



# **Mopar overview**

**Pietro Gorlier**

Chrysler Group LLC 2010-14 Business Plan

November 4, 2009

# 72 years of Mopar history





## What Mopar stands for today

- **Pure performance image:** quality, speed, power & passion
- **Accessories leadership** links enthusiast world with regular parts
- **After-sales specialists** recognize value of Mopar as a brand



## The opportunity



- Vehicle owners primarily seek **Original Equipment Parts**
- **Service specialists** are key decision makers in parts-buying process; they seek quality of service, parts, tools and support
- **Quality of service** is a key driver in customer retention for both parts and vehicles

**To add value for Chrysler, Jeep, Dodge and Ram brands, Mopar must expand its historical strengths as a brand and as a parts provider into areas of service and service excellence**



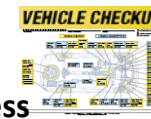
Parts



Tools



MOPAR



Process



Service



Expansion of brand will be driven by **radical improvements in all areas**

**Sales &  
Marketing**

**Service**

**Parts logistics**

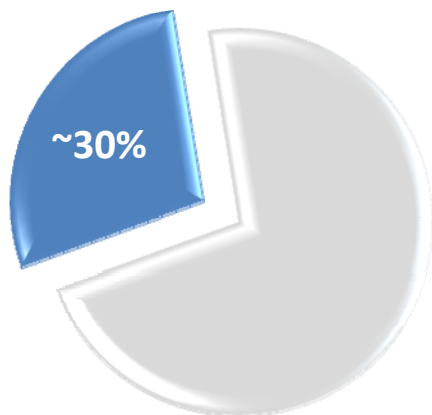
**Benchmarking**

- Continuous and obsessive benchmarking against best-in-class competitors to drive change, preserve vehicle brand positioning and Mopar business
  - **OEMs**, because quality of service and parts delivery is a key factor in buying decisions
  - **Aftermarket specialists**, real competitors for OEMs and dealers
- Leveraging all **Fiat Group best practices** to accelerate change

## Mopar sales share of market



### Mopar market share



Sources: 2009 AAIA Fact Book (excludes tires), and 2009 NASPC data book

#### Parts market share benchmark

Industry average	25 - 35%
Best-in-class	>40%

Source: 2008 Carlisle, RL Polk and Chrysler data (include warranty)



- **Parts demand** is expected to **stabilize in 2010** and **start rebounding in 2012** as vehicle volume and age improves
- Target **volume growth** based on market share gains

## Launching initiatives to drive revenue and market share



- **Customer Retention**
  - **First year loyalty** programs
  - Expanding availability and content of **service contracts**
- **Product portfolio management**
  - Shorten **time-to-market** for **accessory** and **remanufactured parts** and **expand portfolio**
  - Market driven “**smart pricing**” program
- **Channel**
  - **Wholesale** retailers
  - **Independent** repairers
  - **Collision** parts price match program
- **Network capacity**
  - Number of **technicians & service advisors**
  - **Weekends & extended hours**
  - “**Express lane**” development





## “Moparized” vehicles – Support vehicle lifecycle



### Leveraging accessories

- Designed during vehicle development
- Engineered to guarantee easy installation
- Full availability at vehicle launch
- Packages that answer specific customer needs

## Introducing Mopar eStore...

**Authentic Mopar parts and accessories at your fingertips  
and delivered right to your door via Mopar.com**

35%+ of internet users shop on-line for auto parts or accessories

Source: Google

Want it.



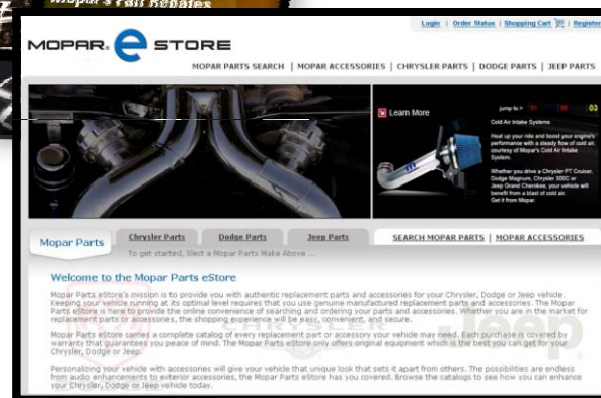
Find it.



