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# NEWSLETTER

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## DEALERS UNITE ON ISSUE **FORD LISTENS!**

For those of you who are scratching your heads after reading the headline and wondering if the Alliance has lost its edge communicating its position on the Ford Motor Company's policies and programs, the answer is a resounding No! To state that it has been a long, long time since we have had anything nice to say about Ford would certainly be an understatement; however, in the interest of fair play, we should not ignore when Ford makes the right decision on behalf of its dealer body. In this case, by its not rehiring J.D. Power for the next generation Blue Oval Program, we must state unequivocally that Ford got it right!



Many of you may remember J. David Power's heralded editorial, which appeared in an October 2003 issue of The Wall Street Journal. His opening remarks included that when asked about the future of auto-

motive retailing, one short answer came to mind - "Wal-Mart" - and it all went downhill from there. He proceeded to bash the current franchise automotive system by referring to it as outdated and inefficient,

blaming franchise laws for many of the ills of the industry, and stating "those artificial and anachronistic controls [franchise laws]...add about 30 percent to the base cost of a manufactured vehicle."

The NADA, state associations and dealers alike were outraged by his comments. The Alliance was more than outraged. We were seriously concerned about having to rely on J. D. Power, so obviously biased against franchise dealers, to determine our future as to whether we became or retained Blue Oval certification through its reviews of our facilities and processes.

Our recent Blue Oval survey asked if the Ford dealer body would like J.D. Power involved in the next generation Blue Oval Program. It was not surprising that a resounding 81 percent of the dealers responded no to that question.

At the request of a Ford Motor Company executive, we were able to forward by email the FDA Blue Oval survey results prior to the August dealer council meetings. It is through the effort of many dealers across the country, including the Ford dealer council that we, as a dealer body, were able to get our message across to the Ford Motor Company - loud and clear, and Ford listened. Although it is only one small step, it is an example of what is possible and can be accomplished when dealers work together and speak in one voice

- in other words, it is a beginning.

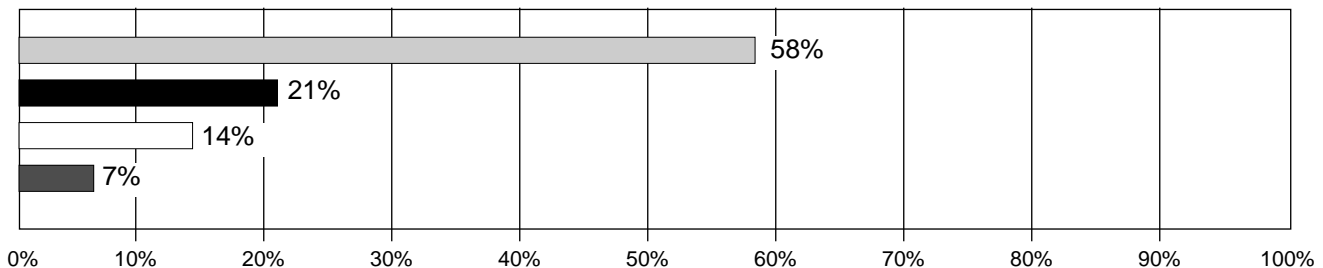
There are many issues we must continue to work together to resolve. The NADA, the state associations, the dealer council and the Alliance are all on the same team, and we need strong dealer participation in order to get the job done. We would like to thank the many dealers who took the time to respond to the FDA Blue Oval survey.

Approximately 38 percent of Ford dealers responded to the survey. It is important to note that 16 percent of the dealers

who responded selected only one preferred method of reimbursement and left the remaining five questions (or choices of reimbursement) on the survey blank. In order to present the responses in a fair manner, we could not and have not assumed a "no" answer to those questions left blank when a dealer selected only one preferred method of reimbursement. We have, therefore, separated that group from the undecided and made the appropriate notation for each question. Below are the results of the Blue Oval Survey.

