

Committed to the Customer

An Interview with Gary Flom,
President and Chief Executive Officer, Manhattan Automobile Company



The Land Rover off-road test track on the roof of the Manhattan Automobile Company building on 11th Avenue

EDITORS' NOTE Gary Flom is also the President and CEO at the Bay Ridge Ford dealership in Brooklyn, New York. A former financial analyst at Gulf & Western, he is the recipient of Ford Motor Company's prestigious President's Award and a four-time recipient of the "100 Leaders" Award. Prior to joining Manhattan Automobile Company, Flom built a distinguished track record as an executive manager working with brands like Mercedes-Benz, Lexus, and Porsche. Born in Russia, Flom served in the United States Marine Corps from 1983 through 1987 where he was awarded the Navy Achievement Medal. He graduated from the University of Maryland with a degree in Business Management.



Gary Flom

COMPANY BRIEF Manhattan Automobile Company (www.manhattanauto.com) is a premier automotive retailer in New York City's Automotive District. In 2002, the company completed an \$18-million redesign with the express goal of complementing customers' lifestyles to perfection. The showroom's intricate design and features were innovative and started the renovation trend in Manhattan's Automotive District. A few of the acclaimed features include a unique rooftop off-road test track for Land Rovers, the indoor climbing wall in the Ford Outfitters showroom, and amenities such as Café 11 with Starbucks coffee and a business center for customer use. In addition, Manhattan Automobile Company completed a comprehensive company-wide transformation that consisted of several mutually interdependent components such as the facility, personnel, processes, high technology, and training.

Manhattan Automobile Company has remained a leader in its market. How have you maintained consistent results?

Our business is all about our customers – the convenience, products, and services we offer. Our team continuously challenges themselves to find ways to be more relevant for our customers and to simplify their lives in terms of meeting and exceeding their expectations when it comes to their automotive needs and any purchasing, leasing or servicing decisions they might make.

We are constantly looking into innovative technology. Lately, we've been driving everything online from appointment scheduling for service,

pick-up, and delivery of their vehicles for service and maintenance, invoice payments, parts purchasing and, of course, vehicle purchasing and leasing. We can pick up a vehicle for service and take it back to the customer's garage without the customer having to come to our showroom or service department. That allows our clients to conduct their business and live their lives without further undue interruptions and allows them to spend more time with their families.

To help us achieve our customer relevance goals, we always try to be on

the cutting edge of customer service, technology, and innovation. For instance, we deploy some of the latest imaging and communications technology to show our customers exactly what is wrong with their vehicle when we diagnose it. Our service personnel and clients can discuss these images and diagnostic results in real time while looking at them at the client's convenience from their homes or offices. That really helps our customers to better understand the cause of their concern with the vehicle and the necessary repairs, and it gives them confidence and allows them to participate more fully in the repair or maintenance process. We continue to improve our RFID (Radio Frequency ID System) throughout the building, which in addition to helping us locate service vehicles inside the building, also enables our technicians to better communicate with the customers. Simply by flipping a switch on the tag when the car is completed, a message is sent to customers informing them that their vehicle service is complete. This advanced feature allows customers to manage their time more efficiently without having to worry about their automobiles.

The showroom on 11th Avenue is built around an experience. How did you go about creating that concept?

Our goal was to deliver a uniquely individual experience to each one of our clients that would be clearly recognized as a value-added element beyond the lease payment or purchase value of the transaction and we have succeeded in that endeavor.

Our customer satisfaction ratings are among the highest in the nation for all of our brands for both sales and service. We have six different brands, so there is a wide spectrum of customers and customer needs, which all have unique associated challenges.

With that in mind, we built a Starbucks on the ground floor, as well as customer areas that are brand neutral where there are no cars displayed.

We have a pedestrian promenade with café tables and chairs where our clients who are visiting our dealership can enjoy a cup of coffee and reflect on what they have seen or experienced in an environment that is conducive to having this experience.

We have also built a unique off-road test track for our Land Rover vehicles on the rooftop of our building. It's still the only feature of its kind in the U.S. The client can ride in the car on the track and experience the legendary off-road prowess of a Land Rover nine stories above 11th Avenue.

How has the American car industry been innovating so as to remain globally competitive?

Our Ford and Lincoln products are the best I've seen in my over 20-year career. The features, innovation, and technology built into the vehicles have never been better. In the past, it was something that one could find only and almost exclusively in a luxury class of cars costing tens of thousands of dollars more. I give Ford special credit for introducing innovative safety-related features into their vehicles, such as Cross Traffic Alert, which helps the driver avoid a potential collision when backing out of a parking space. This innovation and technology such as the SYNC and MyFord Touch has proven to be a deciding factor when customers are making buying decisions. The Ford Focus, the first vehicle built on a global platform, is doing tremendously well. The sales were up 94 percent Q1 for the Focus because the vehicle resonates with buyers' needs. There is dynamic styling and driving characteristics, excellent fuel economy, and excellent reliability.

How successful has your Bay Ridge facility been and are you happy with the production there?

Brooklyn business is growing as the economy is stabilizing. Our sales are up more than 30 percent year over year. We're commencing construction on a large service center in the Brooklyn Army Terminal campus. We're building a 33,000-square-foot state-of-the-art service center for Ford products – passenger and commercial vehicles – that will give us the capacity to have a high throughput of retail service business and enable us to service large commercial vehicles with diesel engines that hasn't existed in the five boroughs before.

So we're very happy with the growth and how our Ford product is conquering the marketplace. It's a testament to the quality of the product and its acceptance by consumers, and to the brilliance of the Ford senior management team strategy and execution. ●