

# Automotive News

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Ahead: Fewer suppliers > Page 19

## Knott: No more nickel-and-diming

### Chrysler purchasing chief works to build trust with suppliers

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DETROIT — Before Fiat took control in 2009, Chrysler Group often was so hellbent to cut costs that it switched suppliers abruptly for minor savings.



**Dan Knott: So far, high marks**

Dan Knott — Chrysler's affable, energetic purchasing boss since June 2009 — is waging war on the cost-is-the-only-object mentality that took root under previous owners Daimler AG and Cerberus Capital Management.

"I've heard horror cases where right up to production, somebody got their business moved for a nickel," says Knott, 50, who is trying to rebuild relations with suppliers after years of turmoil and mutual distrust. "There's no integrity in that."

In a change made last fall, Chrysler will give suppliers a one-year grace period if the automaker becomes aware of a cheaper source for a part. The first step gives the supplier 30 days to come up with its own proposal to match a lower price and keep the business.

That's a big switch for Chrysler, which finished last in a key industry survey of supplier relations last year.

The grace period is the latest step Knott is taking to build a more col-

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**Greg Miller, at Miller Motorsports Park in Utah: Taking over the family company wasn't a one-step process.**

## One-on-one with dad

### Showdown between an ailing Larry Miller and his son Greg led to a smooth succession

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In late 2008, Greg Miller knew it was time for the talk.

Several months earlier, in the hospital after a heart attack, Larry Miller — who had built a \$3 billion empire that included the nation's fourth-largest private dealership group and a range of other businesses, including the Utah Jazz — had agreed it was time to hand over the CEO title to his son.

But the patriarch, who could tell you how many yards of concrete went into a dealership and how many Jazz fans had to click the turnstiles to pay Karl Malone's salary, was the ultimate hands-on guy who had built his empire from a single Toyota store in 1979. Saying you'll step aside is a lot easier than doing it.

That's why the moment Greg Miller really took control of Larry H. Miller Group of Cos. came a few months later.

The scene: Late 2008. The economy is tanking. Greg Miller is a neophyte CEO, and his father is feeling well enough to return to the boardroom.

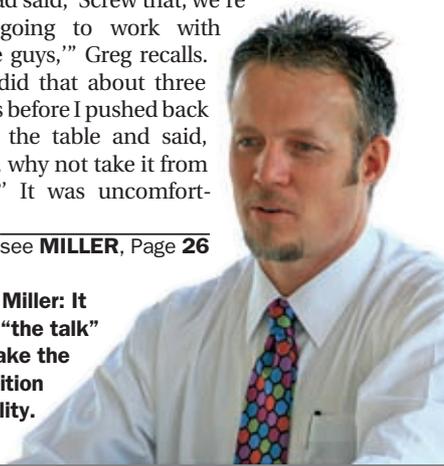
The Millers were in a dispute with a local professional soccer team. Game-day stadium parking was overflowing into the adjacent theater complex that was part of the Miller empire.

Greg wanted to send a representative to smooth out the problem. Larry, who had a more confrontational style, had other ideas.

"Dad said, 'Screw that, we're not going to work with those guys,'" Greg recalls. "He did that about three times before I pushed back from the table and said, 'Dad, why not take it from here?' It was uncomfort-

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**Greg Miller: It took "the talk" to make the transition a reality.**



### INSIDE TODAY

#### Dealers: Gas-price worries begin to affect sales

As turmoil in Libya sends oil prices higher, some dealers are already seeing a shift in shoppers' preferences to more fuel-efficient vehicles. | **PAGE 4** |



#### PACE awards honor suppliers' innovations

For suppliers, the pressure to develop new products is unrelenting. Read how seven finalists for the Automotive News PACE Awards pushed the envelope. | **PAGE 20** |



#### Next wave of EVs, plug-ins is coming

The Nissan Leaf, Chevrolet Volt and Tesla Roadster are facing serious competition. Major automakers and feisty upstarts will bring out battery-powered EVs and plug-ins over the next three years. See our future product roundup. | **PAGE 24** |

#### On the Web

This week at [autonews.com](http://autonews.com):

**Tuesday:** A full day of press conferences is set for the Geneva auto show. For coverage, go to [autonews.com/geneva](http://autonews.com/geneva).

## The new race to turn used cars faster

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A new mantra is reshaping the way the used-vehicle market works: *Faster.*

Dealers and used-car managers increasingly see inventory as capital that's tied up every day the vehicle sits on the lot. So they're finding ways to turn that inventory faster.

### It's software that's making the difference

Other players in the remarketing business, including auto auctions, fleet owners and dealership software providers, also are seeking to speed every step of the processing and sale of used cars and trucks.

One online auction company, Openlane Inc., even lets dealers

show auction inventory on their Web sites before the dealers buy the vehicles.

The shift has made an impact. Lynn Thompson, co-owner of Thompson Buick-GMC-Cadillac in Springfield, Mo., now turns his used-vehicle inventory nearly 10

times a year, up from about six.

Thank software for the change. Thompson had plenty of experience pricing the used Buick, GMC and Cadillac vehicles he got as trade-ins. But he needed help pricing other brands' used vehicles.

So two years ago Thompson

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