



# NEWSLETTER

Ford Minority Dealers Association - Volume 13

June 2016

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## Message from the Chairman

Greetings Members and Supporters,

For those that attended our Ford MDA regional meetings in Atlanta and Las Vegas, the Board and Staff thank you for your participation. Ford Motor Company and Ford Motor Credit Company did an excellent job presenting at both of our meetings during our Town Hall sessions. The participants provided us with energy, enthusiasm and lots of relevant information, setting the tone for the rest of our

meeting.

Not to be outdone, we had superb workshops providing our members with tools that they could immediately use back at their dealerships. Our workshops were performed by Ford Motor Company and some of our loyal vendors. It never ceases to amaze me of the loyalty and commitment our supporters have for Ford MDA. We know some of our dealers had prior commitments that were beyond their control; thus they were unable to attend. However, we are providing all members and nonmembers with the handouts and presentations from the regional meetings. If for some reason you did not receive the information from our office, please don't hesitate to contact the Ford MDA office so that we can provide you with the dynamic and excellent information provided by our presenters.

By now you should have received our save the date for our Annual Meeting to be held September 21<sup>st</sup> – 22<sup>nd</sup> 2016 in Detroit, Michigan. We are happy to announce that Edsel Ford has accepted our invitation to be the Keynote Speaker. We have informative workshops, senior level Ford Execs joining us as well as several key vendors who will provide ongoing quality information and products. For those that have not been to Detroit in many years, we have in store a special treat for you and your families. We will visit the Rouge plant and look at the history of the automobile and the dynamic future that awaits us as in the 21<sup>st</sup> century. Car enthusiasts young and old rave about visiting this historic icon in the automotive industry. We will also visit the Henry Ford Museum in Dearborn. The museum is the home of some of the greatest treasures in the automobile industry. I am confident that if you bring your family members with you, they will have an experience of a lifetime. Looking forward to seeing you in Detroit!

## Visit Our Sponsors:

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## In This Issue:

- Message from the Chairman
- Board of Directors & Staff
- Visit our Sponsors
- CDK Global
- Sonora Ford
- Dealertrack - Xtime
- Profile – Ray Fregia, Jr.
- Message from the Executive Director
- Beatrice Ford
- Merchant Lynx



**Kathy Gilbert**

Director of Sales & Business Development

## Great Service Wins

Manufacturers are building better, safer cars, which mean fewer warranty repairs and more time between recommended service appointments. When your customers see you less, they're more likely to forget about you and defect to an independent or after-market repair shop that may have cheaper prices.

However, there **IS** a silver lining. **Eighty-one percent** of drivers agree that quality of service is more important than price.<sup>1</sup> From the moment a customer walks through the door, you have the opportunity to delight your customer and win them over with superior service. If you do this right, you won't have to convince them to come back again and again.

**81%**  
of drivers agree that  
**quality of service**  
is more important than  
**price.**

**So how do you take your service from satisfactory to superb?**

### Schedule their first service appointment when they purchase

Make your dealership the first choice from the beginning. **Seventy-three percent** of consumers will definitely or most likely return to their most recent service provider, so make sure that's you.<sup>2</sup> Enable your sales department with an easy tool to book that first appointment and your dealership can see a **19 percent** lift in service retention.<sup>3</sup>



### Bring in the tablet

Using a tablet in your service bay makes things easier for you and your customers. Dealers who use tablets during their write-up process are not only improving their customers' experience, but they are also seeing an increase of revenue by up to **20**

**percent.**<sup>4</sup>

### Let them choose

Give your customers the ability to pay for their service via email, text or customer portal. Let them have the flexibility to choose their pickup time or notify them when their car is ready to further improve their experience. That way they're in, they're out and they're happy!

### Before they leave ... make the next appointment

Your dentist doesn't let you leave the office without scheduling your next cleaning, and you shouldn't either. Before your customer leaves the Service Department, schedule their next appointment. Did you know only **16 percent** of service advisors schedule the customer's next appointment?<sup>5</sup>

Customers want an easier, better experience when they visit your dealership. They will move on if they don't get the best possible experience. In fact, **6 in 10** customers say they would be more likely to return to your dealership for service if they were satisfied with their experience.<sup>6</sup> In the words of Walt Disney, "Do what you do so well that they will want to see it again and bring their friends."

## SONORA FORD



Ford MDA would like to recognized one of our newest members and the great work the dealership is doing in their community.

Last year, Manuel Prieto, owner of Sonora Ford, and Ron Jacobs, founder of 'Just Ace It' began their collaborative efforts to make the Tennis Mobile a dream come true! Manuel his wife, Mona and their family are tennis enthusiasts, so getting involved in a tennis project serving their community was easy.

