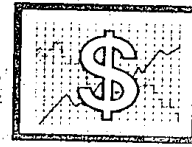


Business

Marilyn Fitchett editor / 591-2300

ENTERTAINMENT INSIDE



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(F1C)

Attention to customers, not flash or gimmicks, counts, sales whiz says

By Doug Funke
staff writer

Harold Shepherd knows Audis — or at least how to sell them.

Shepherd, who works at Bill Cook Imported Cars in Farmington Hills, moved more new Audis — 108 — last model year than any other salesperson in the United States.

When you toss in the Volkswagens, Porsches and Lotuses, his sales number jumped to 166. That averages to more than one sale every other workday in a highly competitive field.

"Sales people are driven by competition and ego," Shepherd said. "I feel good for my own personal accolades and good for the dealership."

Shepherd has worked in the auto retail business 28 years. He started out dusting bins in a parts department and variously has served as a parts manager, sales manager and general manager. He's found a niche the past seven years as a salesman at Cook.

"The only pressure I have I put on myself," Shepherd said. "When you're in management, no matter how things are going for you, pressure is always on you to get others to perform."

"I think peace of mind, and the fact I control my own destiny is most stimulating about sales. And the opportunity to meet people on a one-on-one basis and different people every day."

REPEAT BUSINESS and referrals are the bread and butter of new car sales, Shepherd said. He also volunteered that sales people, himself included, don't operate in a vacuum but are part of a team.

"Last year, 43 percent of my business was repeat customers," he said. "As much as I like to give myself credit, I think you have to give credit to the service and parts departments for that. You do what it takes to preserve the customer. There's a lot of dynamics to that."

Taking the time to do a good selling job with anyone who walks through the door is Shepherd's standard method of operation.

"It's important for me to realize this isn't an everyday experience. I have to make it pleasant, informative, fulfilling without being dull or disinterested in his interest."

"I DO 110 percent with people I talk to," Shepherd said. "The nature of the business is people tend to shortcut. I never do that. I never try to qualify if a guy is or isn't a buyer. I always keep selling."

"I give the customer as much information and time to buy the car as he will allow me to do. One of the biggest problems in this business is the customer doesn't give you enough time. He's in a hurry."

"The difference in sales is people a lot of times is persuasive ability to slow the customer down and get the

opportunity to make a proper presentation. When you can do that and are willing to do that, you can make a sale," he said.

Audi buyers tend to be upscale and inner-directed, Shepherd observed. They probably own a domestic model or recently owned one but have developed higher expectations about the entire car experience from performance to dealing with a dealership, he said.

SELLING AN Audi customer is no different than any other, Shepherd said. But his mettle was tested a couple of years ago when allegations surfaced of unintended acceleration problems.

"You just kept doing the best you could," Shepherd said. "Fortunately, we had a lot of loyal Audi customers and figured (media) accounts were incorrect. The car was totally vindicated by the government."

Tenacity apparently pays off. Shepherd said he generally works 50-55 hours per week, 50 weeks a year. He doesn't go to lunch or dinner.

"I think you have to have a certain degree of mental sharpness and be ready to work every day," he said. "I might not always be here at 9 every morning, but when I do get here, I'm ready to work."

Shepherd said he doesn't do much cold-call prospecting or resort to gimmicks.

"With the exception of times like this, I stay busy enough with referrals, previous customers and new customers coming in," he said. "Frankly, if you handle that situation correctly, you'll stay busy enough."

AWARENESS OF ebbs and flows through so many years in the business plus a healthy dose of confidence carry Shepherd through the slow times.

"I've been through this cyclical business before," he said. "I come from the school of thought that you can't force the marketplace."

"We've been impacted by what obviously is a recession. I think consumers are somewhat paralyzed by world events and somewhat reluctant to make decisions about major purchases."

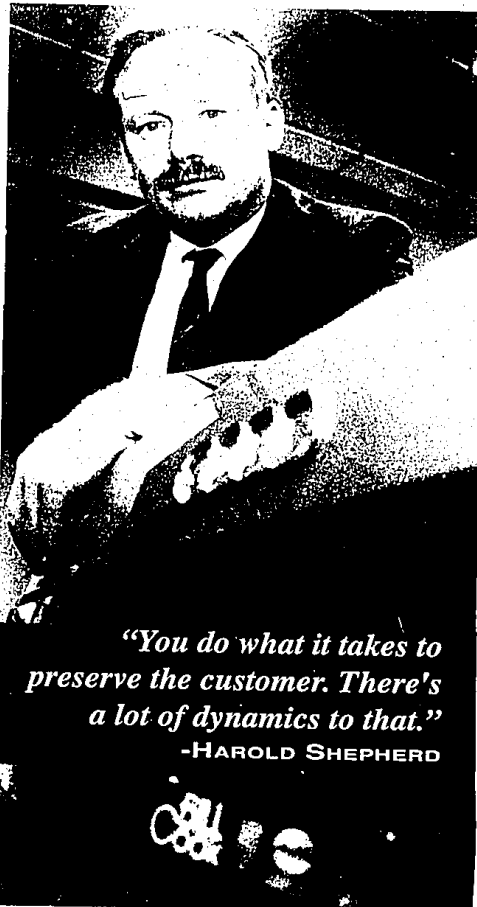
"What that means is a lot of pent-up demand when they do feel comfortable with world events. They will eventually have to buy another car. I want to be sure I'm here to take advantage."

