



OPPORTUNITY PROFILE

VICE PRESIDENT OF SERVICE & PARTS

Mercedes-Benz of Sugar Land
Sugar Land, Texas



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INTRODUCTION

The following pages describe an excellent opportunity for an experienced automotive professional who would find purpose and fulfillment in directing the service and parts operations of one of the nation's most profitable Mercedes-Benz dealerships. This luxury dealership has grown significantly in recent years, and its location in one of the country's most diversified and stable metropolitan economies gives it the potential for near limitless growth.

The following profile is a result of time spent in both onsite meetings and conference calls with the executive leadership of Mercedes-Benz of Sugar Land. This access within our client enabled us to peer into the culture of the company, the personalities that make up the team, and the company's goals, objectives, capabilities, and hindrances. I believe this is important for you to know because unlike Mercedes-Benz of Sugar Land, the HR practices and procedures within much of automotive dealership community today emphasize hiring speed over quality and performance over values and cultural fit. These hiring practices are further perpetuated by recruiters, who by seeking to maximize revenue through a high volume of assignments, are eager to oblige client requests for little consulting, quick delivery of resumes and fast hires. The behavior of both groups encourage a never ending cycle of executive turnover, unfortunately at the expense of management and profitability. It also represents the antithesis of our approach which aims to thoroughly assess each client who retains our services and each individual desiring candidacy. Only then can we ensure the right match has been made, resulting in long-term value for clients and career satisfaction for the individuals our clients employ.

By documenting our findings in the enclosed profile, we hope to elicit positive responses from eligible candidates or referrals to qualified individuals. We trust the following pages will achieve

this goal and would welcome the opportunity to talk with someone you know who meets most or all of the requirements described in this profile. As to how they can expect to be treated:

1. **They can be assured of complete confidentiality on our part.** Any information shared with us will only be shared with our client and will not be forwarded to other organizations without expressed permission.
2. **We treat everyone the way we would want to be treated if our positions were reversed.** This practically translates into doing what we say we are going to do in a timely manner, promptly returning phone calls, and providing frequent and honest feedback to both candidates and clients.

As to our veracity in adhering to the above-mentioned points, we invite all interested parties to "check us out" by contacting anyone we have done business with. You'll find we are unusual in that we would much rather conduct a handful of searches each year in an exceptional manner than execute many in an average or mediocre manner. Why? Because we feel it's not only our mission but our calling to perform the most professional, highly ethical executive search consulting, resulting in the long-term benefit of our clients and candidates alike.

Thanks again for reviewing the following profile. We appreciate your interest.

Jeffrey R Ketchum
President & CEO
Automotive Executive Search International, Inc.

Disclaimer: Although we have spent considerable time with our client seeking to understand as much as possible about the company, personalities, and opportunities, it should be understood that our exposure has been limited to the equivalent of several days of interaction. As such, we strongly suggest that should you choose to candidate for this position, you carefully consider the position. Furthermore, if you are selected as a finalist candidate for the search and are invited to interview with our client, we suggest that you thoroughly prepare for the interview, asking all pertinent questions that will lead you to make an informed decision.



the OPPORTUNITY

As one of the top ten most profitable Mercedes-Benz dealerships in the country, Mercedes-Benz of Sugar Land seeks a Vice President of Service & Parts to continue the trajectory of growth the dealership has experienced in recent years and to steer the dealership's service and parts operations to focus on exceptional customer satisfaction. With outstanding facilities and one of the world's most recognized and respected brands, the executive management of Mercedes-Benz of Sugar Land is committed to providing the best service experience in the United States, regardless of cost. The new VP will be the person to make that happen. This individual will be an integral part of the dealership's Executive Management Team and, if successful, will have the opportunity to build a career with the company as it grows toward its vision of multiple stores and highline brands.

The company consistently achieves top rankings in many categories in Mercedes-Benz USA's "Best of the Best" regional standings. They are dedicated to becoming the overall "Best of the Best," a title that they once held for several years running, and they feel that boosting their Customer Experience Program scores are the way to do this. They are committed to raising their customer experience scores into the top 10% and are committed to putting the right person in place and giving them the resources necessary to make this change happen at all levels of the parts and service experience. The new VP will implement changes that will create value for clients who expect the best.

