

CAR

CANADIAN AUTO REVIEW

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*The Magazine for
Car Dealers*

Carroll Shelby: Auto Entrepreneur



**Sell fewer cars?
Here's how!**

**The 'half-truth' about
employee training**

Sales Manager survey

John Cox:
Profile of the Jaguar, Rolls
and Saab dealer

Auto entrepreneur

About 25 years ago Carroll Shelby built the world's fastest sports car and parlayed its legend into a fortune. Today, at age 64, when most men are ready to retire, he's back at it again!

A lot of folks have dreams. Carroll Shelby had a *Plan*. The difference is mostly in the execution.

Shelby has been described as "hell bent for leather" almost from the day he was born in Leesburg, Texas, in 1923—one year before Walter P. Chrysler bought out Maxwell Chalmers, which then became the Chrysler Corporation in 1925.

He grew into the stereotypical tall, strapping Texan, married his high school sweetheart, joined the Army Air Corps as a mechanic, went through flight school, then engineering school, and spent the war years flying training missions for bombardiers and navigators as well as test-flying aircraft after maintenance.

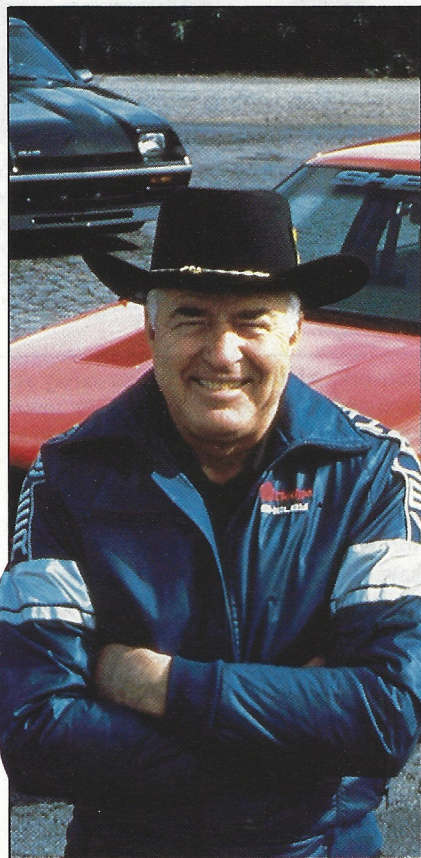
Returning home after the war, Shelby started a concrete delivery business, often driving the trucks himself. It was profitable, but not profitable enough. The then-booming oil business in Texas seemed a better field in which to seek fortune, so he sold out in 1947 and went to work as an oil-field roughneck, hoping to learn the business. About 18 months later, his fortune no closer to reality, he changed direction again and started up a chicken farm north of Dallas.

Shelby made \$5,000 on his first batch of chickens. His second batch died. Life became a frustrating, back-breaking struggle to keep his chickens alive and his family's heads above water.

During this difficult time, trying to have some fun and forget his troubles, Shelby began helping a friend who modified and raced English MG sports cars. And he soon caught the racing bug.

In May, 1951, he climbed aboard his friend's MG-TC at a Sports Car Club of America (SCCA) meet in Norman, Oklahoma, and drove his first closed-course race.

He won. More wins followed, and soon the 29-year-old Shelby's driving talents were becoming reknown throughout the Southwest.



Carroll Shelby's career spans from chicken farming and car racing to the development of his own car-building business.

One day Shelby showed up to race in his striped bib overalls . . . and actually *drove* in them. People laughed. Shelby won. A trademark was born.

"My chickens all had *limberneck*," he explains, "and I was going broke. I'd been vaccinatⁿ chickens and had chicken shit all over my overalls. But I was runnin' late, so I drove out to the track in them. It was hot, about 110 degrees, and I decided to leave the overalls on because I thought they'd be cooler to drive in. I won the race in them and everybody giggled and laughed, but they ran my picture in the

paper in those overalls. I decided, shoot, this is a pretty good deal, and I just kept on doing it."

The chicken farm soon went under, but Shelby had earned himself a new career as a paid race car driver. The next few years brought more and more wins, faster and faster cars, wider and wider fame. There was a record streak of 19 straight victories and two SCCA National Championships; *Sports Illustrated's* Sports Car Driver of the Year, 1956 and 1957; *The New York Times's* Sports Car Driver of the Year, 1958; big-time racing in Europe and South America; then the grandest sports car victory of all—the 24 Hours of LeMans in an Aston Martin in 1959.