Own it.



Buy it.





## Service quality and capacity increase



### Initiatives to drive change

#### Service quality

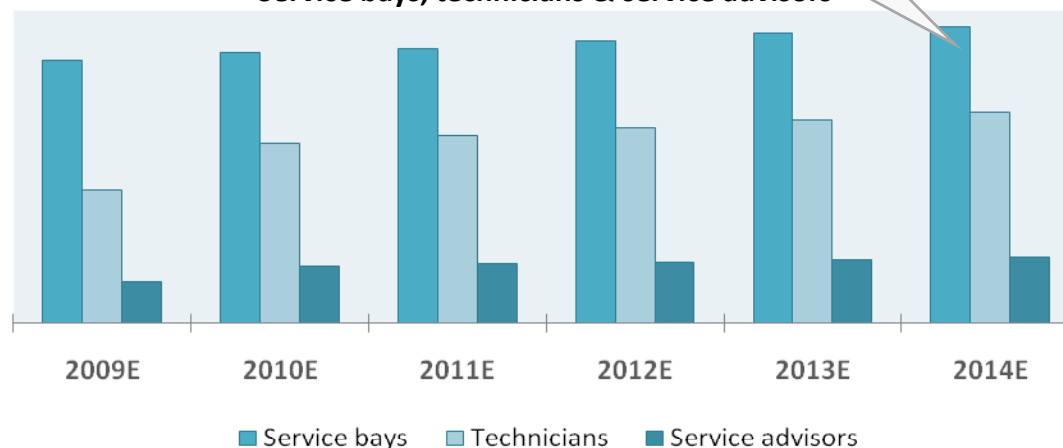
- Enforce **dealership standards**
- Increase **qualified technicians** through dedicated training to improve quality and time of repairs
- Leverage quality of **service tools**
- Increase company **technical advisors** to better support dealer network

#### Service capacity

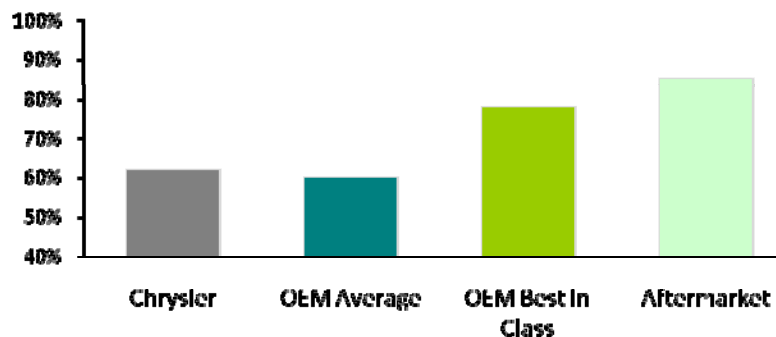
- Increase **number of technicians, service bays and service advisors**
- **Extended hours & weekend openings**
- Expand **express service concept**

+ 4,500 Service bays  
+ 10,000 Technicians  
+ 3,200 Service advisors

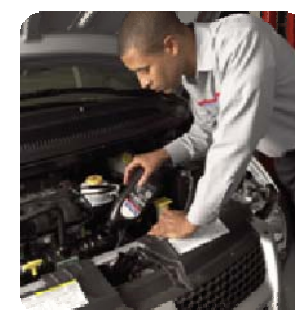
Service bays, technicians & service advisors