The store has posted variable gains of 30-40% year over year for the last three years, and the executive management is confident that once customer experience is improved, continued exponential growth will follow on the fixed side of the business. The Vice President of Service & Parts will be a full member of the executive team as this growth happens, with full budgeting and forecasting responsibilities for parts and service. The CEO's philosophy is that once CEP is improved, there is no ceiling as to how much the person in this role can earn. If the dealership keeps making more money, its people keep making more.

Mercedes-Benz of Sugar Land is not afraid to invest the money necessary to be among the nation's top dealerships. That is evident in their outstanding facilities that feature top notch equipment and open layouts. They are also proud to treat their

people well, paying their technicians between \$16.50 and \$28 per hour with productivity bonuses of up to \$4 per hour. The company has deep factory support, as the CEO is the former VP of Sales and Marketing for Mercedes-Benz USA. The new Vice President of Service & Parts will be able to capitalize on these advantages and will have the full backing of executive management both operationally and financially.

If you are an experienced leader in the automotive industry, there are many reasons that may drive you to explore this opportunity:

- Perhaps you have the talent and customer experience knowledge necessary to achieve super success, but you are held back by the budget of your current employer. Mercedes-Benz of Sugar Land is eager to put in the money necessary, in everything from facilities to talent, to become a top tier highline dealership in all categories. As a part of the Executive Management Team, you would be a beneficiary of these investments.
- You may work for a large corporate auto conglomerate whose emphasis is heavy on shareholder return and who has the "red tape" that comes with a corporate structure. At Mercedes Benz of Sugar Land, though, decisions affecting the entire business can be made swiftly. As such, you can expect a decisive dealer principal who will support your leadership initiatives.
- The company is growing, with top notch facilities and future stores and additional highline brands in planning stages. The Dealer Principal also sits on the Dealer Board with Mercedes-Benz USA, from which growth opportunities often stem. A successful candidate may have a chance to participate in these growth opportunities. The financial possibilities here are limitless.
- The Houston area itself is a very attractive place to live. It has a rich and diversified economy and is a growing area. It is extremely ethnically diverse and has a pleasant climate. The lack of a state income tax in Texas combined with a low cost of living mean that the dollar goes a long way. \$300,000 can purchase a very nice 4,000+ square foot home.



the COMPANY

Founded in 2003 with a carefully selected team rich in Mercedes-Benz experience, Mercedes-Benz of Sugar Land serves its hometown of Sugar Land, Texas and the rest of the greater Houston area. With a commitment to integrity and respect to clients, employees, and community, the dealership has risen to be a top ten Mercedes-Benz dealership in the United States in terms of profitability.

As former VP of Sales and Marketing for Mercedes-Benz USA, the dealership's CEO has fostered a very strong relationship between Mercedes-Benz of Sugar Land and MBUSA. As one of seven dealerships, nationwide, with representation on the MBUSA Dealer Board, the company has a large amount of leverage for growth opportunities. Within the dealership all department heads are on equal footing and work together as an Executive Management Team, with a VP of Human Resources acting as a support mechanism. Rather than the industry standard of departments working separately and rolling numbers together at months end, Mercedes-Benz of Sugar Land works as a cohesive whole.

A few years ago 80 new car sales was a good month, and now the store typically sells close to 200 new cars a month in addition to about 100 pre-owned. Every year the company has made more money than the last, and the management team is proud that even through the recession they never had to cut pay or lay anyone off. They are also proud of the strong compensation package that they give technicians, which allows them to attract the top techs in Houston.

Because Mercedes-Benz has very strong brand loyalty, MBUSA's philosophy is to get buyers in at a young age and to develop and introduce new vehicles to appeal to a vast audience. Mercedes-Benz of Sugar Land has bought into this philosophy and continues to cultivate a strong bond with MBUSA. The only thing that could further improve

this relationship right now is CEP, which is Mercedes-Benz's version of CSI. The store's goal is to improve CEP by systematic improvement, rather than trying to work the system to improve scores.

