



INSIDE HADA

As the automobile industry faces the most challenging times experienced by a generation of new car dealers, Mac DeLaup, 2009 HADA Chairman and HADA staff feel that there's never been a more important time for involvement in your association. Your association and Chairman want to inform its members of the many services that your association provides. Through **HADA Today**, we hope to provide a communication tool of **best practices** from which our members can learn from each other. We would also like to inform you about what is going on at HADA; spotlight a dealer in our community, update you on Legal and Legislative News, provide a Calendar of Events and any other important news that affects the local Houston area franchise dealer.

As an HADA member, you will start to receive this publication on a regular basis with helpful tips from fellow dealers and important issues that affect your dealership. We welcome any of your comments, ideas or suggestions at info@houstoncardalers.com

CHAIRMAN'S CORNER



Dear Dealers and Associates,

What a ride! Cash for Clunkers boosted automotive sales to the highest level we have seen in some time but it cost us in September units. Well, let's take August and September totals divide by 2 and hey....2 pretty good months! October sales should get us back to some degree of normalcy in the automotive marketplace. Cooler weather should produce some great shopping days and economic indicators say the economy has bottomed out and we can look forward to the arrow shifting northward. To call the automotive climate challenging would be a huge understatement but as usual, the Houston Auto Dealers hit the challenge head on. Dealers buckled down and developed the best automotive plan based on what sales were generated. Yes, it will be a slow recovery....we won't see 2007 numbers for quite some time if ever, but a consistent improvement. With the great processes we installed over the last year, every month should be an improvement. Keep it positive and keep your staff pumped. CNI= Constant and Neverending Improvement will be our battle cry! Good luck and solid sales....your HADA staff and myself are here when you need us!

Mac

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CALENDAR OF EVENTS

NOVEMBER 1, 2009

Red Flags Rule Enforcement Federal Trade Commission (*delay*)

DECEMBER 7, 2009

HADA Christmas Gala (*Dealer Only*)

DECEMBER 16, 2009

HADA Board Holiday Lunch
Tony's

JANUARY 27-31, 2010

Houston Auto Show
@ Reliant Center

FEBRUARY 13-15, 2010

NADA Convention & Expo
Orlando, FL

Email us your Best Practice Ideas or Comments to info@houstoncardalers.com

If you would like to nominate a dealer for HADA Today's dealer spotlight, please email your suggestion to info@houstoncardalers.com



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DEALER SPOTLIGHT

Giuseppe E. Risi of Ferrari & Maserati of Houston



Giuseppe Risi, an Italian national, is the President and CEO of Ferrari Maserati of Houston. He received his secondary education in England and, after completion, traveled extensively, spending time in Africa, Germany, France, Spain and the UK before coming to Houston in 1979. Fluent in Italian, English, Spanish and French, Risi came to the United States at the suggestion of Enzo Ferrari specifically to open a Ferrari dealership with complete sales and service facilities, and also to organize sales and service of Ferrari products in the country of Mexico.

Risi founded his first dealership, Ferrari of Houston, in 1980 as part of a new distribution network in the U.S., created as a wholly-owned subsidiary of Ferrari S.p.A. He subsequently acquired the Ferrari dealership in Dallas in 1994 (this dealership was sold in 2004) and established the marque in Dallas for those years. Both Houston and Dallas are factory authorized Ferrari and Maserati sales, service, and parts facilities.

Houston also has one of five factory-authorized collision centers specializing in the repair of aluminum automobiles. Risi was elected the inaugural President of the Ferrari Dealer Council for North America, the first organization of its type within the worldwide Ferrari network. This organization was created to improve the working relationship between American dealers, the Ferrari distribution network in North America, and Ferrari S.p.A., while at the same time improving customer satisfaction for Ferrari owners. That position was held until January 2004; Giuseppe Risi still serves as an advisor to Ferrari of North America and Maserati of North America.