Then one morning a pain developed in his chest. His doctor called it *angina pectoris*, brought on by over-exertion. "Lucky I didn't have a heart attack during a race," Shelby says now, "cause those Grand Prix in the '50s used to be three or four hundred miles long. You'd lose 15 pounds sweating."

This was not a man unaccustomed to courage or determination. Nor was he afraid of a little pain. In 1955 he had co-driven a Ferrari to second place in a Sebring, Florida, endurance race with one arm badly broken from an earlier crash. To support the heavy cast hand, he had taped it to the steering wheel.

In a 1956 event on the island of Nassau, he had raced the crazed Marquis de Portage in the dark *without headlights* for an hour. "We must have run into each other about 15 times," he says. "I should have known better. I should have pulled in. But I just wanted to beat him." And he did, averaging nearly 100 mph.

In September 1957, he had crashed badly at Riverside, California. The doctors had to repair his face with plastic surgery and fuse three discs in his back. Then he won the next major Riverside race in November.

But this heart business was different.

By Gary Witzenburg

The only way to beat it was to quit.

Still, Shelby drove the 1960 season with nitroglycerin pills under his tongue and won that year's USAC road racing championship. "Then," he reflects, "I said, 'Well, enough of this. I think I'd better quit and get on with my car.'"

That, you see, was The Plan.

Ever since Shelby had begun helping his friend with those little MGs back in his chicken farming days, he had nurtured the dream of someday building his own sports car. He had thoroughly enjoyed the driving career, he says now, but had seen it primarily as a means to that end. And one reason he had joined the high-pressure pro circuit in Europe, dangerous as it was ("They used to kill four or five Grand Prix drivers a year in those days."), was to learn what he could about the sports-car-building business.

"I had to drive to make a living," he says, "but I wanted to go to Europe to see how Ferrari worked, how Maserati worked, how Morgan, and how Aston Martin and Lotus worked." As early as 1955 he had nearly put together a deal to wed European sports car chassis to Chevrolet Corvette powertrains, but Chevy's top brass shot it down. The last thing the struggling Corvette needed back then, they had decided, was another strong competitor.

In 1957 Shelby had curtly turned down an offer to drive for Ferrari. He had won nearly every race he had run the previous year in a private Ferrari, so Enzo Ferrari himself had summoned him to a meeting in Modena, Italy. The factory Ferraris were practically dominant in those days, and most drivers would have killed for a chance to drive one. Some died for that chance. But the position offered was second-rank, the pay was a pittance, and Shelby had little use for the notorious way Ferrari mistreated his drivers.

"I'll blow your ass off someday," he had promised on his way out the door. Shelby had raced and won in most of that era's fastest sports cars, and he saw no reason why he couldn't build one that was even faster.

This dream became The Plan, he says, when "I decided it should be an American car and moved to California in 1959." That was where the "hot rod" business and much of the sports car culture was centered; and so, he figured, that was where he would find the parts he needed and the people with the necessary knowledge, skills and experience to help him get it done.

Newly retired from driving after the 1960 season, however, Shelby's first priority was earning a living. He had been



The Shelby Lancer, new for 1987, features Chrysler's hot Turbo II 2.2-litre 4-cylinder engine. The intercooled turbo version produces a very respectable 175 horsepower. Its mission? To out-run and out-handle the high-priced Euro sports sedans at a fraction of their cost. The limited production of this vehicle, selling for more than \$16,000 U.S., has precluded its entry into Canada thus far.

the first top-ranked driver to switch to Goodyear tires at a time when Firestone ruled the roost, so Goodyear had awarded him its fledgling racing tire distributorship for the western states. "Not a big business," he grins, "but a nice business."

He also dabbled in mail-order speed equipment before founding the country's first high-performance driving school. And he signed on as a consulting editor for *Sports Car Graphic* magazine.

Through one of his journalist friends, *Hot Rod* magazine's Ray Brock, he had learned of a new small V-8 engine under development at Ford. Then, in the fall of 1961, over lunch with a group of writers that included another friend, *Sports Car Graphic* editor John Cristy, he heard that a small British sports-car maker called AC was losing its supply of 6-cylinder Bristol engines . . . and that Ford was soon to increase production of a larger and more powerful version of that small-block V-8. The light bulb between Shelby's ears suddenly glowed. A week later he was in Detroit, on his way to England.

