

# GM TARGETS INCREASED GROWTH IN COMMERCIAL & GOVERNMENT SALES

Ed Peper, newly named general manager for GM Fleet & Commercial Operations, will focus on growing sales to commercial fleets and municipalities, while managing rental car volume to keep residual values high.

BY MIKE ANTICH

**G**eneral Motors named Ed Peper, former general sales manager for Cadillac, to the position of general manager, Fleet & Commercial Operations (FCO).

Peper joined the company's Cadillac division in 1984, and has held many different field sales and marketing management positions with General Motors. He has served as general sales manager of Cadillac since August 2009. Prior to moving to Cadillac, he served as North American VP of Chevrolet beginning in June 2008. In addition, he was previously general manager of Chevrolet, regional general manager for the General Motors Northeast Region, and VP of sales for Saab Cars, USA.

AF Editor Mike Antich recently interviewed Peper to learn of his goals as the general manager of GM FCO. Here are excerpts from the interview:

**AF: WHAT ARE YOUR SHORT-TERM GOALS FOR YOUR FIRST YEAR LEADING GM'S FLEET & COMMERCIAL OPERATIONS, AND WHAT IS YOUR LONG-TERM VISION FOR THE BUSINESS?**

**PEPER:** I have very definite priorities. First, I want to put the customer first in everything we do. Second, I want to grow our commercial and government business —

## AT A GLANCE

The top four priorities for GM Fleet & Commercial Operations are:

- Put the customer first in everything.
- Grow its commercial and government business.
- Manage rental volume to improve residuals.
- Better support Business Central dealers.

it's extremely important for us. My third priority is to manage our rental business to improve residual values. Finally, my fourth priority is to better support our Business Central dealers.

I've thought about what I want this business to stand for. My vision for the business is for GM Fleet & Commercial to be the No. 1 choice among savvy fleet buyers, and I want to do it with three pillars. First is great products. There's no substitute for great products. Second is innovative business solutions. How can we do things differently to help our fleet customers? Third, I want GM to provide an exceptional ownership experience.

Everything we will do during the time I lead this organization is going to be focused on that vision. The entire FCO team is focused on being the No. 1 choice through great products, innovative business strategies, and an exceptional customer experience. These are the pillars of where I want to go for my first year.



(Left) Jennifer Costabile, general director, FCO marketing and used vehicle activities for GM, chats with Ed Peper, general manager for GM FCO, at the 2012 Work Truck Show.

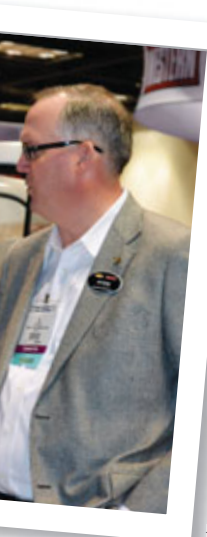
**AF: ONE OF YOUR OBJECTIVES IS GROWING YOUR COMMERCIAL AND GOVERNMENT BUSINESS. WHAT ARE YOUR SHORT-TERM AND LONG-TERM PLANS TO ACCOMPLISH THIS OBJECTIVE?**

**PEPER:** First, in terms of growing the commercial business, we have to take advantage of what we have and do even better with what we have. We are doing better since February of this year we've had 23 months in a row where we grew our commercial business. If you look at our growth so far, our business is pretty spread out. In the past, we might be very heavy in rental, and not as strong in commercial and government. This year, we're up 24 percent in commercial and 25 percent in government. We're very strong on the truck side. But, I think, we've got to do a better job on the car side.

We've got some







great products. Cruze is the finest small car in the marketplace now. The Malibu continues to be strong. We have a brand-new Malibu coming out, the Malibu Eco, which will get 37 mpg. It is going to be a phenomenal vehicle. We just have to do a better job in selling the cars we have. For us, that is probably the top goal in the short-term, but we also want to continue to grow our truck

business. We're seeing consistent growth, but we have to do even more.

If you look at our government share so far this year, it is up and that's a positive. We need to do on the government side many of the same things we are going to do on the commercial side. We do extremely well with federal government registrations and sales; we're a dominant player. But, when it comes to local government and municipalities, we're not as good.

