

# 2012 AIADA Annual Meeting/Luncheon - Mark Templin

February 06, 2012

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Las Vegas

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"A Legacy of Leadership: What Will You Leave Behind?"

Thank you, Ray... and congratulations on your new appointment. You've been a terrific partner for Lexus, and I know... just like your Dad... you'll be a fantastic chairman for AIADA.

And... I think many of us would also like to thank the meeting organizers for having a luncheon instead of an early morning breakfast. Lexus hosted a Las Vegas Super Bowl weekend for many of our dealers ... it wasn't as crazy as the movie, 'The Hangover' ... but, let's just say... THANK GOODNESS... this is an afternoon event.

In any case, today's theme... "Legacy of Leadership"... got me wondering...

What makes a good leader?

Is a person born that way? Do some people have it... while others don't?

No... great leaders are like the rest of us.

They have their strengths and weaknesses... their successes and failures... and their good days and bad days.

So... how does one become a great leader and leave behind a legacy that you can be proud of? A legacy that you can impart on your children... grandchildren... and great-grandchildren?

Well... if you look back in history... many great leaders taught us some key lessons:

- One... follow your heart... and never give up
- Two... have a boldness of vision... and be willing to take risks
- and, three... lead from the front... and personally set examples that people admire and follow

Let's take a closer look at each one. First... follow your heart.

Well... all of us in this room have followed our hearts... that's why we're in this business. Our love of cars has joined us in this fellowship. Steve Jobs once said, "If today were the last day of my life, would I want to do what I am about to do today?"

I know for me... the answer has been 'yes'... every day... for over 28 years.

There's just something about cars that get to people. I know everyone in this room can remember their very first car. Mine was a '52 Chevy Pick-up. When I bought it... it didn't have brakes... it couldn't make left turns... and there was a gaping hole in the floor on the front passenger side. But, man... I loved that truck!

My girlfriend... on the other hand... HATED it! She was so embarrassed when I first picked her up in it... but, lucky for me... she still married me.

And... think about it. How many other inanimate objects can elicit the emotions that cars do?

People don't go around naming their toaster, taking pictures with it, and saying how much they love it... well... at least, most people don't.

Yet... despite all the challenges our industry has faced over the last few years... we all continued to follow our hearts... and never gave up on this business.

And... it's that emotion and love for cars that has propelled the auto industry to become the largest manufacturing sector in the nation.

In fact... our industry is responsible for 8 million American jobs and has a 500-BILLION dollar payroll. That ranks behind only the Defense Department and Social Security. (source: Alliance of Automobile Manufacturers)

In addition, our industry plans to add 150,000 new jobs over the next four years... and that's great news because we're going to need all hands on deck.

Analysts forecast auto sales this year to increase to about 13.6 million or higher... that's up nearly one million units or 6% from last year... and they predict the industry will grow by **another** million or so NEXT year.

And why is that? ... Because Americans love cars!

We should all be proud that our passion and dedication to this business helped us ride out the storm during some pretty rocky times. We should also take pride that OUR industry is having a positive impact on society... and we're helping pull the U.S. economy forward.

Okay, the second lesson we learned from great leaders is having a boldness of vision. Leaders need to have a long-term view of things... and usually work on a much broader canvas than most people. But, they also need to be willing to take risks to achieve that vision.

A prime example is our 16th President of the United States, Abraham Lincoln.

When he took office, the issue of slavery was tearing the country in two. But as the civil war continued, he understood the core issue.

It wasn't JUST about trying to hold the states together under one union. He had a higher purpose and a bigger vision. He set a goal... that at the time was not widely popular... for, "a nation conceived in liberty and dedicated to the proposition that all men are created equal."

Like President Lincoln... all auto dealers have a boldness of vision and are risk takers.

You invested in a particular franchise... that can be risky in it self... and every auto dealer is a leader in their own right. You lead your organizations and your teams to compete... win new customers... and make a profit.

But you...as AIADA dealers... have a bigger vision.

You had the insight to join this organization and stand together. And... at its core... AIADA began with a group of risk takers.

When it started... 42 years ago... there were only 15 dealers that got together to help preserve a free market for international automobiles . Now... you're more than 10,000 strong.

You're not JUST looking out for your own interest. You see the bigger picture and understand... that together... we can wield more power and build a strong market for ALL consumers and manufacturers.

The auto industry has traveled along these same roads and has a bigger vision beyond just moving sheet metal.

According to the Center for Automotive Research... the auto industry invests 16 to 18-BILLION dollars EVERY YEAR on research and development. That's more than any other manufacturing industry.

And it's money well spent.

This industry is responsible for developing an amazing range of safety features.

From seat belts, airbags and anti-lock brakes... to lane departure warnings, advanced active headrests and all kinds of cameras... even an eye monitoring system paired with pre-collision that detects if you're falling asleep... then alerts the driver. That last one by the way... is on the all-new 2013 Lexus GS... just a little plug because I love that car!

The bottom line is that the auto industry has created innovations that are making people and our roads safer today than ever before.

In fact, despite Americans driving nearly 21 Billion **more** miles in 2010... U.S. highway traffic fatalities dropped from 2009... to the lowest levels in recorded history. Not only that... the fatality rate dropped to ONE per 100 million vehicle miles traveled. Now... that's still one too many.  
(source: Alliance of Automobile Manufacturers)

But, that means you have a better chance of winning the lottery than dying in a car crash.

And, automakers continue to see the bigger picture.

This industry is also working on in-vehicle technologies to reduce drunk-driving related fatalities and injuries... and innovations that help keep drivers' eyes on the road and hands on the steering wheel.

