

Automotive News

Auto veteran will replace Asbury's Gilman

Donna Harris | February 19, 2007

Kenneth Gilman's departure as CEO of Asbury Automotive Group Inc. completes a transition of leadership at the biggest public dealership groups from financial experts to "car guys," a top analyst says.

Gilman, 60, said last week he plans to retire May 4 as head of the sixth-largest U.S. dealership group. His successor is Asbury COO Charles Oglesby, also 60 and a 30-year veteran of auto retailing.

Sheldon Sandler, managing partner of Bel Air Partners, says Asbury is joining AutoNation Inc., UnitedAuto Group Inc., Sonic Automotive Inc. and Group 1 Automotive Inc. in naming leaders with automotive backgrounds to replace top executives with accounting and finance backgrounds.

Changing guards

"Car guys" have succeeded financial experts at the top of the largest public dealership groups.

- **Asbury Automotive:** Charles Oglesby replaces Kenneth Gilman as CEO in 2007.
- **Group 1 Automotive:** Earl Hesterberg replaced B.B. Hollingsworth Jr. as CEO in 2005.
- **Sonic Automotive:** Jeffrey Rachor replaced Theodore Wright as president in 2004.
- **AutoNation:** Mike Jackson replaced H. Wayne Huizenga as CEO in 1999.
- **UnitedAuto Group:** Roger Penske replaced Marshall Cogan as CEO in 1999.
- At **Lithia Motors**, founding CEO Sid DeBoer has a long history in the auto industry.



Gilman: Wants family time

Fine-tuning operations

That trend suggests that the public retailers have become mature companies that seek to fine-tune their operations, says Sandler, whose investment firm in Skillman, N.J., works with dealers.

Oglesby joined Asbury in 2002 as a regional executive. He began his career as an Oldsmobile salesman and has held a succession of dealership management jobs.

In an interview last month with *Automotive News*, Oglesby said he became an auto retailer "because I love cars and I love people."

"When anybody asks me what I do, I still say I'm a car salesman. It's in my blood."



Oglesby: Selling cars in his blood

'Exceptionally fine job'

Michael Durham, Asbury's nonexecutive chairman, said in a statement last week that Oglesby "significantly improved the performance of our Arkansas and Atlanta operations and has done an exceptionally fine job as our chief operating officer over the last six months."

Durham said Gilman created "a very successful public company out of an assemblage of car dealership groups."

Gilman told *Automotive News* late last week that he has "done everything I set out to do" at Asbury. He says his retirement "is directionally right for the company, and it's absolutely right for me personally. I have young children, and I want to spend time with them."

Analysts say Gilman's departure appears amicable. Paul Swinand, an analyst with Stephens Inc. in Chicago, says Gilman's retirement had been in the works.

"It was apparent that Charles was being groomed to replace Ken," Swinand says. "If Charles were just being promoted, someone would fill his shoes. But no one is replacing him. He was just hanging out waiting for Ken to leave."

Gilman had plenty of detractors when he joined Asbury in 2001. Trained as an accountant, he had a 25-year career at The Limited Inc., a fashion retailer, where he rose to vice chairman.

Gilman's direct manner initially irked some investors, Swinand says. Dealers at Asbury stores criticized his lack of auto experience. But his expertise in finance and retailing eventually won over many of his critics.

'Retail model'

"Ken's retail background was a great positive," says Asbury board member Charlie Tomm, who heads the company's Florida region. "Ken had a lot to do with helping the analysts understand that car dealerships are really a retail model as opposed to a manufacturing model. New cars are just one part of the business."

Gilman took Asbury public and streamlined its operations. In a January interview, he noted that the company's stock price rose 45 percent last year. Asbury stock traded at nearly \$26 a share last week.

Asbury, of New York, ranks No. 6 on the *Automotive News* list of the nation's 100 largest dealership groups. The company reported \$5.75 billion in revenues in 2006, along with retail sales of 104,066 new and 62,987 used vehicles.

Asbury operates 87 U.S. dealerships.