Space doesn't permit a complete recounting of how he fitted the Ford V-8 to a beefed-up version of the lovely AC sports car over the winter of 1961-62 and christened the hybrid "Cobra," a name that had come to him in a dream. Suffice it to say that he charmed his way into both organizations, convincing AC he

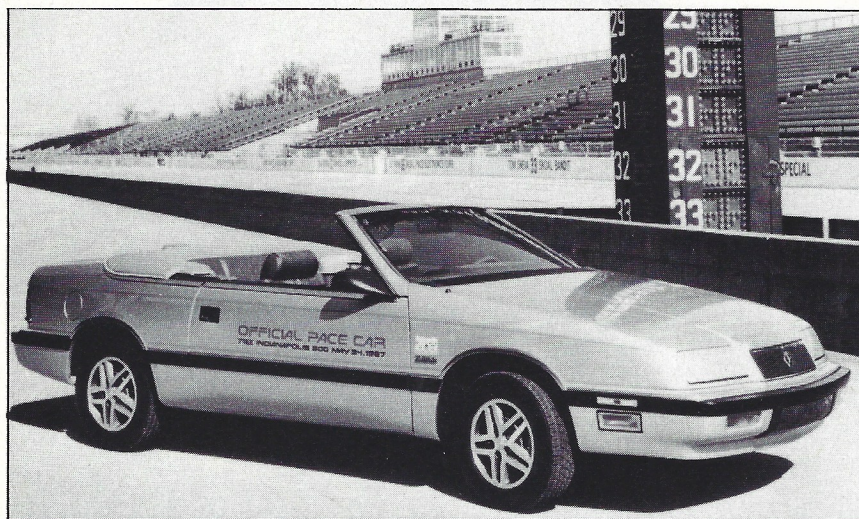
had access to the engines while simultaneously allowing Ford to believe he already had a deal for the cars. In the process, if either side somehow got the idea that he was one of those eccentric Texas millionaires they had heard about, well . . . why tell them otherwise?

But soon Shelby needed some serious money to move the car from prototype to production. Lee Iacocca, then vice-president and general manager of Ford Motor Company's Ford Division, was the man who could open the purse strings for him.

Advanced planning engineer Don Frey, Shelby's strongest supporter at Ford, arranged a meeting. And when the tall Texan strode confidently into the vice-president's office in his black cowboy hat and boots, looked him square in the eye and asked for \$25,000 to build a car to blow off Chevy's Corvette, Iacocca got the message. "Give this guy \$25,000," he told Frey, "before he bites somebody."

The initial agreement was that Ford would supply both engines and development dollars in exchange for a "Powered by Ford" badge on each front flank of the car.

Shelby's fast and beautiful Cobra was a hit with the auto press from the first test drives of the very first prototype (which Shelby kept painting different colors to give the impression that there were several cars) in 1962. The small-block Ford engine soon grew from 260 to 289 cubic



This is Chrysler's Official Pace Car for the 1987 Indianapolis 500-Mile Race next month. Given the prestigious opportunity to drive this year's Pace Car is Carroll Shelby. Ace pilot Chuck Yeager was last year's driver of the Corvette Convertible Pace Car.

inches, then was replaced in mid-'64 by a brutally powerful 427 cubic-inch V-8 in an upgraded and much burlier version of the car.

The average 427 Cobra in its day could accelerate from rest to 100 mph in less than nine seconds, then brake to a stop in another five. Even by 1960s musclecar standards, that was awesome performance. Only 1,010 Cobras (of which the last 356 were 427s) were built before production ceased in 1967. Today, 20 years later, good examples of these legendary sports cars can easily bring six figures.

Two years after the Cobra's creation, Iacocca had asked Shelby to make a serious sports car out of Ford's pretty but tame new Mustang coupe. The result was another venture and another legend, the Shelby Mustang GT-350. Like the Co-

bras, these were raced almost from the day they went on sale in January 1965, and both Shelby models regularly thrashed Chevy's Corvettes in their respective SCCA racing classes.

His Ford-backed Cobra team also very nearly beat Ferrari for the coveted World Manufacturers Championship in 1964, then came back and did it the following year. Shelby's Cobras remain the only American-conceived cars ever to have won that prestigious title.

The next two seasons saw Shelby-managed Ford prototype racers rub Ferrari's nose in defeat at the LeMans 24-Hours (twice) and elsewhere while his Mustangs humbled their competition in the new Trans Am "sedan" championship racing series back home.

He backed out of his car-building business in the fall of 1967, however, when

the Cobra line closed down and Shelby Mustang production was moved to Michigan.

