

# Auto Remarketing WEEKLY

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## Texas Dealer Earns NIADA Quality Award

By Paul Hobson  
News Editor

NASHVILLE, Tenn. – A Texas dealer earned top honors as the 2001 winner of the Quality Dealer Award, presented recently at the National Independent Automobile Dealers Association convention.

Robert McDorman, of Beaumont, Texas, received the award during a presentation at NIADA's 55th Annual Conference, held here April 17-22. NIADA chose him from a list of 20 dealers nominated for the award.

McDorman owns McDorman Motors, which operates three used car facilities in Beaumont, Nederland and Vidor, Texas. McDorman Motors employs 106 people and sells more than 200 vehicles per month.

He said he was thrilled to receive the award.

"I was very honored," he said. "I have a great deal of respect for NIADA."

To him, being a quality dealer means having high ethical and moral standards and a desire to give back to the community.

"You can have what you want in life if you help others achieve what they want," McDorman added. "It's important to help people. If we make our industry more of a service to customers, over time, we will see even greater success."

The award follows McDorman's win as 2000 Texas Quality Dealer. NIADA state associations nominate quality dealers from their ranks, and a panel of Northwood University personnel picks each year's winner.

McDorman is also a finalist for a business ethics award to be given May 18 in Beaumont.

The 2001 Torch Awards for Marketplace Ethics is presented by the Better Business Bureau of Southeast Texas and Lamar University's College of Business. The award recognizes local businesses known for strong business practices, the bureau stated.

"The purpose of the Torch Awards is to recognize annually those for-profit businesses in our region committed to maintaining exceptionally high standards of ethical behavior in buyer and seller relationships," said Michael Clayton, president of the Southeast Texas BBB. "Regional winners will then advance to the national level."

A self-described jeans-and-sneakers guy, McDorman doesn't put a lot of weight behind the awards. He says he's more interested in promoting dealer education and making the buying process efficient and customer-friendly.

"The survival of the independent dealer in the 21st century depends on continuing education," he said. "We all need to stand up and say this is what we stand for – continuing education. We need to show that we're a strong, well-run business. The only way to do that is through continuing education."

McDorman added that he would be the first person to sign up if Texas required dealers to take classes in order to remain licensed.

In the meantime, McDorman plans to continue with his passion – selling cars.

"I love selling cars," he said. "I love what I do. I'm as excited about the business today as I was when I was 13."

McDorman took his first job in the auto industry in 1974, at the age of 13. He stocked parts at Allen & Kerber Auto Parts, of LaPorte, Texas. After taking other jobs in the parts businesses, he joined Jay Marks Chevrolet in 1978 and wrote service orders. He later served as service and parts manager.

In 1980, he bought B&B Auto Supply, of Dayton, Texas, and ran a successful parts business for five years. He then returned to selling vehicles and joined Houston's Landmark Chevrolet in 1985.

He then worked for several other dealers, handling used vehicle sales and financing. In 1992, after several months as general manager of Beaumont Dealers Auto Auction, McDorman decided to open his own dealership.

He bought a Vidor, Texas, used car dealership and renamed it First Choice Auto Sales. Bolstered by success, McDorman opened two other used car dealerships – one in Beaumont, one in Nederland.

He currently runs the three stores, and at First Choice Auto Sales, he runs a repair shop, a finance company, a wholesale company and a recovery company.

McDorman's post as 2001 National Quality Dealer breaks a two-year stretch in which Virginia dealers took the award. Mack Payne, of Tazewell, Va., won in 2000, and Jim Davis, of Richmond, Va., won in 1999.

The panel picks each year's quality dealer based on three main criteria – industry service, community service and outstanding business operations. Industry service includes working closely with state and national associations, serving on committees and boards and showing commitment to the industry without regard to competition, according to NIADA.

Dealers commonly detail their community service records with letters of endorsement from members of the community.

Other criteria include ethics, market share, customer loyalty and employee morale.



# No. 1 dealer still trying harder

McDorman focuses on customers

By DAN WALLACH  
THE ENTERPRISE

NEDERLAND — Car dealer Robert McDorman doesn't believe in the hard-sell, loud announcers in TV ads. Nor does he believe in tasteless comedy to grab customers.

McDorman said he wants to treat customers the way he wants to be treated, and it's helping to make McDorman Motors one of the biggest-volume dealers of used cars in Southeast Texas.

