



NEWSLETTER

www.dealersalliance.org

401 Continental Plaza, Hackensack, N.J. 07601

(201) 342-4542 FAX (201) 342-3997

April 2003

THE RESURRECTION OF COMPANY-TO-DEALER STANDARDS

There is no question that we as dealers have had to confront some major changes in our industry over the past few years. One of these major changes has involved an increased emphasis on customer satisfaction through a barrage of surveys from several sources – some independent and some not so independent -- intended to measure our performance as dealers. Our manufacturer has relied so heavily on customer satisfaction survey results that it has applied tremendous pressure with programs such as the Blue Oval, Premier and Advantage Programs that put at risk our very franchise system by linking money initiatives to these programs, thus creating multi-tiered pricing amongst its own dealer body.

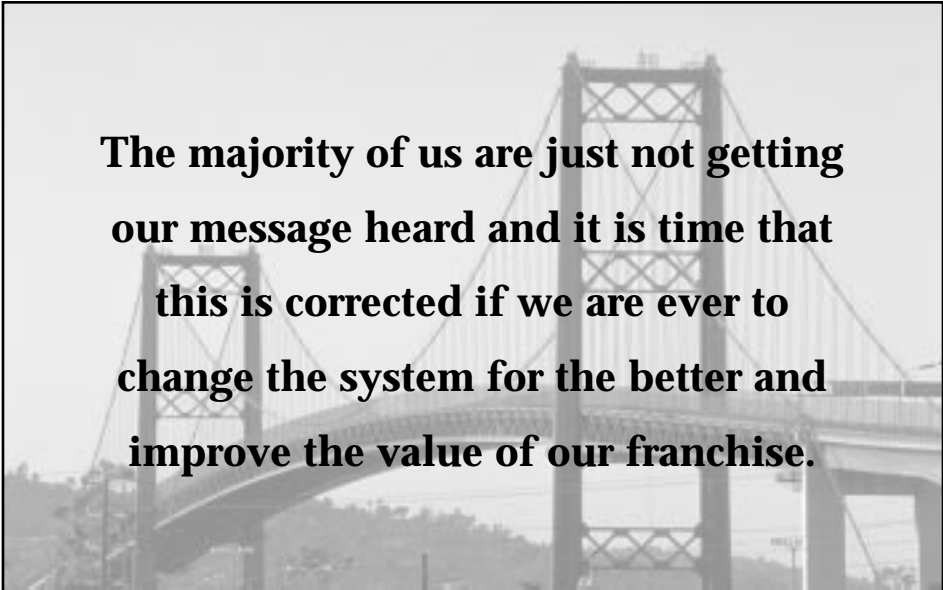
On the other hand, we as dealers have had little opportunity to measure our own manufacturer's performance in relation to its customer – the Ford and Lincoln-Mercury dealer body. We have been unable to apply the same scrutiny in determining where improvement is imperative. In short, we have had no opportunity to hold our own manufacturer accountable for its short-comings.

Although we commend NADA on its Dealer Satisfaction Survey, which measures through dealer input all manufacturers against each other, we also recognize that NADA does not have the resources or the inclination to focus on the detailed performance of any one manufacturer. Although for a few years the Ford

Motor Company had made what seemed to be a genuine effort to take on that role by having its dealers complete what it called a Company-to-Dealer Standards Survey, unfortunately, when these surveys indicated that the Company, in many instances, was failing its own standards, Ford stopped the program. Our ability to communicate our satisfaction or dissatisfaction with Ford's performance was taken away.

The Company-to-Dealer Standards were as follows:

- There will be firm parts delivery requirements for all order types; emergency orders received by the shipping PDC's [or HVC's] cut-off time will arrive the following day.
- All vehicles delivered to the dealer will be in proper working order, with no defects.
- All dealer requests for customer assistance on sales and service concerns will receive a customer-driven response within one business day.
- Newly ordered vehicles ... will not have a price lower than comparably equipped vehicles currently in stock.
- All marketing programs will be easily understood, announced at least one business day in advance, and communicated in a maximum of four pages. Warranty and ESP coverages will be few in number and consistent from year to year.



**The majority of us are just not getting
our message heard and it is time that
this is corrected if we are ever to
change the system for the better and
improve the value of our franchise.**

- Technical Service “hotline” calls will be answered within one minute; complete and accurate resolution information will be provided on the first call.
- Product concerns perceived by customers will be resolved in production and service within 90 days of acknowledgment by Product Engineering.
- Company support materials and adequate parts will be available prior to dealers selling a new vehicle or the Company announcing a recall.