"Chrysler offered me a deal in '68," he recalls, "but I never took it. Except for Iacocca [still at Ford], I would have. Then Toyota [for whom he had once fielded a short-lived racing effort] offered me their Gulf States distributorship. But Iacocca said, 'No, we're going to push the Japanese back into the ocean. You shouldn't take it.' That distributorship is now making a profit of about \$50 million a year!"

"But when I walked into [then Ford Division vice-president and general manager] John Naughton's office in 1969 and told him I wanted out completely, I did it for one reason. I said, 'John, I don't want to build cars any more and I don't want my name associated with it, because with emissions and safety regulations you can't build performance cars. They're going to go away in this country.' And sure enough, they did, for ten years."

Shelby spent that ten years concentrating on other businesses and investments: aluminum wheels (Carroll Shelby Wheels is now a major manufacturer of original equipment and aftermarket aluminum wheels), real estate, airplanes and chili.

Chili?

"A partner and I had a ranch down by the Mexican border in West Texas, a couple hundred thousand acres, and we couldn't sell it. I called a friend named Tom Tierney, who's an ex-Ford PR man and quite a promoter. 'Tom,' I said, 'I've got this ol' ranch that's 200,000 acres of rocks. How are we going to sell it?' Tom called back in a couple weeks. 'We're

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Shelby on management

One of the most refreshing things about Carroll Shelby, and probably one of the keys to his great success, is his management style. It pretty well boils down to "People, Product and PR," although he prefers to think of the latter as "media relations." For example:

"My philosophy is to establish policy and general principles and then let people run their own departments. I feel that my time is best spent on policy and on doing my homework on what kind of product we should be building two or three years down the road, rather than tellin' some guy who's been an engineer for 30 years how to engineer or a guy who's been countin' beans for 30 years how to count his beans.

"I'm interested in product. And I'm

interested in the welfare of the people who run the company. I'm interested in seeing that they have every opportunity to do their jobs without a lot of interference. If you hire the wrong guy, you can get rid of him and get another one. But if you try to tell a real professional how to do his job, he's entitled to tell you to kiss his ass and leave and go find a good boss."

On people: "You have to pick the right ones to begin with, then you have to motivate them. You have to let them make money; but, above all, you have to let them run their own railroads, make their own decisions and feel their self-importance. And I don't tie them up in meetings all day like too many companies do."

On product: "The most important

thing is for the making of money to become secondary. The product has to come first, then the profits will follow. I have the last say on what the product is going to be."

On public relations: "I feel the same way about public relations. The press has a job to do, and that is to write something about you or your company or your product. You may as well cooperate and make it easy for them, and then maybe they'll write something nice. A lot of people look for an adversarial relationship with the media, but that's stupid."

Finally, the bottom line on entrepreneurship itself: "My philosophy is that if a business isn't making any money or if it isn't any fun, close it up or sell it." □

give the customer the benefit of your professional skills and knowledge. Let him sell himself on your new vehicle. We are only order takers, right?

Secret Technique # 4: Remember this, customers don't go on a test drive to find out what they like in their next car. They go to find out what they *don't* like! They are trying to prevent making a mistake.

In the seventies you could sell successfully without a demo drive because the cars were familiar with comparatively few changes year to year. A Chev was a Chev. Not so today, is it? The vehicles are different in their technology, powertrain, size, standard equipment and handling characteristics. You should drive first off the lot, then let your customer drive. A powerful first impression of the performance and advantages of your vehicle is critical to successful selling.

As you drive, explain the benefits of the optional and standard equipment and ask the customer's feeling about them. Ask and find out their opinions, good and bad. Then, let the customer drive and experience for himself the feeling of owning a new car. His genuine interest will quickly become evident as he asks questions and makes comments. These will become the "hot" buttons, the closing tools you'll need to help a customer to make a decision to buy . . . *today!*

5. Get Trade-In Appraisal First

The technique of setting the trade ap-

praisal before you write the order is one surefire way to prevent more sales. It is particularly important to focus on a potential negative before you know if they would be willing to buy the new vehicle in the first place. Always go with the manager during the appraisal and leave your customer to unsell himself on making an offer to purchase today anyway.

After the appraisal, it's particularly important to use it to justify to the customer why you can't do business today and give him what he wants for his trade. That way you have a natural way to make fewer sales and you can always blame the manager for lousy appraisals.

Secret Technique # 5: Don't let a piece of paper prevent you from making more sales. Avoid the appraisal until *after* the demo drive and the customer has agreed that he would buy if the trade-in value is acceptable. In other words, get the mental commitment on the new vehicle before you discuss the trade value.