"I could sell five or six Audis in the next five days, and I could just as well sell zero," Shepherd said. "I know I will seek my level. What you can't do is change your tactics."

Bill Cook, owner of the dealership, appreciates Shepherd's efforts.

"I THINK Harold is just an outstanding professional," Cook said. "He understands the product, what's necessary in order to financially structure the purchase of a high-line car, and he delivers a high level of service."

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Harold Shepherd sold more Audis last model year than any other salesperson in the country. Shepherd attributed the accomplishment to attention to detail on his part and similar efforts of colleagues in the service and parts departments at Bill Cook Imported Cars in Farmington Hills.

"You do what it takes to preserve the customer. There's a lot of dynamics to that."

-HAROLD SHEPHERD

JHARON LEMIEUX/staff photographer

Indiscriminate cuts can cripple in long run during streamlining

By David F. Stein
special writer

Streamlining, rebuilding, resizing, right-sizing, demassing, downsizing.

During recent years, American business has applied many names to reorganizations in the face of global competitive pressures. But the reality of lost jobs continues, especially for white-collar workers and managers belonging to unwieldy and unproductive corporate structures.

Now, besides continuing to cushion the blow for those let go, companies are looking to the welfare of "survivors" and the lessons learned in downsizing — expected to be a permanent fixture in the business scene.

Professor Kim S. Cameron of the University of Michigan has gleaned some of these lessons from a three-year study of 30 auto industry downsizings, an initial cost-cutting strategy for many manufacturers.

Cameron sees downsizing as positive in the long run.

"Many organizations, maybe even most, are fat and a little sloppier than they ought to be, with too many managers at too many levels," said Cameron. He is a professor of organizational behavior and human resource management.

But the initial downsizing rounds have not all been successful, Cameron said. "The way most companies downsize, it generally hurts them."

Cameron said. "Every single firm in my study did an across-the-board, quick fix strategy of getting rid of people."

"When you throw a grenade into a room, you are unsure who will die, what skills will be lost."

DOWNSIZING PLANS often make the assumption that people are a cost, not an asset, Cameron said, leaving many organizations without enough people resources to survive. Even more surprising to him is the speed with which most downsizings have taken place.

"In another survey of 100 Midwest

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Tax effect impacts investments

If you think you're paying Uncle Sam too much of what you make on your investments, you may want to take a closer look at tax-free and tax-deferred investments. Just remember that tax treatment is only one factor to consider when developing an investment strategy, according to the Michigan Association of Certified Public Accountants.

Municipal bonds offer investors a way to earn tax-free interest income. Issued by state and local governments, municipal bonds help raise money to build schools, roads and other projects. In the last few years, the municipal bond market has become a more complicated place for investors. In the past, all municipal bonds were exempt from federal tax, but changes in the tax law created three different tax treatments of municipal bonds. The interest you earn on the traditional obligations of state and local governments remains tax free.

And in most states, if the bonds are from your home state, you gen-



erally escape state and local taxes too. But certain bonds issued for private purposes, such as industrial development, now generate interest that can be subject to the alternative minimum tax. Still other bonds, including those issued to finance sports stadiums and convention facilities, no longer qualify for any federal tax exemption.

To determine if municipal bonds are the right type of investment for you, compare the return you can collect from a tax-exempt investment to the return you would get from a taxed investment. You should also weigh the security and terms of the

bond under consideration. Keep in mind that if you need to sell a municipal bond before its maturity, you must report your capital gain or loss on your tax return. What's more, you cannot deduct investment expenses associated with tax-exempt investments.

Treasury bills By transferring money from an investment that accrues interest daily to one that pays interest at maturity, such as Treasury bills, you can defer the taxes due on your investment earnings. Treasury bills are issued in denominations of \$10,000 and up, and mature in three, six or 12 months. The bills are issued at a discount, with the interest paid when they are redeemed at maturity for face value. Interest on T-bills is completely exempt from state and local taxes, federal taxes are not due until the face bills mature.

Certificates of deposit Many banks, brokerage firms and other fi-

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