Since that time, Ford’s interpretation of the pulse of the Ford and Lincoln-Mercury dealers has been muddled at best. With the inception of the controversy surrounding the Blue

Oval, Premier, and Advantage Programs, it has become painfully clear that either Ford Motor Company is not in tune with its dealer body or, at the very least, is willing to use our inability to speak in one voice as a means to distort the facts. In fact, Ford was even willing to imply that the reason that it repeatedly scored at the bottom of the NADA Dealer Satisfaction Survey was primarily due to a group of “malcontent” select [small] dealers who perpetually made a point of bashing the Company when returning these surveys. Of course that implies that the rest of us are charmed with Ford’s programs and Ford’s performance. Judging by the results of the NADA Dealer Satisfaction Survey for the past five years, it is obvious that is not the case.

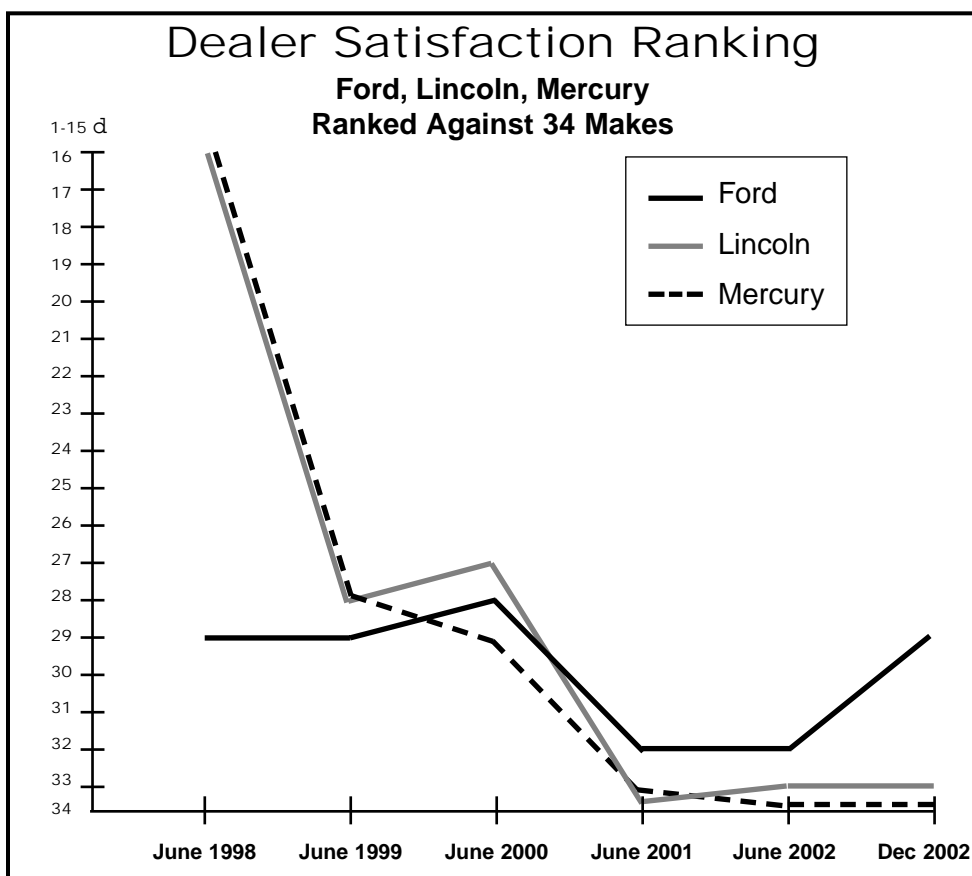


Whether the misinterpretation is intentional, whether it is due to the fact that dealer/factory communication has been limited to a few less-confrontational dealers or whether we as a dealer body, with no means to communicating as a group, are sending mixed messages, of one thing we are sure and that is communication with the factory has been sadly inadequate. The majority of us are just not getting our message heard and it is time that this is corrected if we are ever to change the system for the better and improve the value of our franchise.

We at the Alliance have decided to resurrect the Company-to-Dealer Standards Survey as a means of communicating the dealers’ message to the Ford Motor Company. To avoid speculation by Ford that the wording of the questions has somehow skewed the results, many of the questions have been taken directly from Ford’s original survey. This survey will be repeated periodically to determine Ford’s progress. There is only one way that change can begin and that is through our communicating our position on programs and issues.

Now is the time to set the record straight. It is time we stopped complaining or even praising the Ford Motor Company privately and join together in getting our message across – loud and clear.

Although your individual survey will be kept in the strictest of confidence, the results of this survey will be communicated to the Ford Motor Company executives, as well as to the Ford Motor Company board of directors. Your message will be heard!



Source: NADA's Auto Exec.

Note:
In nearly five years, Ford, Lincoln, or Mercury have not ranked above eighth from the bottom of all 34 makes.