At the end of the demo drive, successful salespeople often say, *"If everything was to your satisfaction on the trade value, and I believe it will be, would this be the car you would want to own?"* If the answer is positive, then proceed to the offer stage with this closing statement: *"Well, Mr. Customer, it will be easier than you think to get a good trade value today. It will only take a minute to see it in black and white."* Shake hands and take an offer to your manager.

Professionalism is a status or position of acquired competence and proven ability. However, it is a much misused word today, often confused by simply meaning full-time employment in the car sales business. Professional competence doesn't carry a life-time guarantee. We have to maintain our skills and knowledge in this changing automobile business.

Every sales manager is a sales trainer in his sales meetings and on the sales floor. He can choose to train techniques of the sixties and seventies or upgrade to the eighties and nineties. The true professional salesperson today wants and needs value-based selling techniques.

Integrity-based sales skills will only take 15 or 20 minutes during a regular sales meeting to noticeably impact on attitudes and abilities. Mr. Manager, the results are measureable every day in increased profits and sales, and—most importantly—customer satisfaction. □

Dave Kemp is among North America's foremost sales trainers. He is an author, speaker and consultant to Canadian automobile dealers, and is president of Kemp-corp., Sales Dynamics Inc., Carleton Place, Ont. Much of the information in this article was excerpted from Dave Kemp's newest book, "Just Looking," to be published soon. Kemp will be one of the featured guest speakers at the upcoming Fraud Seminar sponsored by Canadian Auto Review magazine.

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going to have the world's championship chili cook-off,' he said.

"So we had the first one. Tom got the press interested and it became an annual event. A couple years later we sold the ranch. But I had been giving this chili away. For five years we gave it away, until one day my accountant said, 'Your five years are up. You'd better either go into business or forget this chili crap because you gave away \$35,000 worth of it last year.' So with that I found me a food broker and went into business in California. Then it spread to all 50 states, and just a few months ago it was bought by Kraft. That was a nice deal."

It was late 1979 when Lee Iacocca—who had risen to the Ford presidency only to be canned by Henry Ford II, then resurfaced as chairman of a very sick Chrysler Corporation—first called Shelby and proposed doing some sort of performance program with him again. "along about that time," Shelby remem-

bers, "I went to Ford and said, 'Performance is coming back. What are you going to do?' What they did was hire Jackie Stewart. That kinda pissed me off, because I'd been loyal to them all through the '70s and hadn't gotten anything at all out of it.

"I was havin' fun down in East Texas, had my motorcycles [rhymes with icicles] and my Cobras and stuff down there, and I was playin' golf and had enough businesses that I was gettin' along just fine. But I thought, shoot, there's still some things I want to do. I don't wanna just hang around. Guess I'll go show 'em I can do something somewhere else."

It took Iacocca some time to get the ailing Chrysler Corporation turned around and pointed in a profitable direction. But as soon as he had, one of the first items on his priority list was an agreement with Shelby to develop performance parts and some hotter, higher-image versions of certain Dodge-brand cars. That partnership was announced in September

1982, and out of it came the Chrysler-Shelby Development Center in Sante Fe Springs, California, which is currently working on advanced suspension development, multi-valve cylinder heads for future engines, high-performance four-wheel drive and other engineering projects.

The first Shelby-signature Chrysler product was the '83 Dodge Shelby charger, and today's turbocharged version of that same car remains popular as an affordable, high-performance choice for young buyers. There's also a hot Shelby Z model of the larger and more sophisticated Dodge Daytona sports coupe for '87, which is marketed under the Chrysler nameplate in Canada.

Far more significant, though, is the tall Texan's return to the car-building business. On March 1, 1986, his small but

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efficient Shelby Automobiles, Inc. plant in Whittier, California, began turning out a 175-horsepower turbocharged small sedan based on the already-fast Dodge Omni GLH ("Goes Like Hell"). He named it "Shelby GLH-S" (for, he says, "Goes Like Hell, Somemore") and offered it through specially selected Dodge/Shelby dealers. The total 500-unit build was snapped up immediately by eager enthusiasts.

A 1000-unit run of Shelby *Charger* GLH-Ss was followed this February by the smoother, classier and far more sophisticated Shelby Lancer sports sedan (not currently available to Canadian Chrysler dealers). Powered by a 175-hp intercooled version of Chrysler's 2.2-liter 4-cylinder turbo engine, its mission is to out-run and out-handle high-priced European sports sedans at a fraction of their cost.

