AUTOCONNECT



IN THE NEWS: Alex Flores is a SUPER SALESMAN

My first encounter with Alex Flores was at a GM sponsored 20 Group meeting in 2018. He had great ideas to help other dealers who struggled with their variable operations and openly shared his knowledge and experience. At the time, Alex was the general manager at Capitol Chevrolet in Austin, Texas, getting the positive attention of many as he led the dealership to record new vehicle sales month after month. Now, three years later, he has more than the

title of GM under his belt. He's dealer principal at Seguin Chevrolet in San Antonio, and he recently became minority partner in Bravo Chevrolet-Cadillac in Las Cruces, N.M., and a Cadillac store in El Paso, Texas.

In an extensive interview with Automotive News, Alex Flores explained that a favorite customer, dealer Dave Tamburro, told him his talents were being wasted: He should be selling cars. Flores was reluctant, in part because it was what his biological father did in Mexico. But he made the jump "and here we are 28 years later". Please read more of Alex's amazing story with Automotive News by <u>clicking here.</u>

FROM THE DESK OF



Our Dealer Diversity team hosted our very first Minority Dealer Development (MDD) All Dealer Virtual Business Meeting on February 24th, 2021. The meeting agenda included Senior and Regional Leadership, as well as representation from our Minority Dealer Advisory Council (MDAC) and of course, our Diversity Dealer Development Team.

Provided was a review of our MDD 2020 performance, GM brand highlights, a look at what GM is doing in the Diversity, Equity and Inclusion space and we recognized many of our members for their outstanding 2020 performance in overall business metrics.

Our current minority dealer network consists of 291 minority and 282 women dealer partners. Worth noting, GM leads the industry with more minority owned dealerships than all other OEMs. More than 1 of every 5 minority owned dealerships in the U.S. is a GM dealership, and GM has more than 26% of women dealers in the U.S.

These 291 MDD partners concluded CY 2020 with 196,036 retail sales, producing YTD Total Dealership Sales dollars of almost \$17.0 Billion, with a CYTD average of 730 new vehicles sold, compared to 594 for all GM dealers, and finally posting an average NPBBT of \$2.3M versus all dealers at \$1.8M.

As we continue to navigate 2021, our focus will remain on not merely maintaining, but gaining industry leadership; improving MDD performance in key metrics and outperforming the general dealer population, growing our MDD Vetted and Approved candidate pool, increasing participation in 20 Groups and finally continuing the outstanding dealer advocacy work with our MDAC council members.



During my time serving on the MDAC, a lot of unpredictable events have happened which have affected inventory. The union strike, the pandemic, and now the global chip issue is creating havoc on inventory shortages. It is funny to think that just over a year ago, most of us were concerned about margin compression and how to maintain gross; now grosses are at an all-time high!

Higher grosses and high demand along with other market factors, have us posting record profits. I heard the average Minority Dealer is on pace to net over \$3 million dollars this year. This is such great news and another example of how resilient the Minority Dealer network really is!

It does not mean that we as dealers should not feel concerned, but I can tell you firsthand that your council (as well as the GM leadership) is not taking the needs of the dealers lightly. On every council call and meeting, the topic of inventory comes up and it is discussed in a very open and transparent way. The steps that GM has taken to combat the current inventory issues (as well as their willingness to answer the hard questions) is impressive.

Although the answers are not always what we want to hear, we all appreciate the open lines of communication we do receive.

So, if you ever have questions about inventory or any other concerns, I encourage you to reach out to your council members. The MDAC is such a great resource that is truly made up of dealers that are passionate about helping make the minority dealer network even stronger!

Leo Portaluppi, MDAC Vice-Chair



MINORITY DEALER DEVELOPMENT

What is MDD?

A diverse dealer network matters greatly to GM and to the customers we serve. Minority Dealer Development is designed to support our diversity goals. MDD is dedicated to growing a performance driven, customer-focused and profitable dealer network by attracting highly qualified minority dealer candidates, this is one demonstration of GM's commitment to a diverse dealer network.

Congratulations to the following Minority Owners on acquiring their new dealership:

Justin Lowenfield | Casa Buick GMC | El Paso, TX Chanh Nguyen | Herl Chevrolet GMC | Goodland, KS William Lewis | Victory Chevrolet Buick GMC | Paola, KS Suleiman Abdulmalik | Traditions Chevrolet | East Bernard, TX

2020 DEALER of the YEAR

Congratulations 2020 Dealer of the Year Winners!