Mercedes-Benz of Sugar Land has built a company culture of respect and of breaking down the walls that separate departments. Because of this there is very little turnover in executive management. They strive to make their company a good place to work. Team members are friendly, transparent, and intelligent, and the dealer is a progressive macro manager, willing to delegate full responsibility to his team.





the POSITION

The Vice President of Service & Parts will oversee both the Service and Parts Departments. While this is not the industry standard, and the successful candidate's past experience may be primarily in parts, their insight regarding the performance of the Parts Department will be integral as well. This position will be largely autonomous, and the person in the role will have the authority to do what needs to be done to implement positive change. They will define the processes and develop the training necessary to bring the store's fixed operations into the top tier of Mercedes-Benz dealerships in all measurable categories. Most importantly, though, the successful candidate will drastically improve Customer Experience Program scores to bring Mercedes-Benz of Sugar Land into at least the top 25% of Mercedes-Benz dealerships nationwide and preferably the Top 10%.

While the company currently achieves the goals set forth by Mercedes-Benz USA, the executive management feels the need to exceed MBUSA's minimum goals in order to be a top ranked dealership in all categories. They operate under the idea that Mercedes is an experience for customers rather than just a product and that they need to strive to make customers happy. The new VP will be a strong leader who is able to put the right processes into place and then manage them to reach stated goals. This person will change the mentality of the service department from reactionary to proactive and will hold people accountable by opening up lines of communication. The store's upper management feels that in order to do this the right candidate will not be afraid to delegate responsibility and will be able to clearly define expectations, give people the tools to let

them do that, counsel them when they miss the mark, and instill in them the idea that everything they do translates into customer experience.

In beginning to manage the pieces that are already in place, one of the first things that the successful candidate will need to do is to set up accountabilities and expectations as well as a system for measuring these. Better processes for communication must also be established, especially in regards to customer follow up. The new VP will ensure that all fixed operations employees buy into these new best practices and that

all processes be perfected to the point that they are second nature even during times when the shop is extremely busy. They will have the support that they need to build the best team possible. This will all be backed up by the fostering of interdepartmental teamwork.

The right candidate will be able and enthusiastic about embracing digital solutions and

new technology to improve service. They will also be responsible for the development, implementation, and maintenance of a marketing plan that will be supported by a BDC and outside ad agency. Medium and long term goals include significant financial growth in the service department, though management is confident that when customer satisfaction is increased, financial growth will naturally follow. This is especially true because of the increase of sales during the last several years; there are many more cars on the road that should be coming back to the dealership for service. The primary objective for the Vice President of Service & Parts is delivering the highest level of customer experience.





QUALIFICATIONS REQUIRED

As Vice President of Service & Parts, the successful candidate will have superb leadership skills and a stable track record of success in a fixed operations role at a highline automotive dealership, preferably with the Mercedes-Benz brand. This individual will understand the importance of open communication and will have the excellent communication and people skills necessary to bridge gaps between sales and service departments.

Mercedes-Benz of Sugar Land seeks an individual who is able to see the bigger picture rather than being caught up in managing day to day operations. This individual will have a history of creating processes and implementing them successfully. He or she will be able to demand success from people and hold them accountable. This person will be extremely self-driven with an entrepreneurial mind and spirit and willingness to take ownership without waiting for direction.

The successful candidate will:

- **Be a strategic, big picture thinker** who is obsessed and fanatical about delivering the highest levels of customer service. They will be creative, innovative, and welcoming of ideas that bring success.
- **Have a demonstrated track record of effectively leading a service function** whereby they have increased revenue consistently due to their progressive, creative nature.
- **Have a history of creating and implement processes**, based upon best practices, and successfully holding people accountable to those processes and procedures.
- **Be entrepreneurial.** They will take prudent risks and are a leader within their peer group. They will have a high degree of ambition and will be self-driven/ self-managed. They will have a track record of taking initiative.

- **Have exceptional communication skills** and will be direct, inclusive and motivational. They will inspire others, while holding a firm line with those out of balance with the rest of the team.
- **Be super ethical** and maintain a high degree of transparency. They will have a high degree of emotional intelligence and a balanced ego.
- **Possess active listening** skills and will have a coaching and mentoring skillset that enabled their teams to thrive.
- **Have a process orientation** and will be systematic in their approach to solving problems and meeting challenges.
- **Embrace technology** and are digitally progressive. They have utilized technology to grow the parts and service functions within prior dealerships.
- **Be welcoming** of multi-cultural teams and customers.



