John Bommarito retains faith in the future of General Motors' luxury brand.



Bommarito, who studied psychology in college, applies it to vehicle-selling.

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Twenty-three years ago, John Bommarito, who once studied to be a doctor, signed up as a Cadillac dealer.

Pete Gerosa was the general manager of the brand's North Central region at the time. Gerosa, who would later become a vice president of <u>General Motors</u>' North American operations, told Bommarito he was the youngest Cadillac dealer ever signed. As an incentive to the GM bonus baby, GM Motors Holdings Div. invested in Bommarito's Oldsmobile-Cadillac and <u>Mazda</u> businesses, with an 80% conditional funding agreement.

Bommarito, then age 27, went on to build Missouri's largest dealer network, Bommarito Automotive Group based in Ellisville, MO, near St. Louis.

He viewed Motors Holdings as "my partner," offering him "the best on-the-job training any dealer could have." Loaded with determination, he paid off the loans six years later.

The dealership group has 677 employees and 16 franchises. Its brand representation includes Buick, GMC, Mazda (three locations), Audi, Infinti, Isuzu, Chevrolet, Cadillac, Volkswagen (two locations), <u>Nissan, Ford</u> and <u>Honda</u>.

Also part of the portfolio are seven exclusive Motor Trend Certified Pre-owned Centers on four platforms located within every prominent St. Louis area automotive row in West County, South County, Hazelwood and St. Peters.

Today, Bommarito keeps top brands separate but equal.

"Each of our coveted brands are in exclusive facilities," Bommarito says. "Some may be at the same platform location, but they are each set up for success with separate sales and service facilities as well as sales and management teams that make a living focusing on that brand."

The group's multi-brand focus was "by design and some by luck, but we have a vehicle for every segment of the business right now," he says.

That was his goal when he took over the company from his father, Frank Bommarito, in 1998.

"Nothing starts until you sell a car" is a philosophy he quickly adopted while under his father's tutelage.

This year, GM moved its Cadillac headquarters from Detroit to New York City, aiming to establish the luxury brand as a separate business unit within the company.

Bommarito casts his vote of confidence with Cadillac President Johan de Nysschen.

"As long as you give Johan total autonomy in running the business, Cadillac will be the iconic brand it has always aspired to be," he says. "New York is where they had to be to set themselves apart.

"He will get the dealers profitable. He will make the hard decisions it takes. I'm very confident. As long as he's in charge, I will continue to allocate strong resources" to the brand.

Bommarito attended Eckerd College in Florida where he earned a psychology degree in 1987. H was in a pre-med program, and intended to practice medicine.

Instead, he chose to get more involved with his family's dealerships where he had worked since boyhood. He became fascinated with the psychology of the sale, the metrics of finance and the customer-satisfaction process. "It's a relationship business all the way," but it can be measured, he says. During the auto industry crash of 2008-09, "you could look at the numbers and tell where to cut back or not. That view propelled us to the No.1 sales spot (in Missouri)," Bommarito says.

He didn't lay off people. Instead, his group became financially secure in a risky environment when many dealers were cutting back or folding up. "We were virtually debt-free and in the best possible position to enter a downturn," he recalls.

In the dark days of the recession, Bommarito was able to increase market share because the organization met the hard times head on. "Like stock car-racing, you have to stay on the gas," he says. "We did just that."

Frank Bommarito started as a single-point Oldsmobile dealer in 1972, operating at first from a trailer in Grover, MO. "That small town is now called Ellisville and is the best auto market in St. Louis," says John Bommarito. "I guess you could say he had a vision."

His father still keeps his hands in the business as "the Voice" of Bommarito, a role that includes appearing on a local radio show.

"We try to talk every day," says his son. "He's my Dad, and no one in the auto business has more respect for him than me. I (appreciate) the opportunity he gave us to take the company to the next level."

Frank Bommarito was a finalist for *Time Dealer of the Year* in 2015. His son describes it as a great honor and "an awesome experience for him."

His father's life lesson: Treat people as you want to be treated in the same situation. Employees are expected to practice that. The son says: "If you can't live up to our culture you essentially have chosen your next path in life, and it's not with Bommarito."

Of the ones that made the cut, he says, "We have the most automotive-savvy individuals working here. The key to our success is putting the right people in the right place."

Every general manager is proficient at making sure job candidates undergo a rigorous interview process conducted by three onsite team members who sign off on each hire.

Last year, the group retailed about 26,000 vehicles, but also sold about 100,000 more to fleet companies nationwide due to exclusive manufacturer contracts.

Bommarito holds the No.58 spot on the WardsAuto Dealer 500 ranking.

Despite the brisk fleet business, Bommarito views retailing as "the lifeblood and strength of our company, and it has been since day one."

He believes 2015 will be one of the industry's best years for both domestics and imports. "The manufacturers who win this year will be the ones who have the best SUV lineups," he says citing sales trends.

"Low interest rates and falling gas prices have reignited the desire for SUVs, and the demand for hybrids and electric cars like Tesla are falling off the radar screen at a rapid pace."

He expects this year to acquire one or two more franchises in the St. Louis market, which "we know and love."

What: Bommarito Auto Group

Who: John Bommario, president; Frank Bommarito, founder.

Where: St. Louis market

Franchises: 16

How much: \$182.6 million total revenue in 2014.

How many: 4,763 total vehicle sales in 2014.

2015 WardsAuto Dealer 500 Ranking: No.66