

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin #22-02

May 31, 2002

CALLING ALL SPONSORS!

WANADA Urges More Member Support for Bobby Mitchell Hall of Fame Golf Classic, July 13-14

"As the *primary* sponsor of the Bobby Mitchell Washington Auto Dealers Hall of Fame Classic, WANADA has opened the door for Washington area dealers and dealer community supporters to be involved in one of the top, high profile fundraising events of the year. And to do that – and meet our goal of raising \$500,000 for the Leukemia & Lymphoma Society – I strongly encourage all of our dealers and kindred line members to support this great cause," said DARCARS Vice President Tamara Darvish, who is again co-chair this year's event, which will be held July 13 & 14, 2002, at the Lansdowne Resort in Leesburg, Virginia.

"Thanks in large part to an outpouring of support from the dealer community, we raised

more than \$425,000 last year, which was a record for the tournament," Darvish added. "WANADA is committed to raising \$150,000 of the total from our vendors, kindred line members, and dealer members. So we really need *everyone* to step up in a big way through a variety of special sponsorship

(See Hall of Fame Classic, page 2)

"Last year the new auto dealers helped bring our tournament to a whole new level. With their involvement as title sponsor this

year, we expect another record breaking year for our fundraising efforts." — Bobby Mitchell



DEALERS DOING GOOD:

Waldorf Ford & Dodge Donates \$31,000 To Red Cross for Tornado Victims

When a devastating tornado tore through Southern Maryland at the end of April, Waldorf Ford & Dodge was thankfully spared. But it didn't take long for the dealership and its employees to rally to aid of its neighbors to the south in La Plata, which suffered three deaths and \$100 million in damages.



From left, soandso of whatever, Red Cross director of charles county, Tom Kody and Diane Jackson of Waldorf Ford. And another line.

Many dealership employees immediately volunteered to assist

(See Waldorf Ford, page 2)

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Hall of Fame Classic

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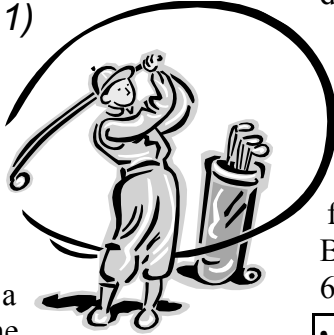
opportunities to get us over the top this year. Time is running out, and we are still waiting to hear from many of our dealers and kindred-line members"

In addition to supporting a critically important cause, the tournament offers supports the chance to meet and play golf with NFL and NBA Hall of Famers, who respond to the call of their colleague, Bobby Mitchell, by coming out in large numbers to golf and mix with the tournament participants and supporters. Last year, 38 Hall of Famers turned out for the event. Already confirmed for this year are *[Tammy says there is a list of RSVPs, check it out and add some top stars like year's Redskin greats Sam Huff, Ken Houston, Sonny Jurgenson and Charley Taylor, and NBA super stars Bill Russell and Oscar Robertson.]*

The weekend begins with a "Tournament Practice Round" on Saturday, July 13, 2002, followed by a VIP private reception with all of the Hall of Famers. After the reception, all participants will be hosted at a private banquet, which will highlight all of the sports heroes there and include a silent auction. On Sunday, July 14, 2002, the final "Tournament Round" will be held, followed by an awards luncheon/banquet. For those who do not golf, packages are also being offered that include the VIP reception and banquet with the Hall of Famers.

"We can't stop our work on behalf of The Leukemia & Lymphoma Society until we find a cure," said Bobby Mitchell, who is honorary chair of the event, which has raised more than \$2.2 million since the tournament's inception eleven years ago. "Last year the new auto dealers helped bring our tournament to a whole new level. With their involvement as title sponsor this year, we expect another record breaking year for our fundraising efforts."

A wide range of sponsorship and advertising opportunities are available from \$500 to \$5,000. Darvish also is asking WANADA members and



friends to buy a table for the gala dinner and to donate auction items, such as TVs, stereos and DVD players; weekend getaways; gift certificates to restaurants, spas, hotels and stores; jewelry; camera equipment; etc.

For more information on sponsorship opportunities, refer to the flyer and donation information form enclosed with this WANADA Bulletin, or contact Tammy Darvish at (301) 622-0300.

Waldorf Ford

(continued from page 1)

in the massive rescue and cleanup effort in La Plata. The dealership also lent several 15-passenger vans to the Red Cross workers to drive volunteers back and forth. In addition, Ford Explorer SUVs were lent to the Maryland State Police and several dealership trucks were used for rubble removal.

But the effort didn't stop there. The folks at Waldorf Ford & Dodge felt the need to "do something more to financially help our hurting neighbor's to the south," said Diana Jackson, the dealership's Customer Relations Manager. So, for each vehicle sold between May 1 and May 18, Waldorf Ford & Dodge announced it would donate \$100 to the American Red Cross Disaster Relief Fund. The dealership pledged a minimum guaranteed donation of \$10,000 and set a goal of 300 vehicles, which would result in a donation of \$30,000. In the end, an impressive \$31,000 was raised, which was donated to the Red Cross last Tuesday.