Dan Cummins Chevrolet, Inc. | Joshua Cummins | Paris, KY Estero Camino Real Chevrolet | Robb Hernandez | Monterey Park, CA Bomnin Chevrolet West Kendall | Arnaldo Bomnin | Miami, FL Bomnin Chevrolet Dadeland | Arnaldo Bomnin | Dadeland, FL Bay Chevrolet | Charles Winton | Estero Bay, FL Rydell Chevrolet | Gus Garcia | Northridge, CA Seguin Chevrolet | Alex Flores | Seguin, TX



Dan Cummins Chevrolet, Inc. | Joshua Cummins | Paris, KY South Texas Buick-GMC | Shelby Longoria | McAllen, TX



Tustin Cadillac | Peter Ngo | Tustin, CA



Green Brook Buick GMC | David Ferraez | Green Brook, NJ South Texas Buick-GMC | Shelby Longoria | McAllen, TX



GM Reports First Quarter U.S. Sales

Earlier this month, General Motors reported their first quarter sales for 2021. GM executive vice president and president, North America, Steve Carlisle stated "Over the last year, our dealers, supply chain and manufacturing teams have gone above and beyond to satisfy customers as demand for GM products rose sharply. The great teamwork continues. Sales are off to a strong start in 2021, we are operating our truck and full-size SUV plants at full capacity and we plan to recover lost car and crossover production in the second half of the year where possible.

"Consumer confidence and spending will continue to increase due to stimulus, rising vaccination rates and the progressive reopening of the economy," said Elaine Buckberg, GM chief economist. "Auto demand should remain strong throughout the year."

Q1 2021 Quick Glance:

- General Motors sold 642,250 vehicles in the U.S. in the first quarter of 2021, with retail deliveries up 19
 percent year over year and fleet sales down 35 percent. Total sales were up 4 percent
- All four GM brands had double-digit year-over-year increases in retail sales
- GM Minority Dealers delivered 50,499 retail units, representing a YOY increase of 24.2%, outperforming GM.
- GM sets first-quarter record with average transaction prices at \$40,353
- GM estimates the retail SAAR in the first quarter was 14.6 million units and the total light vehicle SAAR was
 16.5 million units



Chevrolet deliveries were up 13 percent.

Tahoe and Suburban sales were up 104 percent and 63 percent, respectively.

The Trailblazer captured more than 10 percent share of the small SUV segment through the first quarter (J.D. Power PIN)

Two models, the Bolt EV and the Traverse, had their best first-quarter retail sales ever. Bolt EV retail sales were up 60 percent and Traverse was up 39 percent.

Five other Chevrolets had double-digit sales increases:

- Camaro up 20 percent
- Malibu up 46 percent
- Colorado up 35 percent
- Silverado HD up 11 percent
- Corvette up 73 percent



Buick deliveries were up 43 percent.

The new Encore GX continues to be Buick's best-selling nameplate.

In January, Buick launched a redesigned 2021 Envision, expanding the brand's share of the fast-growing compact SUV segment with a 51 percent sales increase. The Envision had its best first-quarter sales ever.

The Enclave increased deliveries by 38 percent. A refreshed 2022 model is slated to go on sale later this year.



GMC deliveries were up 23 percent.

The GMC Sierra delivered its best first-quarter retail sales ever, up 18 percent.

Four other GMC models had double-digit increases

- Acadia up 33 percent
- Canyon up 66 percent
- Yukon up 79 percent
- Yukon XL up 56 percent

GMC will reveal the GMC HUMMER EV SUV, the next chapter in its all-electric future.



Cadillac deliveries were up 43 percent and market share up 1.1 percentage points, according to J.D. Power PIN.

Cadillac delivered its best first-quarter ATPs ever at \$58,550.

The all-new Escalade saw a 127 percent year-over-year increase in retail deliveries, and its segment share is 8 percentage points higher than the closest competitor (J.D. Power).

Retail sales of Cadillac's crossovers and all-new luxury sedans were also exceptionally strong:

- XT4 up 30 percent
- XT5 up 15 percent
- XT6 up 22 percent
- CT5 up 60 percent



Who is this for?

Things change fast, we want to help you keep up.

GM Launches Diversity, Equity, and Inclusions Curriculum

Inclusion is more than a marketing tagline or slogan.

To support General Motors goal of being the most inclusive company in the world, they have launched a DE&I curriculum to help strengthen everyone's understanding of these concepts and provide the opportunity to begin a discussion within our dealerships.

GM's Center of Learning requests your help in championing the diversity curriculum that will be included on our Q2 learning paths.

The DE&I curriculum, which launched April 1st, provides dealership employees learning that will reflect, understand, and evaluate their dealerships' DE&I practices.

The following courses are available now in Center of Learning:

- On the Road to Diversity, Equity and Inclusion: Ideas for Leading the Change at Your Dealership (FCFDE.021W1)
 - o Link: <u>Center of Learning Catalog (centerlearning.com)</u>
- On the Road to Diversity, Equity and Inclusion: Why It Matters at the Dealership (FCFDE.021W2)
 - o Link: Center of Learning Catalog (centerlearning.com)
- Diversity, Equity and Inclusion: Suggestions for Creating Inclusion at Your Dealership (FCFDE.021W3)
 - o Link: Center of Learning Catalog (centerlearning.com)
- Diversity, Equity and Inclusion: Driving Inclusion: Unconscious Bias (FCFDE.021W4)
 - o Link: Center of Learning Catalog (centerlearning.com)

We invite you to:

- Review the courses to experience what the dealers will experience.
- Champion this curriculum by encouraging engagement with your dealerships.
- Visit the <u>DEI Gateway page</u> for future resources.

