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GM 'Driven by Customer Needs' – Boler-Davis

In order to survive the last few years, GM has had to change its internal culture and the way it interacts with its dealer base.

That was the message from senior vice president of General Motors Global Quality and Customer Experience Alicia Boler-Davis as she spoke to the J.D. Power & Associates Roundtable at the National Automobile Dealers Association convention in New Orleans Jan. 24.

"At the end of the day, we truly are an industry of people, and that's what my opening video is all about," said Boler-Davis. "People and culture. Because we can have the best strategies in the world at our companies, but if we don't get the culture right, we're simply not going to succeed. Peter Drucker said it best: 'Culture eats strategy for breakfast.'"

She went on to say that in the past few years, GM has gone out of its way to change its internal culture and the way the automaker conducts its business.

"If the new GM was going to win again, we simply had to do this," Boler-Davis said. "It was as important as any of the strategic actions taking place inside the company at that time.

"So, working with our dealer partners, we set out to make the customer front-and-center in everything we do, from how we interact with them to how we design, engineer and manufacture our vehicles."

Fundamentally, Boler-Davis said, this change in culture was predicated on a change in behavior. GM had to become a customer-centric company. That means everything the company does is driven by customer needs.

"So who are these customers?" Boler-Davis asked. "Well, around the world, our customers are changing. People now send more

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Alicia Boler-Davis

Cadillac Charges Ahead With ELR Promotion

Buyers of the new Cadillac ELR will get a charge – literally – out of a special offering made by the brand.

Cadillac is offering a complimentary 240-volt home charging station and installation to early buyers of the all-new 2014 ELR electrified luxury coupe.

"The ELR's blend of leading technology with provocative design and fun-to-drive performance is set to bring new buyers to Cadillac and to electrification itself," said Uwe Ellinghaus, chief Marketing officer, Global Cadillac.

"Professional installation of the fastest home-charging unit is a natural way to mark the introduction of ELR to the luxury market."

Cadillac is offering the ELR on an ultra-low-mileage, 39-month lease for qualified lessees at $699 per month with $5,999 due at signing after all offers, said Cadillac spokesman Brian Corbett.

"The Cadillac ELR," said Ellinghaus, "offers a convergence of luxury, electrification and sporty driving in a premium coupe with dynamic design and an award-winning range-extended electric

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A plugged-in 2014 Cadillac ELR luxury Coupe

2013 'An Outstanding Year' – Ford CEO Mulally

Ford Motor Company reported 2013 full-year pre-tax profit of $8.6 billion, one of the company's best years ever, driven by the highest automotive pre-tax profit in more than a decade and continued solid profit from Ford Credit.

The pre-tax profit was an increase of $603 million compared with a year ago; full-year earnings of $1.62 per share were an increase of 21 cents, said Ford Finance spokesperson Jay Cooney.

Net income of $7.2 billion, or $1.76 per share, was higher than a year ago, including pre-tax special item charges of $1.6 billion and favorable tax special items of $2.2 billion.

Pre-tax special item charges included $856 million for separation-related actions, primarily in Europe to support the automaker's transformation plan, and $594 million associated with Ford's completed U.S. salaried retiree voluntary lump sum payout program as part of its pension de-risking strategy, Cooney said.

The favorable tax special items include the impact of an increase in deferred tax assets related to investments in European operations and the release of valuation allowances held against U.S. state and local deferred tax assets.

Fourth quarter pre-tax profit was $1.3 billion, a decrease of $402 million compared with 2012; fourth quarter earnings per share of 31 cents were the same as a year ago, Cooney said.

Ford has posted a pre-tax profit for 18 consecutive quarters. Fourth quarter net income was $3 billion, or 74 cents per share.

"We had an outstanding year in 2013, demonstrating that our One Ford plan continues to drive solid results and profitable

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2015 Ford F-150

Chrysler's 2013 Net Income Up 65 Percent to $2.8 Billion

Chrysler's full-year net income, including the net favorable effects of infrequent items, was $2.8 billion, up from net income of $1.7 billion a year earlier, according to the automaker's preliminary report on full-year and fourth-quarter 2013 results.

Infrequent items for 2013 included a non-cash tax benefit of $962 million related to the release of valuation allowances on deferred tax assets during the fourth quarter, and a $24 million loss on extinguishment of debt related to two debt re-pricing transactions during the year.

Net income for the fourth quarter was $1.6 billion, including the net favorable effects of infrequent items of $961 million, marking the company's tenth consecutive quarter of positive net income.