Saturday service hours competitive comparison



Source: IMR, Service Policy Monitor

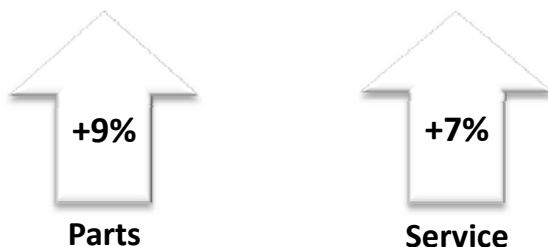


## Dealer network after-sales business improving and gaining relevance



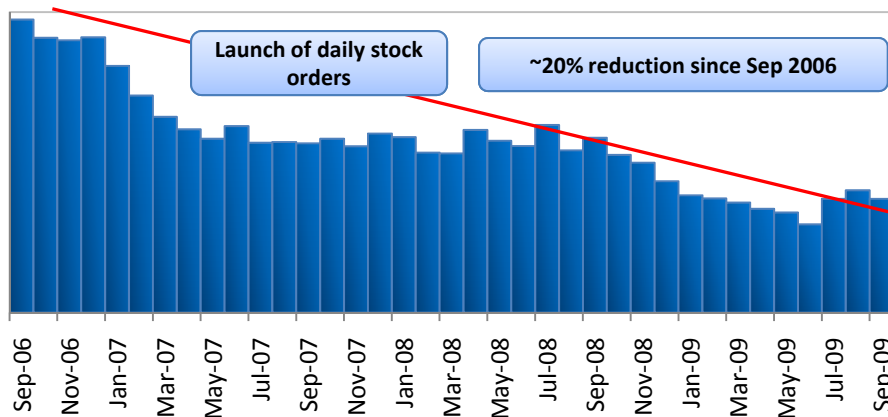
### Dealer parts & service net profit change

Aug 2009 YTD (vs. Aug 2008 YTD)



**After-sales contribution to dealer results:  
from 44% in '05 to 54% in '09**

### Average dealer parts inventory trend (Adjusted for pricing)



- Increasing **after-sales contribution to dealer profit**
- **Network consolidation** improves dealer sustainability, but requires investment to **exploit potential** and to **improve quality**
- **Daily stock deliveries and automatic replenishment reduces inventory**
- **Lower inventory investment provides opportunity to invest in service initiatives**



## Leveraging state-of-the-art service tools



### wiTECH diagnostic system

- Supports diagnosis and software updates through direct communication with vehicle computer
- **Improves dealer efficiency, productivity & profitability**



### New wiring diagram application

- **Industry's first dynamic wiring information system**
- Technician-driven design
- Vehicle-specific **on-demand information**



### Owners' manual DVD

- **Industry first** for this application
- **Quick easy access to vehicle features** along with instructional videos
- Environmentally friendly, reduced annual paper usage
  - **Saves 930 tons of paper or 20,000 trees**



