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TEXAS DEALER

The Official Publication of the Texas Independent Automobile Dealers Association

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QUALITY DEALER OF THE YEAR
ROBERT McDORMAN

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& VIOLATIONS**

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2000 Quality Dealer of the Year

ROBERT McDORMAN

Mcdorman has been in the car business since he was fourteen. As an eleventh grade high school student working at a Houston area car dealership and a local auto parts store he earned over \$40,000 in a year. To the bone, he is car man. Twenty-four hours a day, every day of the year, he lives and thrives on selling cars, trucks and SUVs. The term 'workaholic' is an understatement when applied to Robert McDorman.

McDorman's path to his extraordinarily successful pre-owned car business is filled with experience and achievement in every phase of staff and management of his business.

McDorman Motors headquarters in Vidor, Texas and has prosperous facilities in Vidor, Beaumont and Nederland, Texas. His company now employs 98 people. Although Robert started his used car business in 1992, the growth of the company has really accelerated within the last year and a half with the opening of the Beaumont and Nederland locations.

Today, McDorman Motors is first in monthly sales of pre-owned vehicles in Jefferson, Orange and Hardin Counties. McDorman's sales are topping over 200 per month. And the company consistently ranks in the top five lien holders each month for the same area. McDorman currently carries over 1200 loans with a combined worth over \$9 million. The company is now approving over \$2 million a month through dealer controlled financing and in-house financing of its own loans. These accomplishments are better appreciated when it is realized that there are over 160 used car dealers listed in the phone book for the three county area.

But what really makes Robert stand out is his untraditional business philosophy and operating principles. He recognizes that the large majority of dealers only respect a sale and hardly ever the customer. Dealers talk about customer service but, by in large, know little to nothing about their customers.

When he and his wife opened their first lot in Vidor in '92 it was a low-end retail lot, selling cars in the \$3,400 range. They provided mechanical service labor free and charged cost for parts. The system worked; their customer base grew quickly. They also took more time to consider customer requests for credit then researched their backgrounds, studied their work relationships and extended credit to many who had been refused. Robert closely monitors payment schedules and has established a recovery business. Their business grew, their losses were controlled and they made friends out of their customers and gained a reputation for honesty and caring for and



assisting these customers.

McDorman opened a second facility in Beaumont, and a third location in Nederland. They now operate a state-of-the-art service shop and offer better customer service before and after the sale. Now, 90 per cent of McDorman Motor's inventory is acquired from trade-ins in major metropolitan areas. Most of the vehicles are less than five years old with 50,000 or fewer miles.

Fifty per cent of McDorman Motors sales are generated from repeat and referral business; in Vidor it's 80 per cent. Robert developed a proprietary computer program to track how well his dealerships fare with customers. They've established sophisticated software to track buyers and would-be buyers. McDorman follows up with handwritten personal letters with incentive restaurant coupons to find out why they didn't buy at his stores. Presently, McDorman Motors gets 86 percent response from these letters and questionnaires.

Robert has several opinions: one that he holds dear, and the other is one, which can add immense credibility and integrity to the independent used car industry.

First, he believes in strong business ethics, acceptance of change and responsiveness to innovation can make a business grow; and good concepts and loyal employees make for success.

Second, he firmly believes that the members of TIADA should encourage the Texas State Legislature to take action to strengthen the licensing qualifications for used car dealerships. Before issuing a license to operate, he suggests that dealers should meet compulsory education requirements on the state's criminal, tax, sales and motor vehicle laws affecting vehicle ownership, title transfer, sales fraud, sales, taxes, consumer disclosure, advertising, financing and usury. Also, to qualify for yearly license and bond renewals, existing dealers should be required to attend an annual continuing education class for a three to four hour session covering the same and new issues relative to the business. ★