



## ***Weekly Car Dealers Newsletter***

September 1, 2010

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This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources.

# **Week of August 30, 2010**

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### **MAHINDRA SETS U.S. PICKUP SALES**

MUMBAI — Mahindra & Mahindra Ltd. said Friday it has received clearance from the U.S. Environmental Protection Agency to sell its pickup trucks in the country, giving the Indian company a much-awaited entry into the U.S. market. Mahindra aims to sell its 2.2-liter, four-cylinder compact pickup truck in the U.S. by December. The delay of the U.S. launch led automotive dealer, Global Vehicles U.S.A. Inc., to file a lawsuit against Mahindra, accusing the auto maker for failing to uphold a distribution agreement between the two companies. Georgia-based Global Vehicles entered into an agreement with Mahindra in 2006 for the exclusive distribution of Mahindra vehicles in the U.S. It spent \$35 million to set up 350 dealerships as part of the agreement, besides paying a substantial amount of money to Mahindra, the U.S. company said. Mahindra didn't immediately elaborate on whether the U.S. clearance will have an impact on the lawsuit. *Source: The Wall Street Journal*

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## **VOLKSWAGEN EYES FIAT'S ALFA ROMEO BRAND: REPORT**

Volkswagen AG's management is eyeing the potential acquisition of the Alfa Romeo brand should Fiat SpA consider putting it up for sale, German auto industry newspaper *Automobilwoche* reported. "Alfa is a globally recognized brand with sporty genes and a great tradition," the paper quoted a "high ranking" VW manager as saying. "If such a treasure could be had, we must not hesitate ... too long." Alfa is repeatedly brought into connection with Volkswagen, which has built up a cash cushion of 17.5 billion euros (\$22.3 billion) to finance plans to overtake Toyota Motor Co in size by 2018. "As already said by (Chief Executive Sergio) Marchionne, there is no plan to sell the Alfa Romeo brand," a Fiat spokesman said on Monday, while VW declined to comment. *Source: Reuters*

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## **TOYOTA RETOOLS FOR ADDED FLEXIBILITY**

### ***Automaker puts \$600M into plants to improve market share***

SAN ANTONIO -- The dramatic auto industry downturn of 2008 and 2009 exposed a surprising vulnerability in Toyota Motor Corp.'s North American factories. Although the automaker is reputed to be flexible -- the ability to make a variety of vehicles at a single plant, and even on the same assembly line -- Toyota couldn't adjust quickly to the collapse in demand that initially hit its trucks, big SUVs and other gas-guzzlers. "Even though we thought we were flexible, we certainly didn't act that way during the downturn," said Steve St. Angelo, executive vice president of Toyota's North American manufacturing operations, based in Erlanger, Ky. Toyota has spent more than \$600 million to reorganize and retool its North American plants to make them more responsive in a cutthroat market. "We know we have to be more flexible," St. Angelo, also the region's new chief quality officer, said in an interview. "We can't predict what the customer wants." *Source: Reuters*

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## **TERRAIN PROVES TO BE HOT SELLER FOR GMC DEALERS**

DETROIT — The GMC Terrain — one of the vehicles General Motors launched last fall after laying out its post-bankruptcy plans — has been on the market for less than a year, but it has already been a major bright spot for the brand. In fact, dealers have enjoyed a turn rate on these models during 2010 that is more than four times as fast as the industry average. Through July, the year-to-date turn rate for Terrain has been 13 days. Compact SUVs, as a whole, were averaging a 28-day turn rate and the overall industry was at 51 days, according to the automaker. "We've had an outstanding response to the Terrain since it launched last fall," shared Lisa Hutchinson, GMC product marketing director. What's more, the Terrain has brought in defectors, as close to 53 percent of its buyer base have traded in vehicles from brands outside of General Motors. *Source: The Detroit News*