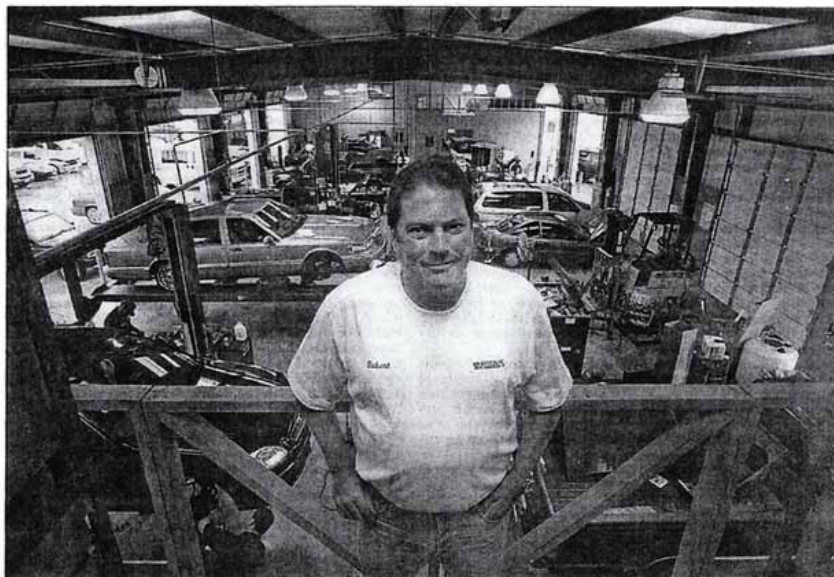
His three locations — First Choice Auto Sales in Vidor, and McDorman Motors in Beaumont and Nederland — generated 160 sales of used cars in July.

McDorman said state vehicle registration records for used cars for July showed 140 used-car sales at Mike Smith Autoplex and Mike Smith Autoplex 2000 in Beaumont; 121 used-car sales at Philpott Ford Sales in Nederland, and 73 used-car sales at Kinsel Auto Mall in Beaumont.

According to the 1999 market report from the National Independent Auto Dealers Association, fewer than 12 percent of dealers in the U.S. have two to three locations.

There are more than 110 used-car dealerships listed in the telephone directory for Beaumont. McDorman said he has counted 160 used-car dealerships in Southeast Texas telephone directories.

McDorman next plans to



AP photo

Robert McDorman is the principal owner of McDorman Motors. Based on the number of vehicles sold, the company has become one of the largest sellers of used cars in Jefferson, Orange and Hardin counties.

acquire a new-car dealership, in about two months away. The negotiations are still confidential, he said.

That will put McDorman in the company of fewer than 1 percent of dealers — those with four to six locations.

Entering a relationship with a manufacturer confers a status on him that he didn't have as an independent dealer, McDorman said.

And he's not entirely comfortable with that idea.

"It's like me considering a person whose credit isn't that good less of a customer," he said.

He accepts customers with a credit risk that other places won't consider. McDorman is carrying 1,114 loans worth \$8.7 million combined.

From the time he began business in 1992 with First Choice in Vidor, selling cars valued at \$1,900, McDorman sought to build his customer base by helping his buyers trade up to better cars.

Now, 90 percent of his business is in acquiring trade-ins from dealers in major metropolitan areas such as Houston, Dallas, and San Antonio, and reconditioning those cars for resale.

Those markets are desirable places from which to acquire vehicles because buyers there are trading in cars more rapidly than they do in Southeast Texas, he said.

Most of the cars are, more than 6 model-years old.

with 50,000 or fewer miles, he said.

McDorman said he shows his prospective customers how much he paid for the vehicle, and the repairs his technicians make on the vehicles.

Anything more than \$800 for repairs requires a good deal of consideration before McDorman will allow it to be sold.

However, most of his

## CAR SALES: 'We survey the buyer if they buy elsewhere so we can see what we did,' dealer says

Continued from 1E

attention is on the customer, and McDorman has developed a sophisticated software program to track how well his dealerships fare with customers.

"We survey the buyer if they buy elsewhere so we can see what we did," he said.

Some buyers might feel a salesperson is intruding on them with questions about why they bought elsewhere.

McDorman sends them a gift certificate for \$50 at a restaurant for helping him out with information.

"The tracking program resulted in my No. 1 position of late-model used-car sales in Jefferson, Hardin and Orange counties," he said.

He said he's had a response rate of 86 percent to his customer surveys.

He will apply the same technique at the new car dealership — a Daimler-Chrysler outlet — which he called low-performing. He said it has not marketed outside of its local area.

McDorman uses state registration records to find out where Southeast Texas buyers of Chrysler products are going for their new vehicles.

