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How your undies track the recession

Guys, if you want to know where the economy is headed next, look in your underwear drawer.

If you're like most men, you've got more than a few skivvies in, well, less than perfect condition.

If you're put off buying replacements -- and your significant other hasn't done it for you -- then guess what? The recession probably ain't over yet.

In fact, right now men's underwear sales suggest that things have bottomed but not started to recover.

By extension, pent-up demand means underwear sales should be among the early risers when growth returns and consumers feel confident enough to shrug off "frugal fatigue," says Marshal Cohen, the chief industry analyst with NPD Group, which tracks consumer behavior.

Folks such as Alan Greenspan don't seem to look as closely at women's lingerie - reasoning, perhaps, that women are more sensitive about wearing worn undergarments.

But Cohen says a pickup in sales of bras, as well as denim and footwear, will indicate the economy is on the mend.

By Michael Brush
May 28, 2009

Don't get mad...Get Better!!!!

I'm not a veteran of the auto industry. I used to have a real job but I'm currently in my 5th year of the greatest "gig" of my life. The following discussion reflects my own point of view no matter how radical (aka wrong) it may be. As Steve Chipman is also a lawyer, let me just say that this newsletter is not the opinion of the Birchwood Auto Group in any capacity.

You know if I didn't read the paper or watch the news on TV, I would have no idea that the global economy is in such rough shape. In my 5 years in the auto industry I have never hit numbers, like this year.

May 20, 2009 will always be remembered as "Dark Wednesday". This is when Birchwood Pontiac Buick GMC received the e-mail from GM stating that we were one of the dealerships included in the list whose franchise agreement would not be renewed.

I was with clients when Steve Chipman came into the dealership to make the announcement. When I was later told of the news, I thought it was a joke and I had to go to 8 random employees to get confirmation. Needless to say I was pissed off!

I understand GM's decision to eliminate certain divisions. One of the major mistakes GM made throughout the years was to create duplicate vehicles for their dealerships to compete AGAINST EACH OTHER! But more on this later.

I also understand the rationale for GM to streamline their dealer network. The following quotes were taken from GM's website IN THE KNOW:

"An extensive list of criteria was developed to determine which dealerships would be retained. Strategic location, proximity to other dealerships, potential for growth and sales, along with many other business factors were considered prior to making our decision. Nevertheless, it is part of our broader restructuring activities, and ultimately, GM Canada will be better positioned with the strongest dealer network in Canada for our customers and communities."

Unfortunately, GM did not take into account a number of key factors, including the following:

1. Birchwood Pontiac Buick GMC (we) are the only GM dealer in Winnipeg with an increase in sales so far this year,
2. We have the highest Customer Satisfaction Index scores and rank No. 1 in the Triple Crown contest.
3. We have Manitoba's largest selling retail dealership at Pointe West in Woodhaven Lexus Toyota.
4. We have Manitoba's number one volume Nissan store at Pointe West,
5. Pointe West sells so many premier brands (Jaguar, Land Rover, Volvo, BMW, Infiniti, and Lexus) that Buick should be included.
6. We have an excellent reputation in our community

Birchwood Pontiac Buick GMC was established over 47 years ago. Just as a side point, while R.M. Chipman was selling vehicles I was 4 years old playing with Matchbox cars.

So what has the Chipman Family achieved in 47 years? Only 20 Triple Crown Awards for outstanding sales and customer service; and being the founding member of the largest automotive group in Manitoba, which includes Birchwood Pontiac Buick GMC.

Even without the GM dealership, Birchwood Auto Group is the largest auto group in Manitoba with 14 different manufacturing dealerships. However Birchwood Pontiac Buick GMC was the cornerstone of the Auto Group.



How General Motors lost its way

"The reason for failure is not our product line- up, or our business plan, or our long term strategy availability. Our failure is the result of restricted credit availability and reduced industry sales to the lowest per capita level since World War II". *Rick Wagoner, former CEO of GM*

Well Mr. Wagoner is now out of the picture and it is up to a new regime to quickly rediscover MARKET FOCUS. Quite simply market focus is the ability for a company to make quick and tough choices on where to compete and where not to compete. And more importantly to realize a mistake and get the hell out! The successful car companies have positioned themselves to compete with highly market-focused cars in segments where they can create and sustain high and growing net cash flow.

All in all there are a total of 18 car segments. Most car companies will select certain segments that cater to their strengths. They might even have 2 or 3 cars in that one segment. If a car company decided to manufacture 2 vehicles for each segment that would equate to 36 vehicles. GM has over 95 vehicles in its product portfolio. Are we starting to see the GM picture?

The fact that GM has decided to drop Pontiac is a tough pill to swallow for me but it makes total sense. Why have a Chevrolet dealer on one side of the street selling a Cobalt, Malibu, and Uplander, while across the street the Pontiac dealer is competing with a G5, G6, and Montana SV6. And this is just a sampling of the craziness that has been going on for years.

The new GM must downsize the number of divisional portfolios. Toyota has two divisions (Toyota and Lexus) and Honda has two divisions (Honda and Acura).

The first division of GM (Chevrolet and Buick) could be designated for low to medium priced cars.

The second division of GM (Cadillac) could compete in the high priced segments.

Cross brand and cross division vehicle rebadging must stop. Most important, there should be no crossover pricing. For example the highest priced Chevrolet must be cheaper than the lowest priced Buick. The highest priced Buick must be cheaper than the lowest priced Cadillac.

GM must ensure that every segment they enter has "Bread and Butter" vehicles. Vehicles that sell and make money!

Birchwood GM isn't going anywhere!

For over 47 years our customers have appreciated the excellent sales and service from Birchwood Motors and then Birchwood GM.

Our plan is to continue offering you the best service in the industry with our Grand Master Technicians and best trained customer focused Sales and Service Team in the city. R.M. Chipman would have it no other way.

My naive attitude says that we will be **BIRCHWOOD MOTORS** selling Chevrolet, Buick, and GMC. But we could be **BIRCHWOOD MOTORS** selling a new product that takes the market by storm. The bottom line is that we will be **BIRCHWOOD MOTORS** and that stands for excellence.

So stop listening to the propaganda from others and come see me for your vehicle needs. Oh heck send your family, friends, or people you just met today for their vehicle needs. Just remember to tell them to ask for Michael Palay.

View www.michaelpalay.com for the latest information on GM and to see the entire Birchwood Auto Group's inventory.

Call Michael Palay at 837.5811 for more information on GM and our outstanding selection of new and pre-owned vehicles.

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GM Visa Points!

GM's Student Program!

GM's Military Rebate!

GM Supplier Program!

Now you have a friend in the car business.



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