## North American parts distribution network



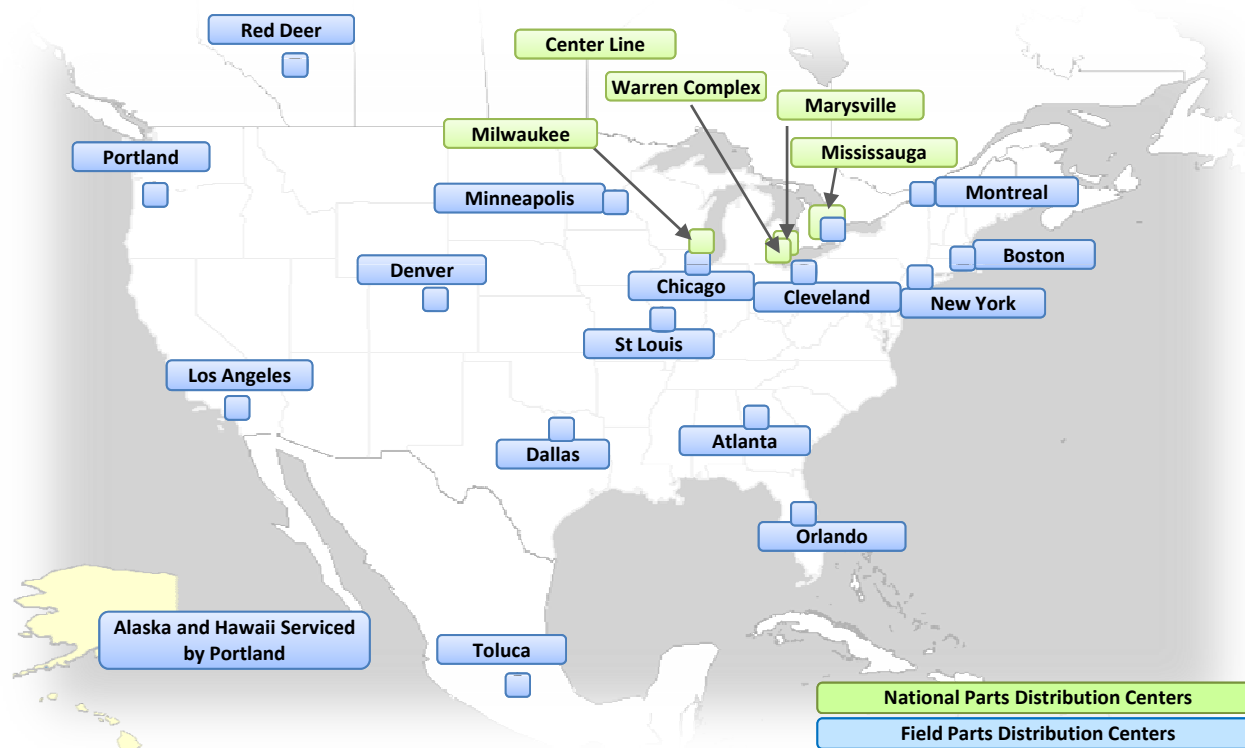
### 2009-10 network optimization

- **20 facilities**
  - 5 National PDCs
  - 15 Field PDCs
- **Space: 9.0 million sq ft**
- **175,000+ order lines daily**
- **3,000+ shipping addresses**
- **Dealer delivery times**
  - 70% before 7:00 AM
  - 90% before 10:00 AM

- Parts distribution centers footprint & routes reviewed and optimized
- Delivery schedule improved for 10% of dealers
- Parts availability restored (in October at 96%) now targeting best practices

#### Savings

- **4.7M miles (13%)**
- **720k gallons of fuel**



RoW parts distribution transitions to Fiat Group from 2010 (25,000+ order lines daily)



- Parts distribution logistics is a **key factor** for **competitiveness** and represents **leverage to grow business** and to increase **customer satisfaction**
- From June 2009, a **wave of actions** were launched to improve performance
- To structurally raise efficiency and effectiveness of system we will leverage **Fiat Group World Class Logistics** model





## Conclusions and milestones – Building our future



2009



### Focus on the basics

- Launch short-term actions to start growing
- Restore parts availability
- Review supply chain cost and kick off World-Class Logistics (WCL)

2010



### Target benchmarks

- Structural actions to **reposition the brand** and to increase sales and profit
- Enforce **dealer standards** & increase **technical support**
- **Mopar parts availability** at industry benchmark and **WCL** roll out

2012



### Best-in-class

- **Dealer standards fully enforced**
- **Best-in-class dealer parts availability**
- **WCL implemented in all depots**

Revamp Service & Parts  
Business

Service matching  
customer expectations

Mopar perceived as  
added value to the  
brands

Our ambition...



