

# NADA Chairman: ‘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. “Our goal was to open a dialogue so all parties could discuss the issue on a more rational and informed basis.”

To that end, 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 disappointment, with most manufacturers failing to show the value of facility image programs,” Underriner said. “Phase two will look deeper. We’ll talk to dealers who took on facility image programs, to some who did not.

“The study also recommends that automakers get more dealer input from these programs.”

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.

Phase two finishes at the end of the year and Underriner said he looks forward to seeing the results.

Underriner said he believes that for facility image programs to work, they need to be flexible. There is great diversity among dealers, he said, there’s diversity in size and location. A solution that might work in New York City probably won’t work as well in rural New Mexico.

“Manufacturers that build flexibility into the programs tend to have more success,” Underriner said. “When programs are not flexible, when they don’t take into account local conditions, there is much higher likelihood of pushback and controversy.”

Underriner also talked about how dealers are greatly concerned over two-tier pricing.

“NADA has a long-standing position in support of a level play-

ing field for all dealers,” Underriner said. “We favor lawful, equal and fair treatment by a manufacturer for all its dealers.”

On the subject of the future of car dealerships, Underriner said that now, as in the future, the retail car business still works a sale at a time, face-to-face. The future car dealership, he said, will probably have a smaller showroom and will probably be able to 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 pro-

grams. 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.”



NADA Chairman Bill Underriner at auto press gathering.

## Special Olympics Gala is Nov. 9 In Motor City

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ably successful, raising about \$55,000 in funds that went directly to SOMI’s mission – transforming lives with the joy of sport.

Purdy said she hopes this year’s Gala will match or exceed last year’s success, but she’s looking forward to the event for another reason, one that has nothing to do with the fundraising possibilities.

“Some of the most memorable moments from last year’s Gala were the awards ceremonies,” she said.

“We recognized the decades-long commitments, efforts and contributions of Spartan Stores and the Wertz Warriors. It was amazing to see the presentation and acceptance of those awards.”

Purdy added that she knows this year’s Gala will be just as inspiring, as inspiring as the name of the event – the Inspire Greatness Gala – promises.

Tickets for this year’s Inspire Greatness Gala are \$150 per person, or \$250 per couple. For more information about the Gala, visit [www.somi.org](http://www.somi.org). To order tickets, contact Erin Dougherty at 800-644-6404 or [doughlek@cmich.edu](mailto:doughlek@cmich.edu).

## Lear Reports 3rd Quarter Increase

Lear Corp. net sales for the third quarter were \$3.5 billion, up 2 percent, with adjusted earnings per share of \$1.29, up 19 percent. Diluted earnings per share were \$1.23, and free cash flow was \$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.

# Magneti Marelli Spins Off Racing Technology to Daily Ride

MILAN, Italy – Magneti Marelli, a global automotive systems and components supplier, illustrated the possible “green” technological links between motorsport and “road” during a workshop in Washington, D.C.

The workshop was organized by the Italian Embassy and the Italian Ministry for the Environment within the 2012 Global Cleantech 100 Summit and Gala recently.

Aim of the event: to encourage the meeting between Italian companies active in the “green economy” and American investors.

An unusual combination until recent years, high performances and eco-sustainability today are traveling on increasingly converging paths. The merger is driven by the growing need to reduce costs, fuel consumption and emissions, making the “bridge” between the motorsport world and the “road cars” world even more strategic, in a technological osmosis capable of adding value to both areas.

Motorsport represents for Magneti Marelli a technological laboratory for the development of new competencies and technologies that also feed and inspire new solutions for sustainable mobility.

An example of KERS was illustrated during the workshop. KERS is a system for the recovery of kinetic energy under braking developed for Formula 1, which then generated technological spin-offs for mass-produced hybrid and electric engine systems.

In view of the new 2014 F1 regulations, Magneti Marelli is already working on developing the ERS system, which combines the recovery of kinetic energy and the energy coming from exhaust gases, both aimed at feeding electric motor-generators.

Thus, new scenarios are continually opening up to hybrid solutions in motorsport, with important opportunities in terms of engine performance, consumption and efficiency, even regard-

ing the area of mass production.

An opposite journey – from mass production to competitions – was traveled by the GDI high-pressure injection technology, which has been adopted for some time now on mass-production vehicles for engine downsizing purposes (less fuel consumption, same performances). Today, it is also used on the race-track and during rallies and, starting in 2014, it will make its debut in Formula 1.

At present, Magneti Marelli Motorsport is already testing GDI injectors and pumps with gasoline pressure values of up to 500 bar.

Moreover, Magneti Marelli is already working on developing a two-way Wi-Fi data transmission system from vehicle to infrastructure (for example: machine-pits) that allows the exchange of a large volume of data at high speeds.

These technologies have an important spin-off in the area of

connectivity, of infotainment systems for mass-produced automobiles, and of smart traffic and vehicle management.

These three examples of technologies illustrated in Washington, D.C., may allow up to a 35 percent reduction in fuel consumption, performances being equal, in the motorsport area, and consequently to create systems capable of significantly reducing consumption and emissions on standard vehicles, too.

Magneti Marelli designs and produces advanced systems and components for the automotive industry.

With its 83 production units, 12 R&D centers and 26 application centers in 18 countries, more than 34,000 employees and a turnover of 5.9 billion Euros in 2011, the group supplies all of the leading automakers in Europe, North and South America and the Far East.

Its business areas include: electronic systems, lighting, powertrain, suspension systems

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