Adjusted net income for the year was $1.8 billion, an increase of 9 percent from $1.7 billion a year earlier. Adjusted Net Income for the fourth quarter of 2013 totaled $659 million, up 74 percent compared with the same period a year ago.

Net revenue was $72 billion for the year, up 10 percent from $66 billion in 2012, primarily driven by an increase in vehicle shipments, including Jeep Grand Cherokee, Jeep Cherokee and Ram pickup trucks. Net revenue totaled $21 billion for the fourth quarter.

"The 2013 year-end financial results reflect the commitment Chrysler Group has made to rapidly refresh our product lineup with vehicles that achieve exacting performance standards," said Fiat and Chrysler Chairman and CEO Sergio Marchionne.

The Chrysler report stated that worldwide vehicle shipments were 2.6 million for the year, up 6 percent from 2.4 million a year ago. Additionally, worldwide vehicle sales for the year were 2.4 million, up 9 percent from a year ago, driven primarily by a 14 percent increase in U.S. retail sales, said the report.

The report also stated that U.S. market share was 11.4 percent

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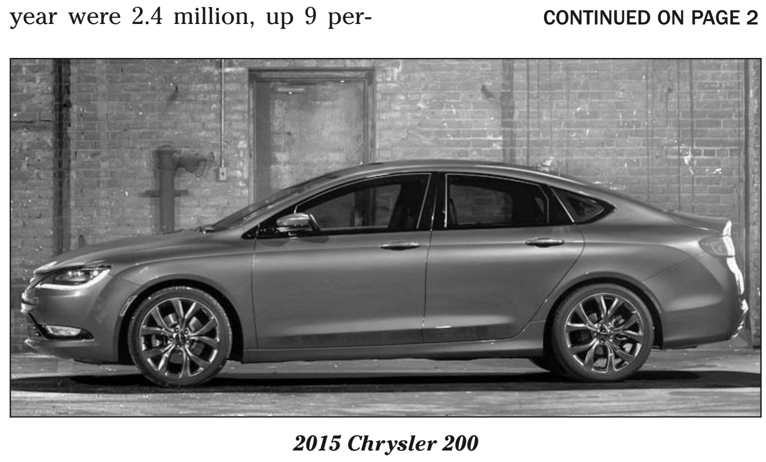

2015 Chrysler 200

'Shop-Click-Drive' Makes Car Buying Easier, Says GM

More than a third of GM's 4,300 U.S. dealers are now offering or enrolling in "Shop-Click-Drive," the online shopping tool that enables Chevrolet, Buick, GMC and Cadillac dealers to combine the convenience of the Internet with personal customer service.

Launched nationally this past Nov. 6, "Shop-Click-Drive" lets consumers choose a specific vehicle, get estimated pricing, review available incentives, learn about and choose financing and insurance products, get information about their trade-in and apply for financing, all online.

To date, GM dealers have sold more than 1,800 vehicles using this tool.

"We wanted to be among the first dealerships to market with 'Shop-Click-Drive' because it provides the experience that our customers expect from retailers," said Dan Endress, director of digital marketing, Paddock Chevrolet in Kenmore, N.Y.

"'Shop-Click-Drive' gives the customer control of their buying experience and makes it easier for us to focus on building a relationship with them," Endress said. "In a retail environment

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Visteon to Take on Electronics Arm of Johnson Controls

In a move that will create one of the world's three largest suppliers of vehicle cockpit electronics, Visteon Corporation has agreed to purchase the automotive electronics business of Johnson Controls.

In a cash transaction valued at $265 million, subject to adjustment, the acquisition is expected to be completed in the second quarter of 2014, assuming no problems with regulatory and other consents.

Visteon spokesman Jim Fisher said the acquisition enhances Visteon's competitive position in the fast-growing vehicle cockpit electronics segment by strengthening its global scale, manufacturing and engineering footprint, product portfolio and customer penetration. The combined business will be a $3 billion global electronics enterprise, supplying nine of the world's 10 largest vehicle manufacturers.

In the fiscal year that ended Sept. 30, 2013, the business to be acquired by Visteon generated approximately $1.3 billion in revenue and about $58 million in EBITDA (earnings before interest, taxes, depreciation and amortization), Fisher said.

The transaction offers opportunities for long-term margin expansion through economies of scale, with estimated annual cost synergies reaching more than $40 million by 2017, Fisher said.

The transaction will not impact the company's previously announced $1 billion share repurchase program, for which $875 million remains authorized, said Fisher.

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