is a necessary sacrifice we all must make to grow and strengthen the minority dealer network.

SECOND GEN FINDS 20 GROUP “INVALUABLE”



Krystal Roberts, director of Variable Operations, Advantage Chevrolet of Hodgkins, began working in her father's Chevrolet dealership 12 years ago. She began attending MDD 20 Group meetings in 2005.

You do the math.

“I haven't missed a 20 Group meeting in 12 years,” Roberts said. “And I'll be at the August meeting. No matter how successful you are, there's always room to grow. The dealers in my group set a high standard of excellence and are willing to share what works and what doesn't.”

Krystal, and brother (Jason), Fixed Ops director, work for Desmond Roberts, president of Advantage Auto Group, the ONLY African American-owned Chevrolet franchise dealer in Illinois. Roberts operates Advantage Chevrolet of Hodgkins.

When Roberts attended her first 20 Group meetings, she admits it was a challenge for her to keep up.

“I received my master's degree from DePaul University, but I really learned the business from 20 Groups,” said Roberts.

Soon Roberts was sharing her own insights.

“Our dealership sells an average of 40 cars a month from our Service Vehicle Upgrade program,” she said. “We've also implemented a sales

“For the first year at my father's store I filled vending machines,” said Roberts. “I've worked in every department doing just about every job. That experience, along with my 20 Group participation, is really how I learned the business.”

**KRYSTAL ROBERTS, DIRECTOR OF VARIABLE OPERATIONS,
ADVANTAGE CHEVROLET, HODGKINS, ILLINOIS**

and service BDC. On-site visits have occurred, with fellow 20 Group members, in the exchange of best practices.”

Roberts is one of three second-generation participants in her 20 Group. She said she enjoys the camaraderie one can only get from sharing the same lineage. She also values the diversity of thought 20 Groups offer.

Roberts said that even after 12 years of participation, 20 Groups remain fresh and enlightening.

“The business model has changed over 12 years,” she said. “Our group keeps up with issues and concerns relevant today. We also see a lot of fresh faces. The dynamic of our group keeps me coming back.”



MINORITY DEALER DEVELOPMENT

GM Minority Dealer Development is comprised of GM minority dealers and next-generation talent. Through the MDD program, GM and its dealers work to actively recruit, train and place minorities as dealers and in all service, sales and management careers.

www.gminoritydealer.com

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"It is my honor to work with the dedicated members of MDAC and implement practices to improve not only the opportunities for minority dealers, but also the operational performance of each minority dealer to grow GM market share across the U.S."

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