At Toyota and Lexus... we're doing our part, too.

Last year, we established the Collaborative Safety Research Center to help reduce traffic injuries and fatalities.

The center has already won an award from the Brain Trauma Foundation ... and it's involved in 17 research projects with universities, government agencies and hospitals.

These projects cover a wide spectrum. For example...

- We partnered with Virginia Tech to study the relationship between age and abdominal injuries caused by car accidents to determine if a specific age group is more vulnerable to these injuries...
- With the Massachusetts Institute of Technology AgeLab... we're looking into how the use of in-vehicle voice command systems may affect driver distraction...
- And...in that same vein, we teamed up with Wayne State University School of Medicine, to get a better understanding of driver behavior and distraction which we know are responsible for many accidents and injuries on U.S. roads and highways.

Overall, our industry has taken giant leaps in safety innovations... and I'm confident, we're just scratching the surface of what we're capable of.

In addition to our safety efforts, the auto industry sees the bigger picture to improve society by developing environmentally-advanced products.

And... yes... there are risks in play here, too. We can never be 100 percent sure which product consumers will latch on to... ultimately, THEY dictate the market.

Today, there are a wide variety of choices for alternative fuel vehicles. In fact, there are more than 150 hybrids, clean diesels, electrics and flex-fuel cars on dealer lots... and consumers have more than 265 choices of fuel efficient models that get in excess of 30 mpg on the highway... AND even more are on the way. (source: Alliance of Automobile Manufacturers)

But no matter which type of advanced fuel cars stand the test of time... the bottom line is... automakers are willing to take the risk because these products are helping us meet our country's goals for cleaner air and energy independence.

The auto industry also makes massive efforts to improve the quality of lives in the communities we serve.

For instance... at Toyota Motor Sales... we've contributed more than 500-MILLION Dollars to U.S. charities over the past 20 years...and our associates provide over 100-THOUSAND hours of volunteer service to worthwhile causes, each year.

Additionally, we teamed with our Toyota and Lexus dealers last year to raise more than 10 million dollars for local charities through our dealer match program.

Our dealers decided where best to contribute in their local communities and we matched their funds to further leverage their good work.

Now... that's just from OUR company.

Every automaker and its dealers heavily contribute to communities all across this country. And... we do it because we have a higher purpose and a bolder vision. We want to share our time... our knowledge... and our financial resources to improve the quality of life for ALL Americans.

The third lesson we've learned is to lead from the front and set positive examples.

Lord Horatio Nelson... who is considered the greatest hero in British naval history... did just that. Throughout his illustrious career... he took the lead in many battles, losing an eye in a shore attack... and an arm in another battle.

In his most famous clash... the Battle of Trafalgar where he defeated Napoleon... he put his ship, the HMS Victory at the head of the naval fleet and stayed on deck commanding the battle. Although Nelson won the battle, he was mortally wounded. But his last words were, "Thank God, I have done my duty."

Now, I'm not saying that you need to lose an eye... or a limb... or give up your life to be a good leader... but, by leading from the front and setting the example... Lord Nelson gained the absolute loyalty of his troops.

Most auto dealers also have a strong commitment to their teams, customers and communities AND, get personally involved.

For Lexus dealers... leading by example has become part of their lives... and not just during business hours.

At one of our dealerships in Dublin, Ohio... when one of their customers was asked if there was anything else they could do for him... he jokingly said they could shovel the snow from his driveway.

Well, the dealership's owner, Rick Germain... grabbed his general sales manager and sales consultant... drove to the customer's house... and all three men cleared the driveway.

Of course... they freaked out the owner's wife... she had no idea who these guys were in her driveway. But... everything worked out... and they earned their customers' loyalty.

Then, there's former AIADA chairman Jim Hudson who... despite owning many dealerships, including two Lexus stores and one Toyota... still takes the time to PERSONALLY hold customer satisfaction training in one of his facilities... every single week.

When you lead by example... and demonstrate your commitment and passion... it also encourages your team to step up their game.

For instance... Claude Segard, a Lexus service manager in Grand Rapids, Michigan... got a frantic call from a customer that was stranded at the airport.

The customer had brought his car in for service and asked the team to deliver the car to the valet at the airport. The problem was... he gave the wrong date for his return.

And... since it was after midnight... all the airport services were closed. He couldn't even get a taxi. He was stuck. So, without hesitation... Claude got out of bed, picked up his customer and brought him to the Lexus store to get his car.

These stories only scratch the surface of what dealers from ALL automakers do for their customers.

Like Lord Nelson... by demonstrating our willingness to go above and beyond for our teams and our customers... we can earn their loyalty... their respect... and their business.

So what legacy will WE leave behind?

Only time will tell... but if we continue to follow our heart... and never give up... we WILL lead the auto industry to a better, stronger future... and help pull this country out of the trenches.

If we continue to have a boldness of vision... and be willing to take risks... we WILL improve society and the lives of consumers everywhere.

If we continue to lead from the front and set personal examples... we WILL inspire our teams and gain their admiration and respect.

And... if we continue to give our support to AIADA, we WILL bring in more members and build on our strong voice to improve the market for all international nameplates.

There have been many challenges in our business the last few years, but the auto industry has made huge strides. And, most dealers have stepped up their game to provide a great customer experience.

If we can do that in the bad times... just imagine what we can accomplish in the good times ahead.

I have no doubt...our future will bring even MORE improvements.

And, there is absolutely NO doubt in my mind... that... TOGETHER, with our love of cars... our boldness of vision... and our willingness to lead from the front... ladies and gentlemen... we ARE writing history and leaving a legacy that will endure the test of time.

Thank you and have a great 2012!

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