CREATING A CULTURE WHERE EVERYONE CAN BE ACCEPTED AND ALLOWED TO PROSPER IS OF HIGH IMPORTANCE TO US ALL.

On behalf of Center of Learning and the DE&I team, thanks for your support in GM's goal to be the most inclusive company in the world!



MINORITY DEALER DEVELOPMENT SCHOLARSHIP

Getting involved in the 2021 campaign takes three simple steps: Donate, Promote and Nominate!

Since 1972, GM has provided leading opportunities to qualified minorities to help prepare them to become dealers and to help them succeed once they become dealers. GM is committed to "Changing the Face of Automotive Retail."

In support of this mission, the GM Minority Dealer Development (MDD) Scholarship Program is offered to help minority students of African American, Asian, Hispanic or Native American descent, interested in pursuing careers in automotive retail and/or automotive technology. There are many strong career opportunities in automotive retail, and we wish to encourage students interested in pursuing these career options.

The GM Minority Dealer Development (MDD) Scholarship program is another critical step in creating an inclusive retail culture. Visibility and representation of an increase in minority employees increase customer loyalty and overall profitability and attract other minorities into our industry.

- Donate Individual donation. dealership donation, or named scholarship.
- 2. Promote MDD provides marketing and communications materials to help build awareness of the scholarship. Use them to help publicize the program in your stores, schools
 - and communities.
- Nominate encourage eligible candidates to self-nominate!

Please visit our website to for more info and ways to donate!

Questions regarding the program or how you can get more involved? Contact: CMS Foundation – GM MDD Scholarship Program by emailing info@gmmddscholarship.com, calling (630) 428–2412, or checking out our website, https://gmmddscholarship.com

How an Immediate Greeting of Customers Plays Key Role in Increasing CSI Scores

In an article by Business Wire, saying hello and acknowledging customers upon arrival at an aftermarket service facility can significantly improve customer satisfaction scores, specifically those for full-service maintenance and repair, quick oil changes and tire replacement. Satisfaction scores decline when customers wait more than three minutes before they're acknowledged, according to the J.D. Power 2021 U.S. Aftermarket Service Index (ASI) StudySM fueled by SurveyMonkey, which was released today.

Performance in three segments—full-service maintenance and repair; quick oil change; and tire replacement—is based on the combined scores for seven measures that comprise the vehicle owner service experience. These measures are ease of scheduling/getting vehicle in for service; service advisor performance; service advisor courtesy; service facility; time to complete service; fairness of charges; and quality of work.

- "Aftermarket service providers should pay special attention to simple actions that can enhance the customer experience."
- ▶ In all three segments, customers indicate they were very often greeted immediately: 42% of the time for full-service maintenance and repair; 53% of the time for quick oil change; and 34% of the time for tire replacement. However, among customers in each segment who say they waited three minutes or more—which ranges from 27% to 39%—satisfaction scores decline as much as 219 points (on a 1,000-point scale).

Please <u>click here</u> to read the full article as well as to find more about the following are key findings of the 2021 study:

- It's important to recommend additional service the right way
- Fix it right the first time
- Attention to detail boosts customer satisfaction

Now Available: Order Workbench Video Series

The Order Workbench video series titled "Get Optimal Results from the Dealer Order Submission Process" is now available.

This video series describes tools and strategies you can use to manage your vehicle ordering data and get these results from the weekly DOSP:

- Have your orders placed with the configurations you need for your market area
- Keep the allocation and constraints the system distributed to your dealership for the target production period
- Gain more allocation or constraints—if they are available—for the target

Click the links to view the videos:

- Video 1 Know Your Weekly Ordering Data
 - o https://bcove.video/2Lf260c
- Video 2 See Your ADS as a Key Factor
 - o https://bcove.video/21w0jkE
- Video 3 Control Your Sales and Availability
 - o https://bcove.video/3qJTfnu
- Video 4 Use Run Pass One to Your Advantage
 - o https://bcove.video/37TuWLv
- Video 5 Prioritize Orders and Handle Constraints
 - o https://bcove.video/3qQ0F95

Catch up on... The Bottom Line



In April's edition of The Bottom Line, we are reminded how accessories are a great way to add to your bottom line and build customer enthusiasm for our vehicles at the same time. In the accessories video, three very successful GM dealers share their views on how accessories are an integral part of their sales process...and their profitability. They will each highlight how they've built thriving Accessory Sales businesses and increased their Bottom Lines significantly!

Please catch up on recent "The Bottom Line" videos by clicking here:

- Gaining Profits through Accessories
- The Benefits of OnStar for Every Dealer
- The Benefits of Floor Planning with GM Financial
- Tekion DMS

2021 GM MINORITY DEALER ADVISORY COUNCIL (MDAC)

Our MDAC's role is to communicate the voice of the minority dealer body and direct prioritized issues to GM management and/or the appropriate divisional Councils. Should you have any questions or concerns, please contact your MDAC member below.

2021 GM MINORITY DEALER ADVISORY COUNCIL

Term: 2019-2021 Term: 2020-2022

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