

Dealers must adapt to evolving industry

When my grandfather established Hope Auto Co. in 1921 in Hope, Ark., he could not have imagined the progress our business would make. Back then, we sold only a few types of Fords — a far cry from the hundreds of models and colors available in our showrooms today. High-tech innovation meant windshield wipers, not cars that park themselves. What's more, a one-hour



Mack McLarty is chairman of McLarty Cos., a fourth-generation family transportation business. He is also chairman of McLarty Associates, which he co-founded in 1998 after several positions in business leadership and public service, including President Clinton's White House chief of staff.

sales process or a female CEO seemed as far-fetched at the time as a 72-month lease.

In many ways, the changes we have seen in our family automo-

tive business mirror the evolution of the broader retail automotive sector over the last 100 years. As dealers, we have adapted to new technologies, chang-

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ing consumer preferences and demographic trends. We must continue to adapt.

Some forces are reshaping our industry in ways we are only beginning to understand. Traditional automakers are turning themselves into tech companies and some technology companies — such as Apple and Google— are seeking a toehold in

the automotive business. This is bound to alter the traditional car buying cycle and require dealerships to adapt their showrooms, service centers and training.

Car buyer demographics are shifting. Car dealerships' sales staffs must reflect the diversity of their customers. Car buying habits are changing as well. Time-pressed consumers want car buying to be easy. That means fast, efficient service in an environment that is conducive to retail. And customers and salespeople have more information at their fingertips. The result has been a more transparent, streamlined negotiation process — and a more seamless purchasing experience that has not lost its personal touch.

Despite these changes, our core values as dealers remain the same. One of them has been the belief that, as my father put it, "satisfied customers are our greatest asset." Reputation and integrity matter. Any successful dealership must treat customers fairly and meet their needs.

Of course, we depend on more than 1 million members in our industry's work force. We need to continue to make sure these individuals are treated well.

A second enduring value is a commitment to our communities. Car dealers are the bellwether of a community's financial well-being, its identity and civic pride. Hope Auto Co., for example, was always first in line to be a civic and charitable leader in its community, another one of my father's core principles that continues as our endeavor endures in its fourth generation under my sons, Franklin and Mark, who have founded RML Automotive and McLarty Automotive Group.

Finally, we must continue to make our voice heard. As it has in the past, our business will be at the intersection of many important policy debates. The stakes are huge. The next administration will set rules for self-driving vehicles, emission standards, tax incentives for electric vehicles and the terms of global trade. Our leadership is essential.

Fortunately, we have been long able to turn to NADA for support. Over the last 100 years, NADA has leveraged its deep roots in its members' communities to provide a crucial, unified voice in Washington and beyond. Most recently, under capable leadership of Phil Brady and subsequently Peter Welch, NADA has been an effective advocate. NADA's ability to remain alert, nimble and flexible makes it even more relevant than ever today.

As the political and economic landscapes shift in the United States and around the world, about the only certainty is that we will face significant change. But as Hope Auto Co. and NADA approach their 100th anniversaries, our ability to adapt over this last century makes me optimistic and yes, hopeful, about the years ahead.



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