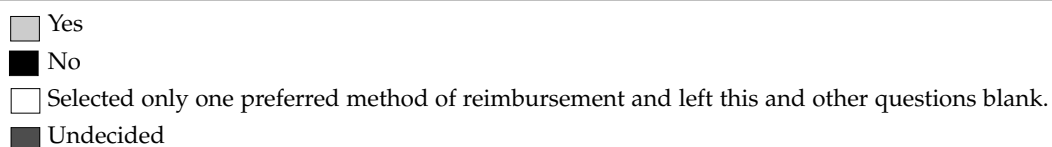
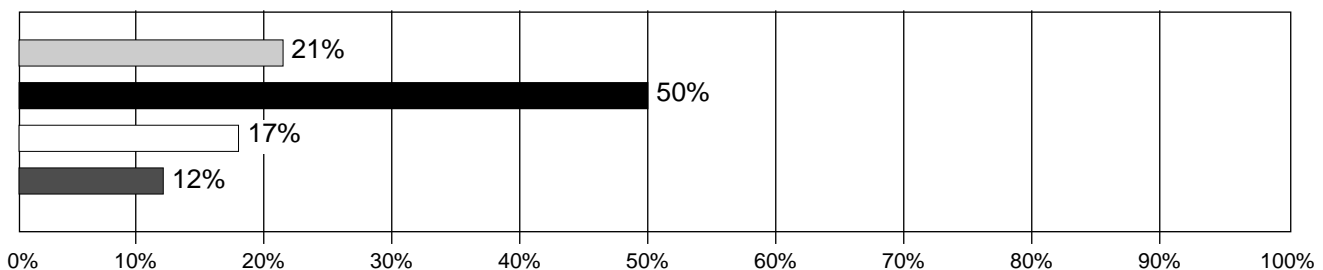
## BLUE OVAL SURVEY RESULTS

1. I would like an increase in my FDAF withholding of .25 percent to be returned directly to the dealer.

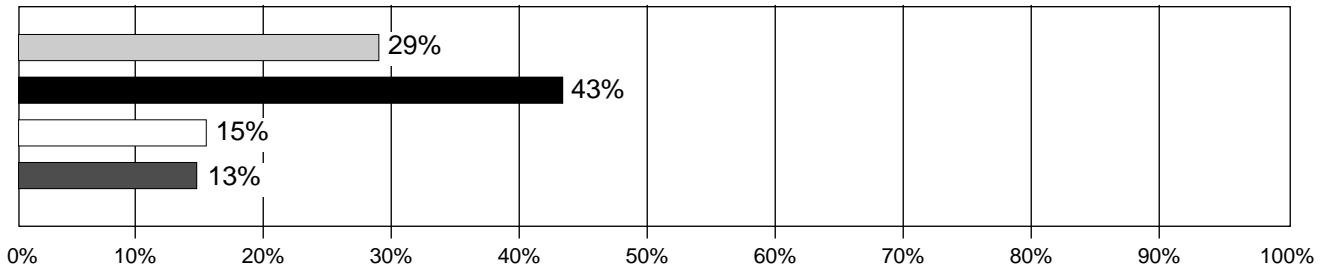


Many dealers opted to change the .25 percent to .5 percent.

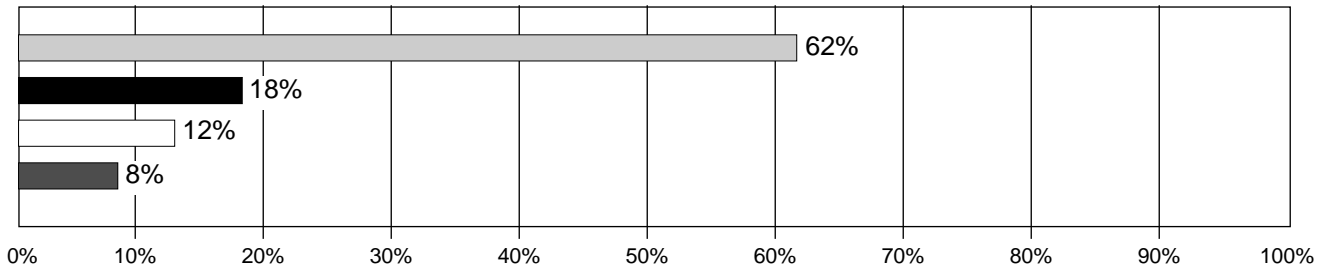
2. I would like an incentive program of \$100 per vehicle based on reaching my objective.



- 3.** I would like an incentive program that would allow me to receive a prorated dollar amount; for example, \$75 based on my reaching at least 75 percent of my objective.

