To qualify for the 2014 President’s Award, your dealership must achieve all the following criteria:

• **Profitability** – Dealership must be profitable as of the November 2014 financial statement.

• **Sales** – Dealership must achieve one of the following sales criteria:
  - **Criterion 1** – Achieve a minimum of 100 percent of the dealership’s new-vehicle sales (NVS) objective or sales objective indexed to the zone as of January 2, 2015, and achieve a YTD retail sales effectiveness (RSE) that is average or above average (zero or positive deviation from average) as of October 31, 2014.
  - **Criterion 2** – Achieve a YTD retail sales effectiveness (RSE) of 30 or higher as of October 31, 2014.

Sales objectives, including annual and periodic objectives for challenges, contests, and awards, may be based on a Honda dealership’s prior sales history or other factors independent of the opportunity available in the Honda dealership’s resident ASA. Therefore, annual and periodic sales objectives may be set at levels less than or greater than the levels required for the Honda dealership to meet its sales performance obligations under the Honda Automobile Dealer Sales and Service Agreement (DSSA), as more fully explained in American Honda Motor Company’s Dealer Sales Performance Evaluation Policy. The Honda dealership’s sales versus annual and periodic objectives for challenges, contests, and awards is not determinative of the Honda dealership’s sales performance under the DSSA.

Index calculation: Indexed % of Obj = (YTD % of Obj ÷ Zone % of Obj) x 100

Retail sales effectiveness is determined by comparing a dealership’s actual nationwide retail sales to the dealership’s expected retail sales. Expected retail sales are the number of retail registrations the dealership’s resident ASA would have if it were achieving Honda’s average market share for the dealership’s state (calculated by competitive segment).

- If a dealership’s actual retail sales are equal to its expected retail sales, its retail sales effectiveness is average, with a zero deviation from the average, and the dealership would meet the required achievement.
- If a dealership’s actual retail sales are greater than its expected retail sales, its retail sales effectiveness is above average, with a positive deviation from the average, and the dealership would meet the required achievement.
- If a dealership’s actual retail sales are fewer than its expected retail sales, its retail sales effectiveness is below average, with a negative deviation from the average, and the dealership would not meet the required achievement.

• **Vehicle Condition Index (VCI)** – Dealership must achieve a minimum YTD score of 97, with a minimum of 90 percent valid phone numbers submitted, as of December 31, 2014.

VCI is calculated by using the answers to three Sales Satisfaction Telephone Survey questions. Answers to Question 4 (mechanical condition of vehicle), Question 5 (cleanliness of vehicle), and Question 6 (physical condition of vehicle) are weighted equally to determine an index.

• **Customer Service Experience (CSE) E-Survey** – Dealership must achieve a minimum YTD score of 91 as of December 31, 2014.

CSE is calculated on the YTD overall satisfaction score from the e-survey.
• **Service Retention** – Dealership must be average or above average (zero or positive deviation from average) as of November 30, 2014.

Service retention is determined by comparing a dealership’s actual active units in operation (UIO) to the dealership’s expected active UIO. A dealership’s expected active UIO is calculated by multiplying the number of total UIO within the dealership’s resident ASA by the average active penetration achieved by all Honda dealerships in the dealership’s resident state.

Total UIO is the number of units in operation of the last 10 model years sold by any authorized Honda dealer in the United States, based on R.L. Polk & Co. data.

A UIO is considered active if it has been serviced by any authorized Honda dealership in the United States within the past 360 days.

A UIO is considered active to a dealership if it has been serviced by that authorized Honda dealership within the past 360 days.

- If a dealership’s actual UIO is equal to its expected UIO, its service retention rate is average, with a zero deviation from the average, and the dealership would meet the required achievement.
- If a dealership’s actual UIO is greater than its expected UIO, its service retention rate is above average, with a positive deviation from the average, and the dealership would meet the required achievement.
- If a dealership’s actual UIO is less than its expected UIO, its service retention rate is below average, with a negative deviation from the average, and the dealership would not meet the required achievement.

• **Brand Representation (Image-Approved)** – Dealership must be Image-Approved, as determined unanimously by the zone management team, as of December 31, 2014. Standards are based on Honda’s new image evaluation process introduced in the fall of 2013.

**Qualification Categories**

- **President’s Award winner** – Dealership must achieve all program criteria.
- **President’s Award Elite winner** – Dealership must achieve all program criteria and rank among the top 10 dealerships in new-vehicle sales.

**Grounds for Disqualification**

- A dealership that has repeat DMA fund suspensions over a two-year (calendar-year) period may be disqualified from the President’s Award program at the discretion of American Honda Motor Co., Inc.
- A dealership that violates the Survey Integrity Policy may be subject to disqualification. (See American Honda Motor Co., Inc., Survey Integrity Policy for further details.)
- A dealership that does not supply customer pay repair order (CPRO) data through the Honda Service Reminder System or a Honda Data Extraction Agreement is not eligible to receive the President’s Award.

Complete details can be found in the HPN-091 Marketing Bulletin.