**SANDI'S EXCEL TIP**

Did you know that you can use conditional formatting to analyze your expenses and highlight the ones that are a certain percent over your guideline? If you use the "Formula is" condition and  $= (C3/B3) - 1 > .5$  - and select a format of highlighting, it will highlight all expenses in C3 that are over 50% more than B3. It is a great tool. Ready to learn more about Excel? Try Sandi's [Super Excel](#) product and just released [Super DOC Plus](#) that has password and departmental DOCs! – *Source*” Sandi Jerome Computer Consulting

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**IN A REVERSAL, CHEVY TRIES RICHER PRICES**

For years, General Motors Co. has struggled to make money on small sedans and coupes. GM typically equipped its small cars with few standard features so it could undercut the competition on price, then larded on discounts and rebates for good measure—resulting in thin or nonexistent profits. GM now is trying to reverse that strategy. A key test comes next month when the Chevrolet Cruze rolls into showrooms. The Cruze will start at \$16,995—well beyond what GM has ever charged for a compact and more than the \$15,655 Honda asks for its base Civic sedan or the \$15,450 base price of Toyota Motor Corp.'s Corolla. GM has reason to believe its higher-price strategy for the Cruze will work based on its experience with the Chevy Malibu sedan, whose 2007 redesign was well-received by critics and the public. The Cruze is part of an effort by Chevrolet to revive its entire car line as GM tries to de-emphasize trucks and SUVs. *Source: The Wall Street Journal*

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**ROUSH DEBUTS NEW TUNER KIT FOR 2011 FORD MUSTANG**

If the 412 hp from your 5.0-liter Mustang just isn't quite enough, Roush Performance Products has launched the ROUSHcharger tuner kit for your car, boosting output to 550 hp on pump gasoline with more than 470 lb-ft of torque. The kit (part number 421140) has a suggested retail price of \$5,999 and is available now.



The kit comes with a 90-millimeter pulley and generates an estimated seven pounds of boost.

Also included are 47-pound fuel injectors, high-flow fuel rails, a high-flow air lid and a twin 60-millimeter throttle body.

The kit includes a 90-day parts warranty. Roush recommends you have the kit installed professionally. Visit [www.roushperformance.com](http://www.roushperformance.com) for more details. *Source: Autoweek.com*

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### **2011 DODGE CHARGER DESIGNED FOR POLICE CHASES**

The once-sleepy police-car market is heating up. Chrysler's Dodge division is rolling out a version of its coming 2011 Charger called the Pursuit that has a suspension set up for better handling and an electronic stability control system specially calibrated to keep the car under control during chases. The new Charger reflects increased competition among car makers who supply police fleets. While police departments use a wide range of cars, from big Ford Crown Victoria sedans to Toyota Prius and Nissan Altima hybrids, many officers prefer large, rear-wheel drive cars for their roominess, comfort and durability. Ford says it plans to end production of the Crown Victoria so there will be a lot of room for new patrol-car models as the aging Fords retire from fleet service in the next few years. Chevrolet has already shown a new model called the Caprice designed strictly for police use. *Source: The Wall Street Journal*

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### **SAAB OWNER SPYKER POSTS FIRST HALF LOSS AS SALES SLUMP**

AMSTERDAM — Spyker Cars NV, the owner of Saab Automobile AB, reported a hefty loss Friday for the first half of 2010, as the tiny company absorbed the impact of purchasing the much larger Saab when it was on the verge of liquidation. Saab sold 10,500 cars in the first half of 2010, down from 24,300 in the same period a year ago, in the first glimpse into the company's performance since tiny Spyker took it over from General Motors. "Given the effective shut down in Saab's operations during the first months of 2010, the first half year cannot be seen as representative in terms of volumes and operating results, but as a necessary episode from which Saab will build going forward," the company said in a statement. Spyker CEO Victor Muller forecasts selling 45,000 Saabs this year, 80,000 in 2011 and reaching 120,000 and profitability in 2012. *Source: The Associated Press*

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