One of the most passionate Ferrari dealers in the world, Giuseppe Risi has participated in the growth of Ferrari both on and off the track. A racing driver and race team organizer early in his career, Risi was an early advocate of motor racing in Spain, where he organized and managed that country's first F1 team. He was one of the dealers who organized the customer-oriented Ferrari Challenge Race Series in the United States, winning three championships. Through Risi Competizione, his race team has competed at Le Mans, winning the LMP1 class in 1998 in a Ferrari 333SP. The team also won the 1998 World Sports Car championship and the 2003 IMSA Cup for the best Private team in ALMS. Risi Competizione has twice placed second overall twice at the 24 Hours of Daytona. In 2005, Ferrari Maserati of Houston was selected by Maserati Reparto Corse S.p.A. (the racing division of Maserati) to operate the works Maserati MC12 racing program in North America in conjunction with the factory. In the last years, Risi Competizione, his latest racing team, has won the American Le Mans Series GT2 Championship twice, the famous 12 Hours of Sebring Twice (2007,

2009), the 24 Hours of Le Mans twice (2008, 2009), and the Petit Le Mans distance race once. Risi Competizione is generally considered to be the best private Ferrari racing team of the modern era.

Ferrari of Houston today is the only dealership in the U.S. authorized for Ferrari's F1 Cliente maintenance, support and service program; this program enables clients to obtain and run Ferrari Formula 1 cars. Giuseppe Risi was also pivotal in re-introducing the Vespa marque in Texas through a Vespa Boutique located inside the Houston Ferrari dealership and another one in Dallas. Throughout his career in Texas, Giuseppe Risi has been both a consistent innovator in business and a supporter of the communities in which his dealerships are located. Risi is an active supporter of Italian cultural and business activities in the city, as well as a supporter of local charities such as the Make-a-Wish fund, for whom he sits on the board, and Texas Children's Hospital. His generosity to local charities over the years has been exceptional and unwavering.

BEST PRACTICES

TO SELL FAST CARS, SLOW DOWN

By Giuseppe E. Risi

At Ferrari of Houston, we sell the most famous sports car in the world. Our current range of cars does not include a single car with a final MSRP of under \$200,000. We know that no one needs a Ferrari and we also know that we have a finite number of cars to sell each year, as the dealership operates on a strict allocation basis for new cars.

Buying a Ferrari is typically a once-in-a-lifetime experience for our clients and so we have adopted a sales strategy that is precisely the opposite of the one used most often in the car industry: we slow the sales process down.

We have found, through years of experience, that speeding through transactions with clients increases the opportunity for misunderstanding, misrepresentations, mistakes in paperwork and financial documentation, and takes away from the entire process of buying a Ferrari—be it the first Ferrari or a client's 20th Ferrari. We don't do spot deliveries and we seldom offer test drives. We absolutely will not rush a transaction.

So we slow it down, for the benefit of the business and the client. We take time to educate the client about Ferrari and its' amazing racing history. We give clients a complete tour of our facilities, including our two race

BEST PRACTICES - To Sell Fast Cars, Slow Down...Continued...

(Continued from page 2)

shops and our factory authorized body shop where we can work on any material from carbon fiber to Kevlar to aluminum. We show them our Le Mans winning race cars and the Ferrari Formula 1 cars we manage for clients. In the process, we explain how the ability to maintain highly complex cars like a Ferrari F1 car or an ALMS Champion F430GT speaks directly to the dealership's ability to service their new or pre-owned Ferrari.

For true first time buyers, interested in ordering a car, we discuss what their expectations are of a Ferrari and send them home with lots of information on Ferrari's history—including sometimes books from our extensive library on the history of the car—and often even a good bottle of wine to enjoy while they learn more about the unique world that is Ferrari.

