



Tuesday, March 11, 2008

Significant Automotive Industry News for Dealer Principals, General, Sales, & Service Management of Dealer Operations



Frontline Ready

This Week: Forrest Heathcott



Forrest Heathcott
President
JM&A Group

Forrest Heathcott is President of **JM&A Group (JM&A)**, one of the largest independent providers of finance and insurance (F&I) products and services in the automotive industry, and Executive Vice President of parent company JM Family Enterprises, Inc. (JM Family). Heathcott is responsible for directing, administering and overseeing the activities relating to JM&A's F&I, warranty products and services operations. He also serves as a member of JM Family's Executive Management Team, which oversees the development and implementation of the company's long-range planning and strategies for future growth. Heathcott has 28 years of automotive marketing and retail experience.

Can you describe for us and for the media and our audience, what JM&A is all about these days?

JM&A is all about growth. This year we celebrate our 30th year. We just came off a record year where we did almost 2.7 million in contracts and our entire sales force is energized by this volume and what we think we can do in the future. As you saw from last year's numbers, with the industry down, we continued to grow five percent. All the smart guys are saying the market is going to be down this year -- but we expect to grow six percent.

This growth has come from what part of the business? Acquisitions, internal growth? Quickly structure what JM&A is about in terms of products and services today.

We spent the last year working on a strategic plan and a lot of that had to do with our initiative in sales and how we intend to go about delivering our products and services to our customers. As a part of that, we analyzed everything that we do. There are a couple of key initiatives that we are going to be implementing this year. One is growing same store sales. We do business in the United States with 2500 dealers today. Those 2500 dealers are facing a very tough headwind in the industry. One of the things that we thought we could do coming out of this strategic plan was to put more resources against those 2500 stores to help them do more with the limited volume that they may see in 2008. In order to do that, we've modified the role of our district sales managers. We have 150 district sales managers spread throughout the country. In the past, those DMs have been asked to do things like be responsible for helping their dealers with same store sales, but also to go out and find new business. Going forward, we are changing that, and they will be 100% dedicated to same store sales with no focus on new business acquisition. One of the things that we've learned is that it is not easy to go and get new dealers in this business. Our key role here is to try and keep the ones we have and make the ones we have thrive more in markets where they work. In order to do that, we are going to give full dedication to same store sales.

The growth will come from your existing client's base?

We are looking for about two percent growth in a flat market next year in same store sales with our existing client base. We have an acquisition target as well. Think of it as a hunter/farmer approach. We are putting twelve new division sales managers in twelve target markets around the country, and they will be clearly focused on new business.

The new business will come from?

New car dealer groups that we currently don't do business with or haven't had a relationship with. JM&A started in the Southeastern United States. We are now in 50 states and in Puerto Rico, and so we have spread out pretty tremendously. We have picked 12 key markets that we felt like we wanted them to have the penetration. We want to have the kind of penetration in Los Angeles 15 years from now that we have in Atlanta today. We are putting a lot more resources and a lot more feed in the street in markets like Los Angeles, San Diego, San Francisco, Dallas, Houston, Chicago, New York, Washington, D.C., Seattle, Philadelphia, Atlanta, and Miami.

Are a lot of your clients part of Southeast Toyota?

Southeast Toyota was where we got our start and we do business with 170 dealers in the Southeast. They make up just under 20 percent of our total volume for the country. While they gave us our start, they are still a very big part of our business and they are our foundation.