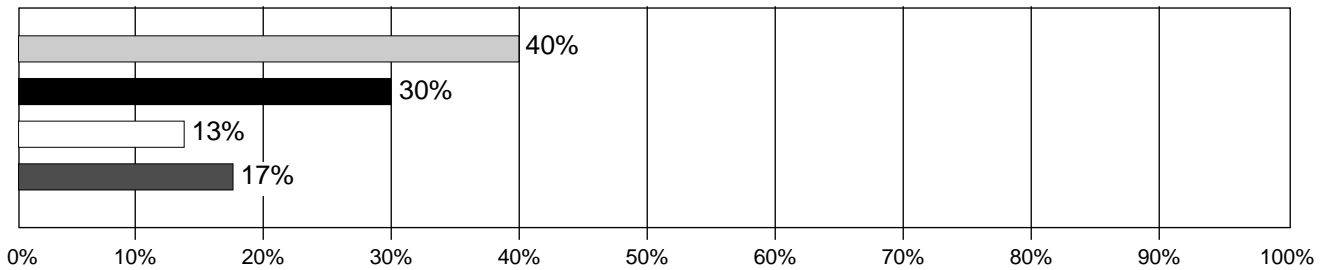


- 4.** I would like a \_\_\_\_ percent increase in my holdback. (Most dealers filled in 1 percent.)



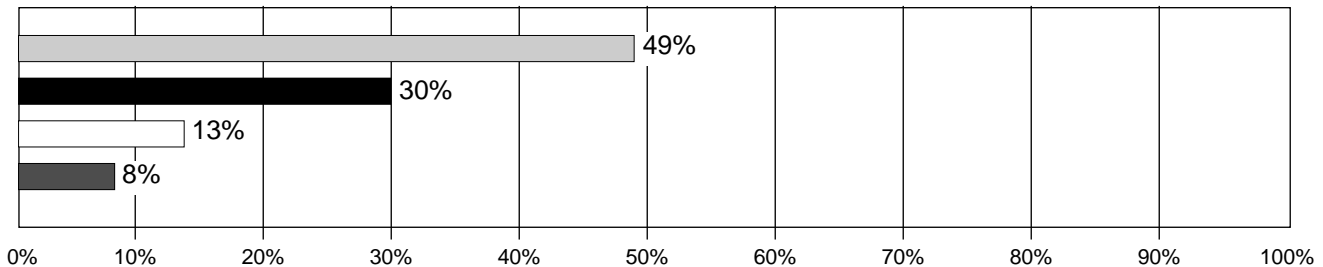
Note: This was the most favored response by dealers.

- 5.** I would like a \_\_\_\_ percent per vehicle credit applied to my floor-plan assistance. (Most dealers filled in 1 percent.)

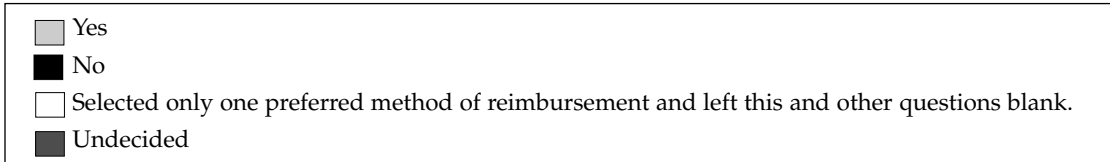


Note: This was the third most favored response by dealers.

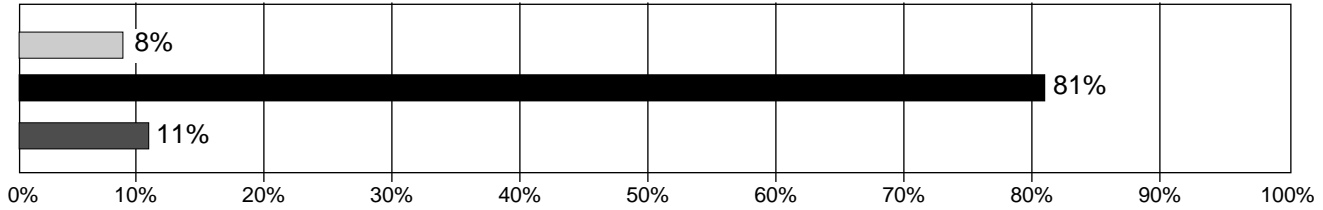
- 6.** I would like things to go back to the time prior to the introduction of the Blue Oval Program. Reduce my cost per vehicle by 1 percent and scrap the Blue Oval Program.