"This is a small community and we need to be there to help one another," said Tom Kody, President of Waldorf Ford & Dodge. "Many of these tornado victims were our customers and neighbors and family members of our employees, and at times like this, we all need to come together. I'm very proud of how our employees and customers responded to this crisis."

On May 18, the last day of the Red Cross fundraiser, the dealership also held it's 2nd Annual Commitment to Kids Day, in which all visiting parents could have their children fingerprinted and receive a child identification card.

NADA Monthly Dealer Operations Commentary

How Much Gross Profit is a Service Advisor Worth?

Some authorities consider the service advisor the single most important dealership employee. He or she critically affects both dealership and departmental customer retention and profit goals. The service advisor is the chief influence on the public's image of your dealership.

Take a moment to consider the value of the service advisor. Using figures from your own financial statement, calculate the gross profit that is generated by each of your service advisors. You'll discover that they are worth a great deal.

Total ROs for one day for one service advisor		_____
Number of working days in the month	x	_____
Total ROs for the month	=	_____
Average hours per RO	x	_____
Hours sold for the month	=	_____
Overall effective labor rate	x	\$ _____
Labor sales for the month	=	\$ _____ (A)
Service department gross profit percentage	x	_____ %
Labor gross for the month	=	\$ _____ (B)
Labor sales for the month (use (A) above)		\$ _____
Parts to labor rate	x	\$ _____
Parts sales	=	\$ _____
Parts departmental gross profit percentage (RO and warranty)	x	_____ %
Parts gross for the month	=	\$ _____ (C)
Labor gross for the month (use (B) above)		\$ _____
Parts gross for the month (use (C) above)	+	\$ _____
Potential gross profit per service advisor per month	=	\$ _____

These calculations show not only that your service advisors are valuable, but that they can become more valuable as their sales increase.

The above information was excerpted from NADA Management Guide SP.23, *The Three Ps of Effective Service Management: Profit, Productivity, Personnel*. You can order this guide from the National Automobile Dealers Association (NADA) by calling 800-252-6232, ext. 2 or 703-821-7227. Cost to NADA members is \$25, \$50 for non-members, plus shipping.

Auto Dealers Score Steady Gains In Customer Satisfaction

Auto dealerships are receiving steadily improving marks among new-car and light-truck shoppers, according to independent national surveys. A 2002 Consumer Reports annual reader survey on dealership satisfaction, published in a spring edition of the magazine, found that 93 percent of new-car buyers ranked their overall buying and dealership experiences from "very" to "moderately" satisfied.

The new survey shows a 9 percent gain in customer satisfaction since 1995, and a 1.2 percent climb from last year. This upward trend is also reflected in surveys conducted by the Gallup Organization and Wirthlin Worldwide for Automotive Retailing Today. Together, the two polling groups found that more than 90 percent of new-car buyers were satisfied with their dealership experiences in 2001 – up from 85 percent in 1998. These positive findings for the auto retail industry stand in contrast to the "rampant" problem of poor customer service in many retail and service industries, as reported by the research group Public Agenda in a survey this year.

WANADA NEWS:

Updated 2002 WANADA Membership Directory *A Valuable Resource for Dealers*

The 2002 WANADA Membership Directory is printed and being mailed to WANADA members and other Washington area VIPS, including a broad range of public policymakers and major business operators.

A past winner of the American Society of Association Executive's (ASAE) *Golden Circle Award*, the directory is not only a valuable resource for dealers and friends of the industry, it also puts a good face on the dealer community by capturing the spirit and good works dealers and WANADA contribute to the region.

The 2002 WANADA Membership Directory includes:

- updated lists of members, broken down individually and by company and line group;
- an "Executive Telephone Guide" of public policymakers at all levels, industry related associations and organizations and regional contacts for media, manufacturer, and motor vehicle administrative offices;
- a full review of all the association's programs and recent accomplishments.

Questions or comments regarding the directory should be addressed to editor Bill Belew at WANADA, (202) 237-7200.

Convenience, Price Beat Out Safety in Study of Vehicle Buyers

How important is safety to vehicle buyers? Based on a study of the features and factors that consumers feel are important when buying a new vehicle, The Chicago Tribune reports that the size of the monthly payment (87.4 percent of consumers) was considered more important than overall safety (45.1 percent). Conveniently placed cup holders (64.2 percent), luggage capacity (56.5 percent), sound systems (55.1 percent), and interior appearance (48.3 percent) also ranked higher than safety. Safety is rated only slightly ahead of tilt steering wheel (40.8 percent) and interior comfort (41.2 percent). The "Attributes Considered Important" survey was conducted by CNW Marketing/Research in Bandon, OR, which compared items deemed important in the buying decision among consumers purchasing vehicles in 2001 vs. 2000.

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Thought for the Day...

I emailed you a long list of quotes for Gerry to pick from.

— Ted Orme

Enclosures:

- Bobby Mitchell/Chrysler-Jeep Hall of Fame Golf Classic registration form
- Anything else????????????????????