Many are traveling more than 70 miles outside the region to purchase a new vehicle, most of which are the company's popular Dodge pickups and vans, the high-profit units that manufac-

turers want to sell.

"Increasing sales is a matter of customer focus," he said. "Our buyer research is innovative."

McDorman also does not advertise prices.

"If you can justify what you do, and support it and back it up, someone will pay you what you ask," he said. "It has to be fair."

He said a major aspect of his success in used-car sales is on-site reconditioning by certified technicians.

It includes such services as flushing the transmission fluid if the vehicle has more than 50,000 miles, changing the timing belt in vehicles with overhead cam motors, flushing the radiator, checking all electrical systems and the air-conditioning unit.

"We show customers the repair ticket," he said.

McDorman began in 1992 by buying what became First Choice Auto Sales in Vidor.

His Beaumont location opened in June 1999 and the Nederland location opened in December.

He is in partnerships in all three locations with investors.

He now employs 98 people, about 20 percent of whom are family and extended family.

"At least half of our business is repeat. In Vidor, it's 80 percent. A lot of our customer base in Vidor has referred us," he said. "If you're giving more of a family image to your company, people will feel more comfortable coming here."





**Robert L. McDorman Jr.** receives Texas group's 'Dealer of the Year' award.

## McDorman gets honor from Texas auto group

By **DAN WALLACH**  
THE ENTERPRISE

NEDERLAND — A panel of professors at a business management school selected Robert L. McDorman Jr. of McDorman Motors as "Quality Dealer of the Year" for 2000 for the Texas Independent Automobile Dealers Association.

The association gave McDorman its award this past Saturday in Galveston.

The professors from Northwood University, which offers a degree in automotive management, selected McDorman from five candidates nominated by peers in the 806-member association of independent dealers who sell previously owned vehicles.

In a letter informing the association of McDorman's selection, Northwood professor Tom Hern said, "Mr. McDorman is a perfect example of an American small businessman, who through hard work and dedication has become a leader in the automobile industry."

Northwood has three campuses — one in Cedar Hill, south of Dallas, and also in Michigan and Florida.

Hern's letter cites McDorman's rise from a stock order employee in a parts store to ownership position in three pre-owned vehicle dealerships in Southeast Texas.

"More importantly, Robert understands the formula to success in any business is having great employees that provide

# THE BEAUMONT ENTERPRISE

## McDORMAN : Wins award

outstanding service," Hern said in his letter.

"Ain't that something?" McDorman said. "I hope I'm raising the benchmark for the image of car dealers."

He said the Texas Independent Automobile Dealers Association comprises dealers who are interested in offering good customer service.

Members pay dues to belong to the association, which provides its membership with education about legal issues and publishes in its monthly magazine the names of dealers who are fined by the state Motor Vehicle Commission for infractions.

Jackie Gill, the association's executive director in Austin, said there are an estimated 12,000 used car dealers in Texas.

The association maintains a code of ethics for its dealers in its relations with the buying public.

"We don't accept dealers (for membership) who factually misrepresent their vehicles," she said.

Gill said peers nominated the five candidates from which the panel selected the winner.

Other members of the association in Southeast Texas include:

American Auto Sales, B&L Auto, Daylight Motor Co. Fourth Street Used Auto Sales, Go Go Motors, Beaumont Dealers Auto Auction and McDorman Motors, all in Beaumont.

In Nederland, the members are Advanced Motor Co. and McDorman Motors.

In Orange, the association member is Auto Mart.

In Port Arthur, members are Buy Here Pay Here Auto and M&M Motors No. 2.

In Vidor, the member is First Choice Auto Sales, which is owned by McDorman Motors.

McDorman, as the state's winner for this year, will go on to compete for a national award in Nashville, Tenn., this April.

Gill said consumers in 1999 bought 14.2 million pre-owned vehicles from independent dealers across the country worth an estimated \$108 billion, with an average price of \$7,590 per vehicle.

She had no similar statistics for sales within Texas.

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# National Independent Automobile Dealers Association Quality Dealers for 2001

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**Robert L. McDorman,  
McDorman Motors,  
Beaumont, Texas**

Robert McDorman  
washed cars at a dealership



**McDorman** in high school. "I've always believed in working hard and doing the right thing," he said. "If you're honest and customer-oriented, things will work out fine."

He started out with a buy-here, pay-here store in Vidor, Texas in 1992. Since 1997, he has opened another two dealerships that sell late-model cars.

McDorman sold about 1,900 vehicles from the three locations last year. He also has a two-bay service department and is building a body and paint shop.