The Tennis Mobile is a Ford Transit Connect XLT Wagon donated by Sonora Ford. The van is fully wrapped and has a unique custom-designed insert for storing the many rackets, hundreds of balls, lots of portable nets, ball mower and ball machine. A unique shelving system was incorporated to house a TV monitor for video analysis of tennis skills. The rackets have electronic chips that store ball striking information which is downloaded and analyzed using the in-vehicle video system.

Many of the 'Just Ace It' tennis programs are supported by funding and collaborative efforts with USTA NorCal. Sponsors like Wilson have been amazing partners in all the activities and have made it possible to equip the van with all the tennis gear tailored to different ages and skill levels. Various local sponsors have also contributed, enabling the tennis programs for kids to be free or at low-cost to their community. The Tennis Mobile has been serving tennis at various Elementary schools in Tuolumne County. In addition, the Tennis Mobile has been at summer camps, and local league tennis and various other events including parent-kid days.

The project has brought tennis to kids that normally would not have the opportunity to play the sport. The "Just Ace It" program has received tons of publicity both locally and nationally, even being written up in the USTA's national magazine "Inside Tennis".





## SVP of Marketing and Managed Services | Xtime

### 3 Customer Experience Mistakes That Damage Service Retention (And How to Fix Them)

It's probably no surprise to you that service retention matters. If you're like 63.7% of dealership personnel, that's already your No. 1 priority.<sup>1</sup> But prioritizing service retention is one thing. Achieving it is another.

To retain service customers, you have to give them an experience worth coming back for. That's why the ownership experience is the most important factor driving service retention. Most of you agree: 94% of dealership personnel believe a high-quality experience matters more than the actual repair.<sup>2</sup>

So if you're not seeing the service retention rates you want, chances are the problem lies with your ownership experience. These three mistakes are some of the most common culprits — fortunately, they're not hard to fix.

#### Mistake No. 1: Prioritizing morning appointments

Many dealers front-load their service schedules, thinking customers prefer appointments before they go to work. But 44% of appointments actually fall between 11 a.m. and 4 p.m.<sup>3</sup> If you don't recognize this preference, you'll face unfilled appointments later in the day, longer morning wait times ... and dissatisfied customers.

##### How to fix it: Balance your shop capacity

Use scheduling software to find out exactly when you have unfilled appointments. Then, create strategically segmented messaging to promote open time slots. Offering special discounts during non-peak hours is a great way to bring in more customers throughout the day.

#### Mistake No. 2: Underestimating recalls

If you think recalls can be challenging, you're not alone. However, recalls can also be a major opportunity. They're fully covered by the OEM, so your customers aren't paying a penny. If you provide an excellent experience, they'll likely take care of other maintenance issues while they're there — which is why half of recall appointments generate customer pay.<sup>4</sup>

##### How to fix it: Make recalls convenient

Quick, convenient recall appointments mean satisfied customers — and increased odds of additional profit. Take advantage of online scheduling software to let customers easily choose their preferred appointment time. And to ensure the actual procedure goes smoothly, make sure you have the right parts and equipment ready beforehand.

#### Mistake No. 3: Underusing technology

Startup hurdles, technical difficulties, training ... Dealers have found plenty of excuses not to start using tablets. But the added convenience they offer has serious benefits. Service drives using tablets see a 72-point increase in CSI scores, plus an 11% increase in service retention.<sup>5</sup>

##### How to fix it: Add tablets into your processes

Use tablets to check customers in right at their cars, creating a faster, more convenient experience. Tablets can improve the vehicle walk-around, too. Customers are more likely to trust your service recommendations when they come from a tablet, which can be a huge credibility boost.

If you can overcome these three pitfalls, you'll be on your way to the high-quality ownership experience your customers are looking for — and the service retention rates you've always wanted.

1 Xtime Market Research: April 2015

2 Xtime Market Research: February 2016

3 Xtime Market Research: April 2015



## Profile - Ray Fregia, Jr.

Ray was born June 11, 1972 to Ray and Jewell Fregia, Sr. He's the oldest of two children. He and his brother Rik attended elementary school in Bolingbrook, IL. At the beginning of his 8<sup>th</sup> grade year Ray, Jr. moved with his family to West Bloomfield, Michigan where he attended 8<sup>th</sup> and 9<sup>th</sup> grade. He moved from Michigan in his 10<sup>th</sup> grade year to Seattle, Washington where he attended Newport H.S. Upon graduation from Newport, Ray accepted a basketball scholarship to Seattle University where he attended for two years. Then he transferred to Florida A & M University in Tallahassee, FL where Ray graduated with a Bachelor of Science in Business Administration in 1995.