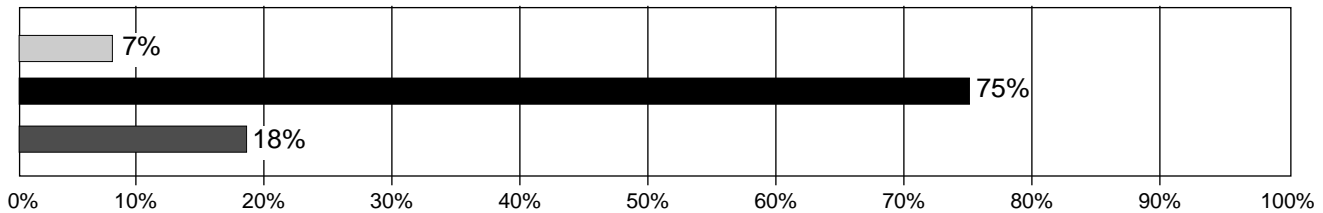
Note: This was the second most favored response by dealers.



**7. I would like J. D. Power involved in the next generation Blue Oval Program.**



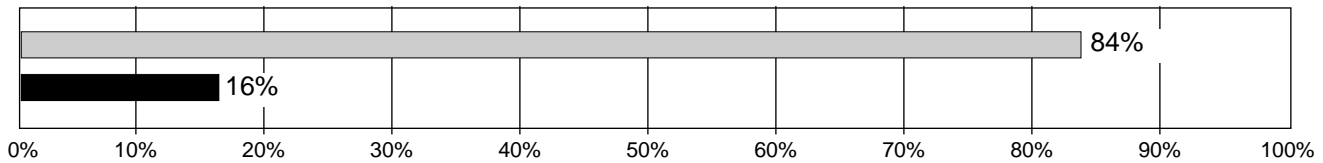
**8. I would like any consulting firm directed by Ford to be involved in the next generation Blue Oval Program.**



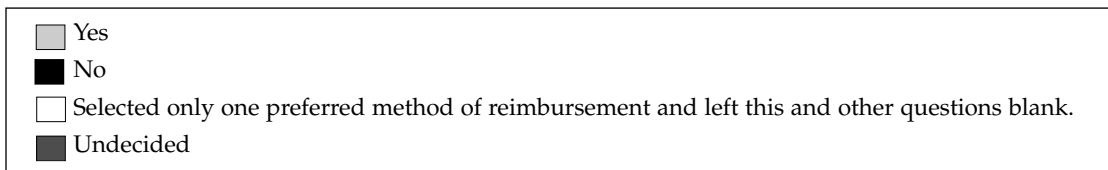
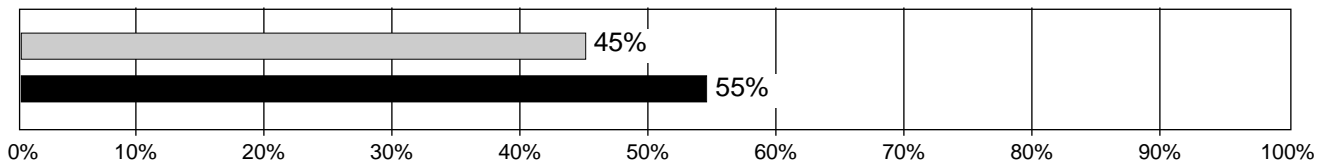
In addition to questions pertaining to the Blue Oval Program, the survey included two questions pertaining to the fairness of FMCC. The questions were based upon telephone calls we received from dealers who questioned their treatment, as well as the treatment of their customers by the Ford Motor Credit Company, when those dealers do not use FMCC for floor planning.

It is important to note that of the dealers who responded 79 percent floor plan with FMCC and 21 percent do not. The results are as follows:

**I use FMCC for floor planning and believe the treatment is fair and equal.**



**I do not use FMCC for floor planning and believe the treatment is fair and equal.**



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