For \$16,995 U.S.—complete with 4-wheel disc brakes, newly-developed Monroe Formula GP struts and shock absorbers, re-tuned and balanced suspension, Goodyear "Gator back" tires on special Shelby wheels, power windows, door-locks, mirrors and driver's seat, and the industry's first standard compact disc (CD) player/tuner—the Shelby Lancer should be able to do that fairly handily.

"I want to build two or three or four different model cars a year," Shelby explains. "I want to take what is built by Chrysler and change it around for my customers . . . more power, stiffer suspension, wider tires, bigger brakes and more aggressive aesthetics. We will probably engineer everything we change or put on, except body panels, and we'll run our own emissions testing and development.

"But we could never afford to design a whole automobile. We'll never have the volume to do that. I wouldn't want to,



Gary Witzenburg is a contributing editor from California. With experience as a race car driver and former GM engineer, he also is president of the consumer-oriented Car Consultants company.

because then we'd have to sell cars for \$50,000 or \$60,000 like Porsche and Ferrari."

Shelby makes it clear that Shelby Automobiles, Inc. is a separate entity with no financial ties to Chrysler. "Chrysler doesn't own this company," he emphasizes. "We merely use Chrysler products and Chrysler works with us because of the image rub-off from having us use their products. We walk our own way and do our own thing, but in a different segment of the market. Still, I could never do the things I'm trying to do without an excellent relationship with Chrysler."

As Shelby's car-building operation grows, about half of his carefully-chosen employees are coming directly from Chrysler—amazingly, with Chrysler's cooperation.

"I'm hiring people with experience in the industry. They've had a lot of expensive training, and they have a lot to contribute. They come out to a little company like this and they get to do things. It's hands-on. They find it exciting to be able to walk into the owner's office and sit down and discuss product. They couldn't do that very often with Iacocca. Here, they get their ideas listened to."

Is there a new Plan? Yes.

It is, Shelby says, "to put some good people together and then look real hard at building another sports car. I'm looking at whether it's feasible. If it is, we just might do it. And it just might be another world-beater."

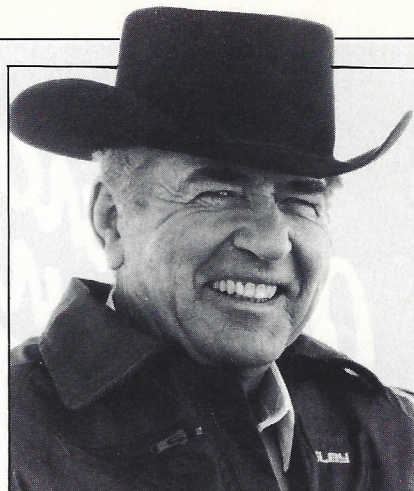
Shelby turns 65 next January. Will he retire?

"I would never be happy retired. I've got to have my nose into something. To me, my work is not work. I'm not in it to make money, although I know for a company to be successful it does have to show a profit. And I'm not in it to prove anything to the world. I just look forward to getting up every morning and doing what I do.

"I think the only thing I really want to do now," he adds somewhat wistfully, "is to have this little car company.

"I've sold a bunch of my businesses lately, very successful businesses, because I don't want the time taken away from the things I want to do . . . which, in order, are: spend some time with my grandchildren, spend some time on my island in Mexico and my farms in East Texas, and build my automobiles."

EDITOR'S NOTE: Shelby-signature products sold here in Canada by Chrysler/Dodge dealers include the Shelby Turbo Charger (\$12,764) and the hotter Chrysler Daytona Shelby Z (\$15,409), which features the 175-hp, intercooled Turbo II engine.



Carroll Shelby

Despite his heart condition, Carroll Shelby hasn't really slowed down *that* much. Two years ago, at the annual Chrysler long-lead press preview at its test track facility in Chelsea, Michigan, I had an invitation from Shelby at 8:00 in the morning—right after a fairly hefty breakfast—to take a ride with him in a Dodge Omni GLH. When we hit the top of several steep crests on the nine-mile test track, the car rose *feet*, not inches, off the pavement. Thank God for seat belts and a strong stomach!

Shelby will also do a bit of driving with more than 23,000 horsepower at his heels as he leads the parade and pace laps for the 1987 Indianapolis 500-Mile Race this May. He'll be driving a Chrysler LeBaron convertible, the official 1987 Pace Car for the annual Hoosier race classic. □

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