**“Buying Chrysler, Jeep, Dodge  
or Ram vehicles, you also get  
Mopar service and parts”**



**CHRYSLER**

# Customer Care

**Pietro Gorlier**

Chrysler Group LLC 2010-14 Business Plan

November 4, 2009

**DODGE**

**Jeep**

**CHRYSLER**



- **Quality of customer care drivers**

- **Brand – Customer interface**

- Product experience
    - Customer Care Centers

- **Dealer – Customer interface**

- Sales experience
    - Service experience
    - Parts & accessory experience

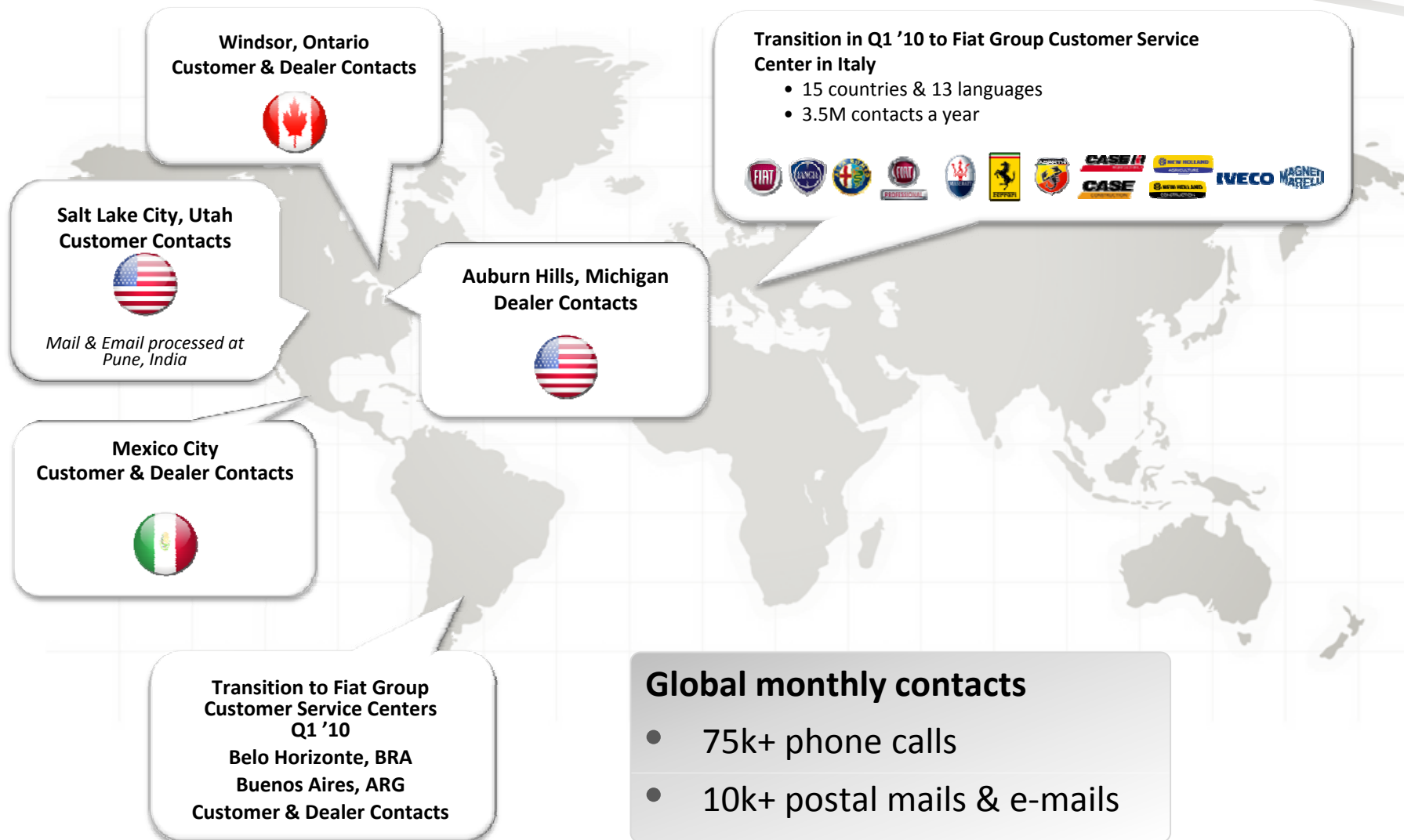
- **Excellence can be achieved when all are exceeding customer expectations**

- **Rigorous KPI process is required to drive success**

**Customer Care  
improvement plan  
combines actions  
along all processes  
between customer  
and brand**



## A global customer care network





## Launching best practice customer care initiatives



### Proactive customer contact

- **Monitor service events** on a daily basis throughout our network to identify potential customer issues
- **Proactively reach out to customers** to improve service quality
- **Follow up with customers** to ensure their satisfaction



Pilot program started Q3 '09

Roll out Q1 '10



### Closed loop

- **Track resolution** in every step of customer handling process to guarantee a successful outcome for customer
- **Monitor process KPI** to drive permanent improvement
- **Survey customer feedback** to identify corrective actions



Process & organization alignment in progress

Roll out Q1 '10



Timing to launch these initiatives has been shortened leveraging Fiat Group processes

A dedicated US toll-free number for each brand



CONNECT CHRYSLER

800-CHRYSLER

800-247-9753

i am. **Jeep**®

1-877-IAM-JEEP  
1-877-426-5337

4A **DODGE** 

800 4 2 3 6 3 4 3

The RAM logo, featuring a stylized truck grille with the text "RAM" in the center. The toll-free number 877-726-5720 is displayed in large, bold, red and white letters.

877 **RAM** 5720  
877 726 5720

Our daily mission...



**Turning the  
company  
towards the  
customer**