

AutoNation CEO gives GM's Wagoner support

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The nation's largest car dealer, Mike Jackson, CEO of Ft. Lauderdale, Fla.-based **AutoNation Inc.**, said **General Motors Corp.** is in good hands with Chief Executive Rick Wagoner and thinks the automaker will be back on its feet within a year or two.

Even though GM's sales are down 5.2% this year and Wagoner has been under increased public pressure to perform, there are signs the company's new effort to price vehicles closer to transaction prices is healing GM's wounds, Jackson told the Free Press this week.

"This is a stronger strategy," said Jackson, a former Mercedes-Benz executive who advocated that GM move to the strategy a year ago. "Clearly, selling the incentive was not working."

Jackson, whose company operates 345 new-vehicle franchises in 17 states, said GM is getting consumers to pay more for vehicles and consumers favor this tactic over high prices that get reduced with a confusing array of haggling, incentives, bonuses and other discounts.

GM might even benefit, he said, from cutting their prices even more.

"If that's what the marketplace tells them, then that's what they need to do," said Jackson, whose company gets about 43% of its revenues from vehicles made by GM, **Ford Motor Co.** or the **Chrysler Group**. AutoNation had revenue of \$19.3 billion last year

Jackson's public backing of Wagoner comes less than a week after his company and several other large dealership companies, including the Bloomfield Hills-based **UnitedAuto Group Inc.**, placed a full-page ad in the Wall Street Journal saying they supported Wagoner.

"America loves a good comeback story," the ad says, "and GM is going to be one of the best."

Jackson said he believes GM can and will achieve success.

"It's going to take time," he said. "It's a difficult transition to make."

New vehicles, such as the Chevrolet Tahoe, will make that happen. Jackson said the vehicle is a hit largely because the interior went from "third world to world-class."

Meanwhile, Jackson believes the auto industry is shaping up to have a strong year with nearly 17 million in new car and truck sales. Through March, consumers bought 3.9 million cars and trucks, about 1.1% more



Mike Jackson, CEO of AutoNation, left, praises GM CEO Rick Wagoner for ending the incentive programs that were so costly to the automaker.

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than the same period a year ago.

Jackson is one of several top auto executives who lobbied for improved national energy policies after last summer's gas price spike.

He believes public support to increase taxes on gasoline is growing, so long as that additional money is spent on finding ways to reduce dependence on foreign oil.

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