

Dealer Spotlight: Sebastian Valente

Written by

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Sebastian Valente, general manager of Mercedes Benz of Long Beach, California has had a long and varied career in automotive retailing. He has owned both new car and pre-owned dealerships, worked in various management positions in franchised stores, participated on manufacturer dealer councils, and now runs a very profitable import dealership in the highly competitive Southern California market. We recently talked with Sebastian about dealer success, and asked him to share some of his hard-won insights with *DealerTracking* readers.

When I started in this business over 25 years ago it was like the Wild West-not nearly as sophisticated as it is now. Today's technology represents an opportunity that draws a higher caliber of people to our business who really enjoy what they do, and its reflected in their sales.

Achieving customer loyalty is about having the right processes and people in place.

Though we have a person dedicated to following-up with customers by phone after each sale, visit, or maintenance appointment, our entire staff makes customer service their primary focus.

Theres a real trend today toward leasing. With interest rates continuing to rise, leasing gives us an opportunity to put a customer in a better grade of vehicle for less money. The only barrier to leasing tends to be when banks become too conservative and grow afraid of the residual. We tend to look for banks that are more aggressive in this aspect.

We desk a wide range of customers-not just those with a high credit rating. We take a long-term approach to building our customer base, which means well also help people with lower credit ratings drive off in a very nice car. Its good for us because we can draw from a wider customer base and our customers benefit by improving their credit rating. We build a lot of repeat business this way.

We are very committed to technology, but it must earn its keep. To us, staying on the cutting-edge of technology is necessary to be as efficient as possible, which in turn helps us earn higher CSI ratings. The measure of good technology is not just that it does what the salesperson says it will (which is very important), but that our managers actually use it.

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We do value our relationships with our technology and financial partners. Its important we feel confident in a product, and that only happens when its ease-of-use and integration within our system mesh together. Also, training and customer support must be provided, otherwise resentment builds toward a product and you cease using it. From financial partners we look for support, access to their buyers, and aggressive programs- plus we need to feel they really want our business.

Smaller dealers can still survive (and even thrive) if they are smart. The key to beating the bigger-is-better trend in dealerships is to construct a cost analysis and make sure all expenses are in line. But I think the real trick is to develop a culture your entire staff can identify with. When people see a true opportunity to make money in an environment that fosters their personal growth, good things happen.

This past July, the California Car Buyers Bill of Rights went into effect. I would tell dealers facing similar pro-consumer legislation to keep an open mind, as it has a very positive way of keeping the good people in our business in and edging the less desirable people out.