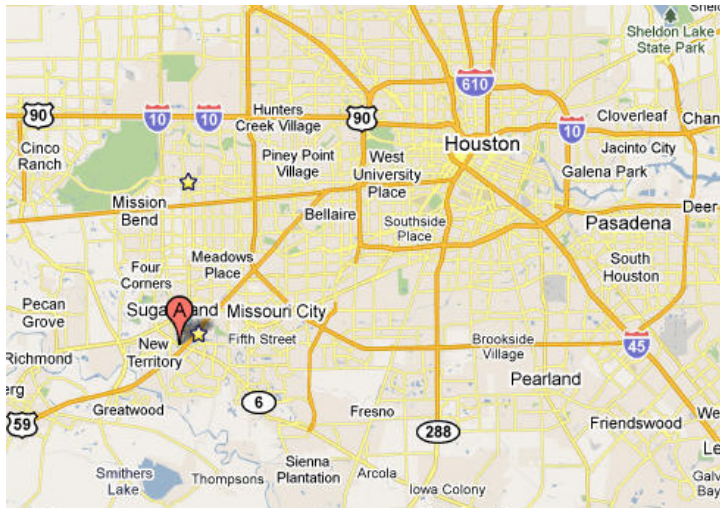


the LOCATION

Sugar Land, Texas

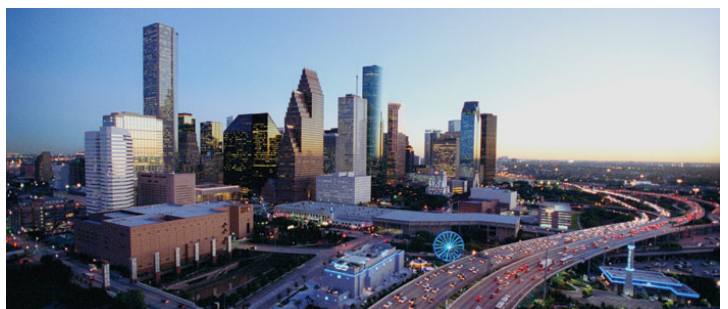
Mercedes-Benz of Sugar Land is located in Sugar Land, Texas, in the greater Houston metropolitan area. As energy capital of the world, Houston's diverse economy is strong, stable, and growing. Because of this, Houston was largely un-phased by the recession of the rest of the country, and its infrastructure supports business. It is also one of the most ethnically diverse communities in the nation.

A favorable cost of living in Houston, combined with a lack of Texas state income tax, mean that a dollar goes a long way. \$300,000 buys a very nice 4,000 square foot home. This value draws many people from the east and west coast. With a pleasant climate, America's fourth-largest city has world-class dining, arts, shopping, and nightlife.



Significant Facts About the Greater Houston Area:

- Houston's economy has a broad industrial base in energy, manufacturing, aeronautics, and transportation
- Home to more Fortune 500 headquarters than anywhere in America except for New York
- Hosts the world's largest concentration of health care organizations
- Houston rates first among the nation's 10 most populous cities in total acreage of parkland
- Houston is one of only a few U.S. cities with resident professional companies in the four disciplines of the performing arts: ballet, opera, symphony and theater.
- The Greater Houston area has 14 major institutions of higher learning
- Average annual wage in 2011 was \$59,838



CONTACT INFORMATION



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If you know someone who meets most or all of the requirements described in this brochure, please feel free to suggest that person for consideration. If possible, it would be helpful if that person were agreeable to your nominating them.

We fully respect the need for confidentiality of information supplied by interested parties and assure them that their backgrounds and interests will not be discussed with anyone, including our clients, without their prior consent. Additionally, reference contacts will not be made until mutual interest has been established.



Automotive Executive Search International, Inc., a division of Lordstone Corporation, is a decade old management consulting firm specializing in retained executive search & selection. We assist automotive OEM's, suppliers, dealers, and distributors in locating and hiring leadership within the 90th percentile.

Our mission is to perform the most professional, highly ethical executive search consulting, which results in long-term value for our clients.

We fully respect the need for confidentiality of information supplied by interested parties. For further information, please contact:



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