

THE DEALER SPEAKS

Wilson pays workers well to boost profits

David Wilson, president of David Wilson Automotive Group in Orange, Calif., says the key to his company's success is grooming strong dealership general managers.

Wilson's 15 dealerships in California and Arizona recorded revenues of \$1.67 billion in 2006. The company ranks No. 13 on this year's *Automotive News* list of the 125 largest dealership groups, based on new retail vehicles sold in 2006.

Wilson discussed his operating philosophy with Staff Reporter Donna Harris.

You've said your company thrives on strong general managers.

I have a 25 percent partner in every dealership. They have earned that partnership out of sweat equity, and they are treated like they own 75 percent.

How did you arrive at that philosophy?

The ultimate oxymoron is "minority stockholder rights." There is no such thing. I realized that from my experience as a 25 percent partner. When I became an owner, I was going to treat my junior partners in a much different way.

Do they have a lot of autonomy?

I am running the company; I'm not running dealerships anymore. In 1989, before we opened Tustin Lexus, I helped the general manager interview salesmen. I recognized I didn't have time to help interview salesmen. I was running Toyota of Orange. I said, "Hire whomever you want."

I didn't go back to that dealership for three years. It is the same way with the other stores.

How do you find good general managers?

We grow our own. We don't hire general managers — we hire sales-



TIM RUE

David Wilson

Age: 59

Title: President, David Wilson Automotive Group, Orange, Calif.

Dealerships: 15

2006 sales: 42,214 new vehicles, 26,294 used

Quote: "We call them dealerships for a reason. It is like a ship. You have to have a guy there who knows what's going on, and it's his ship to run. That's why I have been successful. We let those guys run those ships."

You say you overpay your employees. Why?

If you don't pay people enough, you get more turnover. Our managers would be training people and interviewing people all the time. Let's sell something instead of looking for people.

DAVID WILSON

interest rate is 15 percent. Mexican dealers make 6 to 7 percent. We can make more on the interest than we do on the car.

Do you plan to expand in the United States?

I have potential general managers pushing, wanting to know when we are going to get another store so they can be a partner. Our goal this year is to exceed \$2 billion in revenue. I have a list of people I call four to six times a year, to let them know to give me a call when they think about cashing in.