

Automotive News

DEALERSHIP BUY/SELL

Gerosa surfaces; he's on the prowl for dealerships

Lillie Guyer | October 8, 2007

When Pete Gerosa retired last year, the longtime General Motors sales executive vowed that he was done with 7 a.m. meetings forever. But he never planned to stop working.

And he hasn't. These days, Gerosa, 65, is director of acquisitions-market strategy for Serra Automotive Inc. in Grand Blanc, Mich. Serra is Michigan's largest privately owned dealership group with \$161.7 million in new-vehicle sales in 2006.

Gerosa joined the multi-line dealership group in September 2006, three days after wrapping up 42 years at GM.

Until March of 2006, he was GM vice president for North American field sales, service and parts. One of Gerosa's last responsibilities was trying to right-size the dealer network. He joined GM in 1964 and moved 17 times, transferring among various brand zone offices.

Three months before his retirement, Gerosa got a call from Joe Serra, who runs the dealership group. After mulling his options for several weeks, Gerosa decided to go to work for Serra.



zoom

Serra Automotive's Pete Gerosa says he likes his new job because he's "still doing business with dealers."

No soup

How does Gerosa like his new life?

"I love it," he says. "There are not nearly as many meetings. Only five people run the company so it's quicker and faster moving — and you don't waste time on bureaucracy."

Gerosa adds: "And I'm still doing business with dealers, which is what I did all my life at GM. At least I didn't have to learn the soup business or anything."

Gerosa has been busy in his new position. In May, Serra Automotive acquired Gold Coast Cadillac and Gold Coast Hummer, which are in the same building in Oakhurst, N.J.

Gold Coast Cadillac is the country's largest-volume Cadillac store with sales of about 2,500 new and used retail units annually. Gold Coast Hummer is one of the country's top five Hummer franchises with sales of about 800 new and used units a year.

Serra bought the New Jersey stores from the Fletcher brothers — Jack, Ed, Bob and Tom.



In May, Serra Automotive added Hummer and Cadillac points in New Jersey.

Focus on GM

Gerosa says Serra Automotive is interested in all franchises as it seeks to expand.

"We are looking for all of them, mostly GM (brands), Honda, BMW, Mercedes, Lexus," he says. "We are always looking for more Toyota. But we are not uninterested in anything."

Still, Gerosa spends most of his time focusing on buying dealerships with the franchises he knows best.

"My role is to find GM brands, which we are actively doing," he says. "Joe focuses on non-GM brands."

In addition to the new Gold Coast facility, Serra Automotive has 21 dealerships in six states. They sell Buick, GMC, Pontiac, Chevrolet, Cadillac, Saturn, Honda, Nissan, Hummer, BMW, Chrysler, Jeep, Mercedes, Porsche, Hyundai, Volkswagen and Toyota brands. Seven of them are Chevrolet stores.

All together, Serra Automotive has 1,110 employees.

Joe Serra is dealer-operator at Serra Auto Plaza, the original Grand Blanc store begun by his father, Al Serra, in 1973. That store has 265 employees and sells Chevrolet, Buick, GMC, Hummer and Honda.

At Gold Coast Cadillac and Hummer, Joe Serra says he knows to leave well enough alone.

"We retained all 83 employees at the Gold Coast stores," Serra says. "All I wanted to do was keep it going because they were doing so well sales-wise. But we need to bring the Hummer store up to date, add the Hummer image to it."

He is making cosmetic fixes to Gold Coast Cadillac, while the Hummer operation will get major upgrades this fall. The renovations include separating the Hummer and Cadillac showrooms.

Says Gerosa: "Joe uses a hands-off, decentralized management style" leaving general managers or dealer partners with equity holdings in charge of daily operations.

Serra says he believes in letting well-trained managers do their thing.

"It's critical that they think these are their stores and I remain hands-off," he says. "It's a high risk business and they need to buy in."