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Lear Reports 3rd Quarter Increase

Lear Corp. reported financial results for the third quarter of 2012. Highlights include net sales of \$3.5 billion, up 2 percent, as well as adjusted earnings per share of \$1.29, up 19 percent; diluted earnings per share of \$1.23; free cash flow of \$88 million, up 37 percent.

EPMS sales of \$877 million, a quarterly record, and adjusted margin of 7.5 percent, up from 5.4 percent last year.

In the third quarter, global industry production increased 2 percent from a year ago, reflecting production increases in all of the major automotive markets in the world except Europe.

'Make the Customer More Comfortable'

by Jim Stickford

The future of car dealerships and manufacturer-imposed business practices were the topic of NADA Chairman Bill Underriner's discussion at the Oct. 23 Automotive Press Association in Detroit.

Underriner, in addition to being chairman of the National Automobile Dealers Association, owns and operates a Buick, Honda, Hyundai and Volvo dealership in Billings, Mont.

He said NADA has worked hard to understand the needs of its members and communicate those needs to manufacturers.

One major concern, he said, is factory-mandated renovations at dealerships.

"We're being asked to build what I call 'garage-mahals,'" Underriner said. "We feel we're being asked to do things that don't really help us sell more cars. Not all buildings should look alike across the country."

To get informed data on factory-mandated construction, Underriner said NADA has commissioned its first-ever "study of factory facilities" program.

"The study gave us an objective and fact-based analysis of the various factors that drive the economics of facility image programs," Underriner said.

The study included a wide range of industry participants, Underriner said. When it was completed, NADA presented it to 12 different manufacturers. He said the study was well received and executives were eager to hear the dealers' point of view.

Now it's time to move to phase two, Underriner said. In phase one, the question was what is the return on investment? Do these manufacturer-mandated builds actually produce additional sales that justify the dealers' costs?

"Overall, this is an area of dis-



NADA Chairman Bill Underriner at auto press gathering.

appointment, with most manufacturing failing to show the value of facility image programs," Underriner said.

If these programs are to work, Underriner said, dealers must be consulted "before the cake is baked." He believes dealers can help OEMs shape programs that dealers will like.

Underriner said facility image programs need to be flexible, because there is great diversity among dealers - in size and location, and a solution that might work in New York City probably won't work in rural New Mexico.

On the future of car dealerships, Underriner said the business still works a sale at a time, and dealerships will probably have smaller showrooms and keep fewer vehicles on the lot.

"We are talking to industry experts," Underriner said, "and

looking at how other retail businesses are changing. We are also studying car dealerships that use cutting-edge technology and innovative customer service programs. They may provide us with a glimpse of the dealership of the future."

One area that Underriner said he doesn't expect to get small is the service area.

"Personally, I'm spending my money on keeping my technicians up-to-date with the latest technology," Underriner said.

"I see service writers using iPads when talking with customers, so they don't have to take a customer back to the desk. They can do their work right where the customer is.

"I think anything to do with making the customer more comfortable will be a part of any dealership of the future."

Club General Motors Store to Open Nov. 1 at GM Powertrain in Pontiac

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To celebrate the grand opening of the new store, Club GM is giving away some of their more popular items in random drawings, and extending their hours.

The store will open Nov. 1 at 10 a.m. and will stay open until 2:30 p.m. Normal store hours will be Monday, Wednesday and Friday from 11 a.m. to 1 p.m.

"We're thrilled that we're going to be able to offer this great GM merchandise to the people at our Powertrain campus," said Barry Hensel, a Powertrain employee and the new store manager.

The store was a pet project for Hensel, who saw an empty office at Powertrain as a potential retail store. Hensel said while he's happy to be offering goods to his fellow employees, it's the charitable giving aspect of the store he's most excited about - all of the store's proceeds will benefit local charities.

For example, alongside the exclusive GM Powertrain polo

shirts, the store will sell \$5 Meals on Wheels cards, giving shoppers the opportunity to get a jump on holiday shopping and support one of Club GM's favorite charities.

While the store isn't open to the general public, Hensel says that anyone who has employee, contractor, or supplier access to Powertrain will have access to the store. That includes GM visitors from other sites, from the Design Center in Warren to GM India.

"We have some co-workers from our counterpart in India right now," said Hensel, "and they were happy to hear that we're opening before they have to leave on Nov. 2."

The store is located next to the GMTM Museum, off the Commons area, in Building B, in what used to be the IKON printing room. For more information about the store or the grand opening, contact Barry Hensel at barry.g.hensel@gm.com, or visit the store on Nov. 1.

Chevy to Focus on Small Cars At Upcoming SEMA Show

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"Chevrolet has increased its small car portfolio over the past few years," Campbell said. "The aftermarket is a \$30-billion-a-year segment of the car business and we want to be a part of that. Chevy has been a leader in the V8 aftermarket. Since 1955, we never relinquished that portion of the aftermarket."

Now, Campbell said, the brand is applying that same enthusiasm for the small car market. The thought is that by getting customers when they're young, they'll stay loyal to the brand.

Today's young consumers are used to doing things their own way, Campbell said. They like to personalize their phones, computers, clothing. Why should it be any different for their cars?

As Chevrolet was revamping its small car portfolio, it started "turning up" at SEMA in a big way starting in 2010, Campbell said. Last year, about two-thirds of the brand's resources at the SEMA show were devoted to small cars. This year, that figure will be closer to 60 percent.

"We are focusing our efforts on letting small car buyers know how they can make one of our small cars theirs through the use of aftermarket parts," Campbell said.

"We design, engineer and validate the aftermarket parts, making sure they'll go with our vehicles, and offer these parts through dealers. We also find the suppliers to build them so they can be made available to the 3,000 Chevrolet dealers across the country."

Visitors to the SEMA show who visit Chevrolet's "Shop Talk" four-day display will have the chance to see such vehicles as the Cruze upscale concept vehicle. It moves the

compact sedan "up a few rungs on the luxury ladder with a 'Burnished Brandy Metallic' exterior and unique exterior appointments," said Perry.

Another concept vehicle on display will be the Sonic-Z Spec 1. It will feature a Chevrolet-licensed accessories Boria exhaust system; a lowered ride height, with a Chevrolet performance concept suspension kit.

Those are just some of the features in the Sonic-Z Spec 1 car, Campbell said. On display will also be a Sonic Z-Spec 2.5 concept car, which will feature, among other things, a unique ground effects package and lower fascia extensions.

Chevrolet also has some interesting packages for the Malibu as well, Perry said. There will be a Malibu Turbo Performance concept car, featuring a new 2.0L turbocharged engine, making it the fastest Malibu.

Campbell said Chevrolet, in its desire to gain some traction in the small-car personalization segment, hasn't ignored its muscle car customers. They plan to debut in Las Vegas some interesting Camaro and Impala concepts that haven't been shown to the public yet.

Chevrolet is hitting SEMA hard with these concept vehicles and production models that were concepts at last year's SEMA show.

"The content, colors and performance of each concept is being evaluated for possible production as Chevrolet continues to seek new ways to give customers more choices," said Perry.

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