



## *Weekly Car Dealers Newsletter*

February 16, 2010

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# Week of February 15, 2010

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### **PENSKE GIVES \$1 MILLION IN TRUCKS TO HAITI RELIEF**

DETROIT -- Penske Corp. donated more than \$1 million worth of diesel-powered flatbed trucks to the Clinton Bush Haiti Fund, adding to the growing number of trucks being given on behalf of the automobile industry for Haiti relief efforts.

Chairman Roger Penske said in a statement that the trucks will assist in the humanitarian relief efforts in Haiti by facilitating the distribution of critical supplies. The death toll from the Jan. 12 earthquake has exceeded 200,000 people, Haiti's Prime Minister Jean-Max Bellerive said Wednesday.

"I'm pleased the Penske Corporation has stepped up to donate more than \$1 million worth of trucks, which will be instrumental in mobilizing food and lifesaving supplies in Haiti," former President Bill Clinton said in a statement. "Their generous contribution is an example of what the private sector can do to help Haiti rebuild and recover from the massive earthquake, and I'm grateful for their leadership."

Penske Corp.'s contribution follows the General Motors Foundation's pledge on Wednesday to send 30 GMC trucks to Haiti. And the National Automobile Dealers Association announced Jan. 29 its 100 Trucks for Haiti campaign, which will be delivered with the help of the Clinton-Bush Haiti relief effort. *Source: Automotive News*

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**FAMOUS (NEAR) LAST WORDS REGARDING TECHNOLOGY**

**Bad Idea #7: "I have to sign this deal now because my rep tells me I'm getting a special deal" Alternatively- "I have to sign now or they will turn off my computer by the end of the month"**

[One simple rule: Never negotiate when you are under pressure.](#)

**Bad Idea #8: "My office always checks the computer bill before we pay it- I know it is right."** [We just helped a dealer whose monthly maintenance bill jumped about \\$3,000 a month for over seven months.](#)

**Bad Idea #9: "I've known my rep for years - I trust him to give me a good deal"** [Your rep is probably a good guy \(or gal\) but, especially now with the current changes in industry alignment, your rep is subject to tremendous new pressures.](#)

**Bad Idea #10: "I can't think about my computer, business is very soft"** [We totally agree. Don't spend money unless you can actually reduce your overall DMS costs and improve your store's efficiency by taking advantage of the latest technology.](#)

**Bad idea #11: "I don't have to worry - my vendor has fixed pricing"** [Has this really worked out for most dealers? No. In most cases, it's not even true.](#)

**Bad idea #12: "I'll just buy out my existing server" or "My rep says I can keep my old computer - I just need to sign a new agreement"** [What do you think a server that has run 24/7 for five years is worth? As many dealers have learned, going forward with yesterday's technology puts your DMS vendor in charge.](#) Source: The Gillrie Institute

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**GMAC COURTS DEALERS OF ALL MAKES**

GMAC Financial Services, once the financing arm for General Motors before the automaker's 2009 bankruptcy reorganization, on Wednesday said it is offering its retail finance programs to dealers of all makes through an alliance with the DealerTrack credit application network. GMAC's new CEO Mike Carpenter has told *Automotive News* the financier wants to broaden its dealer network and grow its auto finance business. The DealerTrack agreement gives GMAC access to retail credit applications from 17,000 dealerships -- a vast majority of the dealerships in the United States and Canada. The agreement "will diversify our auto business while helping dealers and their customers obtain broader financing opportunities," Tim Russi, executive vice president for GMAC's North American Operations, said Wednesday in a statement. *Source: [Automotive News](#)*

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**TOYOTA TAKES ANOTHER HIT: PRICES DROP**

Last weekend, Robert Boch sold a new Camry sedan with a sunroof and alloy wheels for \$21,691, and the customer got a 0% loan on the deal as well. Just a month ago, a similar model sold for \$500 more, with a 2.9% interest rate on the loan, said Mr. Boch, a co-owner of