At this level of the business we know this: salesmen do not “sell” cars to clients. They are not going to “cloud minds” and pressure a client into doing something they don't want to do. Our salesmen are responsible for answering questions—many of them very technical—and for presenting all the information required for a client to make the right decision about a car to order or to purchase. Those who can afford to spend \$200,000 on a car are very, very sharp and must be treated with respect and directness. We encourage lots of questions and transparency in the entire process of moving into Ferrari ownership. We have found that clients become offended if they feel someone is trying to “hustle” them into a car and so we do precisely the opposite: we slow down the process and enjoy the Art of Selling A Ferrari to someone who will not only invest the money in the car, but take the time to learn about it, its' capabilities, and storied history.

By slowing down when others want to speed up the sales process, close the deal, and get to the next prospect, we build the type of long-term relationship we want with our clients and they want with us. I once spent 6 hours on the phone with one client—the head of one of the world's largest software companies—in taking him through a specific model car he was thinking of buying and presenting to him the pluses and minuses of that car. I also encouraged him to talk with our Service Department Manager about any service issues that might arise and to take his time before he spend \$350,000 on a special edition Ferrari that he was going to buy from another dealership. I encouraged him to talk with other specialists at our dealership about Ferraris in general and that



Giuseppe Risi (Rear) and Risi Competizione driver Mika Salo (front, white t-shirt) at the 2007 12 Hours of Sebring, won by Risi Competizione's Ferrari 430GT in the closest finish in Sebring history, 2/10th of a second margin of victory after 12 hours of Racing.

model in particular. And remember: he was not a client but someone looking for more information prior to buying a very expensive car. In our role as experts, we were glad to share information with him.

In the end, he felt that he was being pressured by the other dealership instead of being informed, and asked that I find a similar model for him, which I did. He flew in via private jet, wire transferred the money to our account from his laptop while sitting at my desk, gave me shipping instructions, and then left, in the process saying “that was the best buying experience I have ever had at a car dealership....and I think it was because you weren't in a hurry and you totally changed my mind about how to approach buying my first Ferrari. You educated me first, but in the process, I was sold.”

The Art of Slowing Down will not work for every salesman or every brand, but it's a reasonable, respectful approach to selling cars to intelligent buyers and it builds great repeat clients and referrals.

Don't compete in the rat race by getting faster rats—slow down, and discover the pleasure in more involvement, higher level of detail, and greater satisfaction with each transaction.

ASSOCIATE SPOTLIGHT:



American Financial & Automotive Services, Inc. is a comprehensive F&I development partner dedicated to maximizing dealership profits. With over 30 years of experience, American Financial has become a leader in the industry by helping dealers achieve the highest levels of success and by consistently exceeding clients' expectations.

By providing extensive development services through local Dealership Development Managers and a complete portfolio of products, American Financial creates financial growth opportunities for all areas of the dealership. Centered at the core of American Financial's offerings are MasterTech and the Automotive Training Academy (ATA). MasterTech, the company's vehicle service contract program, is an industry leader for coverage and administration, while the ATA specializes in preparing automotive professionals for today's retail opportunities.

Panoptic Insurance, the newest addition to the American Financial portfolio of products, offers dealer-branded insurance agencies that provide customers with all-encompassing solutions for their insurance needs. The home, life, auto, and health policies offered by Panoptic enable dealerships to increase CSI, customer retention, and profitability.

American Financial is recognized for its development services and industry insight, both of which have positioned the company at the forefront of NADA 20 groups, dealer associations, and national and state conventions.

American Financial's portfolio of products and services include:

- MasterTech Vehicle Service Contracts
- Automotive Training Academy
- Panoptic Insurance
- Dealership Development
- MasterMenu
- Reinsurance
- GAP
- Credit Insurance
- Theft Registration
- Chemical Protection
- Tire and Wheel Protection
- Paintless Dent Repair
- Windshield Protection
- Key Replacement

HADA WELCOMES NEW MEMBERS

Sewell Infiniti of North Houston

17825 North Freeway
Houston, TX 77090
281-569-3100
www.sewell.com
Carl Sewell
Nick Vanderpool

Sterling McCall Hyundai

10505 Southwest Freeway
Houston, TX 77074
713-981-3990
www.sterlingmccallhyundai.com
James S. Ridings

DealerTrack, Inc.