Our guys are out there hustling, and we're landing accounts that we haven't talked to, in some cases, in years. We've got a tremendous offering for police and municipalities, when you look at our lineup with Caprice PPV, Tahoe, and Impala. We're trying to get every single order we can, and it looks like we'll have pretty good success in the government area.

#### **AF: HOW DO YOU PLAN TO DO A BETTER JOB IN SELLING YOUR CAR PORTFOLIO TO COMMERCIAL AND GOVERNMENT FLEET ACCOUNTS?**

**PEPER:** First of all, we have to get across

the fuel economy story that we have — it is a magnificent story for both the car line and the truck line. We offer everything from e-REV to biofuel to bi-fuel to CNG to LPG, flex fuel, and great fuel economy. We need to get that message out stronger than we have.

In terms of our government business, we want the opportunity to bid on every government and commercial deal. But, for us, the most important thing is to talk about that total cost of ownership for our products.

#### **AF: THE BIGGEST FACTOR IN THE TOTAL COST OF OWNERSHIP IS MANAGING DEPRECIATION — THE RESALE VALUE OF YOUR PRODUCTS. YOU SAID ONE OF YOUR PILLARS IS MANAGING THE RENTAL STRATEGY TO IMPROVE RESIDUALS. COULD YOU ELABORATE ON WHAT YOU'RE PLANNING TO DO IN THAT AREA?**

**PEPER:** We're very carefully watching the amount of rental that we have per product and working very closely with the residual value forecasting companies to make sure we're in that ballpark. We're managing that level of rental car business and that seems to be working extremely well. If you look at our used-car pricing activity, it's just been outstanding.

Obviously, the tight inventory of used cars helps. Our residual values across the board, as we've managed our rental car strategy even tighter, have been tremendous. Nothing is more important than having residual values be as strong as they possibly can.

This is great business for us, but our primary focus is on growing our commercial and government business. That's a big take-away. We want all the business we can get.

I want to make that very clear because some

reports have said that we were not as interested. It's great business for us and we provide tremendous products and services to our customers. We want everyone's business.

#### **AF: YOU TOUCHED UPON INNOVATIVE BUSINESS SOLUTIONS FOR YOUR CLIENTS, WHAT WOULD BE EXAMPLES?**

**PEPER:** Right now we have a program called FleetTrac that provides fleets and their drivers a monthly central billing process for services rendered at GM dealerships. They can establish maintenance parameters, and all of these can be managed via FleetTrac.

We're also going to announce very shortly a brand-new GMfleet.com website that will make it a one-stop-shopping experience for those who want to learn more about our fleet services and our products.

#### **AF: ANOTHER PILLAR OF YOUR MULTI-PRONGED STRATEGY IS TO BETTER SUPPORT YOUR BUSINESS CENTRAL DEALERS. WHAT TYPE OF SUPPORT ARE YOU CONTEMPLATING?**

**PEPER:** If a dealer makes an investment in Business Central, we need to find ways to help those dealers sell more product to commercial customers. We can help with better advertising material, e-mail flyers, and special direct mail to businesses that have a history of purchasing five to 14 vehicles annually.

The other thing we're going to do is communicate a lot more with Business Central dealers. Having worked with dealers for the better part of 28 years with GM, I have found that dealers love to be communicated with. They love to feel part of the team. If you acknowledge dealer contributions, you can really lift the business.

I've seen it everywhere I've been, from Cadillac, to Saab, to Chevrolet. When I went to Chevrolet in 2005, we had been No. 2 in the U.S. market for 19 years. Based upon a lot of efforts from our fleet teams, working with all of us, Chevrolet was No. 1 in the U.S. market in 2005 and we did it again in 2007. It's all about the team, and, when you get the dealers rallying around great products and brands to grow the business, they will get it done. 🍌



Ed Peper, general manager for GM Fleet & Commercial Operations, wants to continue to grow the truck business and offer alternative-fuel vehicles, such as the compressed natural gas bi-fuel version of its Silverado commercial pickup truck (pictured).