Expressway Toyota in Boston. "We have to do what it takes to keep things moving," said Mr. Boch. "There is blood in the water and that sharks are out. We have to protect our turf." The prices Toyota Motor Corp. gets for its vehicles may be one of the most significant casualties in the recall and quality crisis that has engulfed the car maker. To attract customers and jump-start sales, some Toyota dealers have been slashing prices, a tactic they rarely have been forced to use in the past. Source: [Dow Jones/The Wall Street Journal](#)

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## **PORSCHE 911 GT3 R HYBRID RACE CAR REVEALED**

Porsche will bring its latest hybrid know-how to the racetrack in the form of the new 911 GT3 R Hybrid, revealed here for the first time prior to a planned public premiere at the Geneva auto show in early March.



Developed by a team of engineers at Porsche's Weissach R&D center, Porsche plans for the stripped-out race car to act as a rolling laboratory. The German carmaker wants to explore the potential of hybrid drivetrains in a racing environment before an expected announcement that it will return to the 24 Hours of Le Mans in a factory capacity, perhaps in 2012, with a race car boasting technology based on that used in the 911 GT3 R Hybrid.

Based on Porsche's recently revealed 911 GT3 RSR, the R Hybrid eschews conventional hybrid technology for an advanced new electro-mechanical flywheel system. Porsche sources said that the company is considering the system as a means of boosting the performance of its future race cars, and that the technology could end up on selected road cars, including a planned hybrid version of the 911. The new hybrid technology forms part of a broader program that goes under the name Porsche Intelligent Performance.

Similar in principle to the system that the Williams Formula One team researched last year--prior to the FIA abandoning its push for the inclusion of hybrid technology on F1 cars--the flywheel is mounted in the space usually reserved for the passenger seat on road versions of the 911 to provide the new racer with a low center of gravity.

Charged by kinetic energy created under braking and capable of operating at speeds of up to 40,000 rpm, the flywheel is used in place of a conventional battery to provide electrical energy to a pair of 60-kilowatt motors mounted within the front axle assembly and propelling the front wheels--a layout that effectively provides the 911 GT3 R Hybrid with four-wheel-drive capability.

The two motors assist the engine, a 480-hp naturally aspirated 4.0-liter version of Porsche's traditional flat-six that drives the rear wheels, providing a maximum eight-second burst of propulsion to the front wheels for added acceleration out of corners and increased overtaking ability at the press of a button.

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Porsche has made no official performance claims for the 911 GT3 R Hybrid. Instead, its engineers point to the benefits its new system brings in overall fuel economy, something Porsche considers crucial to establishing a winning formula for future success in long-distance sports-car racing.

Following its unveiling at the Geneva motor show, Porsche plans to run the 911 GT3 R Hybrid in this year's Nürburgring endurance racing series, culminating with a factory-backed entry at the circuit's famed 24-hour race May 15-16. *Source: Autoweek.com*

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### [A GOOD TIME TO BUY A TOYOTA?](#)

A barrage of bad news about Toyota, including safety recalls for unintended acceleration and for a braking problem with the 2010 Prius, may be a boon for contrarian consumers seeking deals from an automaker that doesn't ordinarily offer deep discounts. In an effort to spur sales, Toyota has increased incentives, offering as much as \$1,000 cash back, or more, on about a dozen models. The offers vary by region; in the New York area, the Yaris subcompact is currently offered at a \$1,000 discount. The company also recently announced zero percent financing for 60 months on particular models, including, in some regions, the popular Camry and Corolla. That move pleased dealers like John McEleney, president of McEleney Toyota in Clinton, Iowa. "I am sure it was a reaction to all the problems, the publicity and the issues they are having," said Mr. McEleney, a Toyota dealer for 36 years. Even before the zero percent offer, Toyota dealers were eager to strike a bargain, Mr. McEleney said. "When you have fewer people coming in the door there is a natural tendency to make every deal as attractive as you can," he said. *Source: [The New York Times](#)*

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