1111 Marcus Ave
Lake Success, NY 11042
516-547-2242
www.dealertrack.com
Ernest Lattimer
Product/Services:
Dealer Management System,
Inventory Mgmt.

Stinger Chemicals

P.O. Box 924231
Houston, TX 77292
713-227-1340
www.stingerchemicals.com
Noah Barboza
Product/Services:
Automotive Aftermarket
Products &
Maintenance Chemicals

Please note:



If your contact information changes or you have updates on mailing addresses or emails, please send us the updates of any changes to info@houstoncardealers.com

NADA UNIVERSITY TO LAUNCH IN FEBRUARY

Today's automotive professionals are facing more challenges and a faster rate of change than ever before. To help ensure your staff has the right knowledge, information, and up-to-date skill-set, NADA and ATD will launch NADA University in February 2010. NADA University's mission is to provide dealers with timely and relevant content offered conveniently and affordably. It will encompass four "automotive centers of excellence," each complementing the others in content and the role it plays in supporting the dealership operations. With a focus on supporting car and truck dealers alike, the centers include:

- **Academy – Leadership Development:** leadership development and executive education programs for your key managers and future successors. Through Academy, these key personnel become stronger industry, market and economic leaders, ready to run a better operation today and adjust quickly and successfully to changing conditions.
- **Learning Hub – Education Solutions:** a wide selection of online, Webinar, workshop, and seminar training courses for dealership staff in advertising, business management, customer relations, employee relations, fixed operations, legal & regulatory issues, variable operations, and more. New to NADA are the online courses, available on demand and measurable by employee, that help you stretch your training dollar and get the performance you expect.
- **20 Group – Performance Improvement:** when it's time to roll up your sleeves and improve performance, nothing compares to the NADA and ATD 20 Group programs. They include a best-in-class online composite, consultants who know the business, and the commitment of NADA to help you succeed. In addition to the traditional 20 Group meeting format, NADA University's 20 Group offers other performance improvement options that include in-dealership consulting, Lifeline to Profits workshops, and more. Driving your profitability is our bottom line.

Resource Toolbox – Industry Information: including resources that are available exclusively to NADA and ATD members as well as beneficial industry information and news available to everyone, you'll want to visit the Resource Toolbox daily. The Resource Toolbox will house your familiar management guides and bulletins online, and you'll find helpful resources like the new Buyer's Guide, Market Insight monthly Webinars, and more.

This is just a quick glimpse into what you can expect from NADA University. Be sure to visit us at the NADA Convention for the exciting launch and more details!

Source: NADA Director's Column

2010 ANNUAL FUEL ECONOMY GUIDE NOW AVAILABLE

Unveiling the 2010 Fuel Economy Guide last month, the U.S. Department of Energy and EPA are asking dealers to provide their customers with information about fuel economy and the benefits of driving more fuel-efficient vehicles. The guide gives consumers important information about estimated fuel costs and mileage standards for model year 2010 vehicles. The guide is readily accessible from a mobile device, smart phone, or personal digital assistant at fueleconomy.gov/m. EPA and DOE will electronically distribute the guide to dealers. To meet regulatory obligations to display a booklet and to provide a booklet to customers upon request, dealers can print the guide from either the electronic file that will be emailed and available by download at www.fueleconomy.gov. Dealers also can order a printed paper guide. Orders for the guide are currently being accepted and will be mailed, free of charge, by the end of November 2009.

Orders for the paper guide can be made online at http://www1.eere.energy.gov/library/feg_order_form.aspx?FormID=1. Printed copies can also be requested from DOE's Information Center by calling 877.337.3463 between 9 a.m. and 7 p.m. ET.

Source: NADA Director's Column