After graduation, Ray was employed as an Insurance Accountant for CNA Insurance in Chicago. Then in late 1997 he rejoined his father's dealership where he had sold cars prior to college. There he held several positions over the years before being promoted to General Manager in 2001. In 2001 Ray also graduated from National Automobile Dealers Association Academy in McLean, Virginia. In 2004 Ray left his father's dealership to start his first dealership Courtesy Ford/Lincoln in Danville, IL. In 2007 Ray was granted his second dealership in the Danville area and became Dealer Principal for Courtesy Chrysler Jeep Dodge Ram. In 2011 Ray took over as the Dealer at Courtesy Buick GMC dealer in Crystal Lake, IL. In 2015 Ray opened Courtesy Ford of Sauk City, WI. Ray's dealership donates a vehicle annually to operation click to promote safe driving along with several other community activities and donation.



## Message from the Executive Director

Dear Members and Supporters,

The U.S. Retail automotive industry is very dynamic with changes occurring every day. The industry has come a long way from 2009 when the SARS was 10.4 million. Today, NADA predicts that the U.S. retail automotive sales will peak at 17.6 million. What does this mean for you the dealer? Most of us have enjoyed the increase in sales and seeing the results flow to our bottom line. When sales are good, our sales employees are making money and there is less pressure. However, there still remains the urgency to sell what we have, maintain the gross and have an excellent CSI score as well.

As the market starts to peak, we will need to ensure that our stores are equipped with the best techniques for improving our market share, maintaining gross, and providing our customers with excellent customer service. Now is the time for providing feedback to our team and preparing them for a market that may become flat, instead of a market that is growing. Our employees that started before 2009 have not endured a market that has not been growing. As tough as it may appear to be in some markets, it will pale in comparison to a flat or down market.

It is recommended that performance reviews are done at least twice a year. Further, the performance review does not have to be tied to any compensation, rather reviewing what the goals, objectives, and results should be for the employee. Often times employees don't have a clear understanding of what is expected unless it is communicated and followed up with feedback. Keeping the employee engaged through constructive and structured feedback helps the employee to stay motivated. Employees that are informed no matter what level they are in the organization will perform at an optimum level. Employees that understand what the dealership is trying to accomplish and how they are an intricate part of the dealership will be motivated to do their part in helping the dealership be successful.

If your management team has not done so, they should review your performance appraisal process. The more prepared they are for doing the review, the better the result will be for management and the employee. It is critical that the performance review is not perceived as something that is just a management exercise or a way to intimidate the employee. Employees take their cue from management. If the manager is engaged and focused on what he or she is doing, the employee will sense that this process must be important as well. Again, if done correctly, one would be preparing the employee for the challenges to come.

### BEATRICE FORD

Ford MDA member Ray Hernandez and his family hosted a Grand Opening for their Quick Lane and recent remodeling of their dealership in Beatrice NE.

Ford Motor Company's Regional Manager Kevin Klossner along with Network Development Manager Eric Napple were on hand to congratulate the Beatrice Ford Team for their grand opening and for winning the 2015 Ford President's Award.

The public had the chance to meet ex-Nebraska Husker football player and Heisman Trophy winner Eric Crouch on Saturday. Other attractions: specials and sales relating to vehicle maintenance, purchases; prizes which included sporting event tickets, concert tickets and food from Blaz'n Grill Works.

Lastly, Operation Kidsafe International was present both days. Parents were able to get photographs and fingerprints of their children to take home for safekeeping in case of an emergency.



Dear Members,

I would like to thank all of the members that Ed and I met at the recent events in Atlanta and Las Vegas, we got a lot of positive feedback and are now working with at least 20 dealers to bring them on board. As I mentioned in my short speak, it's through the strength of our program and the commitment to our members that we continue to grow with the FMDA and we couldn't be more thankful for the opportunity to serve. It is apparent in our dealings with members that there is definitely a need for our service and we continue to try and offer programs other credit card companies won't such as our flat rate program.

People join associations for many reasons, one of those being the collective bargaining that comes with a large group. We have put together a credit card program specifically for the FMDA members and it has proven time again to be superior to any other in the market, so why not sign up? By signing up with Merchant Lynx Services you are guaranteed to not only save money and get a high level of customer service but also through our incentive program give back to the FMDA.

With a rate increase in April there's no better time to take advantage of our outstanding program and add dollars to your bottom line, it couldn't be easier. I am available anytime to discuss our program and to show you what can be done for your dealership, I can be contacted at, 404-354-9360 or [jeff@merchantlynx.com](mailto:jeff@merchantlynx.com).

Sincerely,  
Jeff Gates