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Ira and David: the Story Behind Prime Motor Group

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The short of it goes like this: We suspect that our owner, David Rosenberg, might bleed motor oil.

To say the car business is “in his blood” isn’t our attempt at cute marketing copy, either.

It’s the truth.

See, David was born into the car business. His dad, the legendary Ira Rosenberg, was working his first showroom floor at Sea Crest Cadillac in Lynn, Massachusetts, when David entered the world.

David’s earliest memories include going with his dad to Sea Crest on Sundays, the lot closed, Ira handing out business cards to people who had stopped just to have a look.

When Ira left Sea Crest and founded North Shore Auto Brokers in Salem, David would accompany his dad to the office, a place that became a home away from home alongside several other family members, like his mom and two grandfathers, and the smell of motor oil filling the air—a scent that comforted the young boy.

In 1975, when Ira bought his first Toyota dealership (originally located on High Street in Danvers), David would join him, starting as a lot boy and eventually working his way through almost every department during high school and college. Ira’s one dealership quickly multiplied and morphed into the Ira Motor Group. (Anyone in Massachusetts during the 80s probably remembers the commercial: “Ira, Ira! Zero down at Ira!”)

Out of college, David would return to the family business for a couple of years, leave to pursue his MBA at Columbia, and return again—this time to help successfully steer the company through choppy financial waters.

A buyout, a short retirement (Ira’s), the sale of Ira Motor Group, and another even shorter retirement (David’s) would follow before the father-son duo would join forces once again to form Prime Motor Group in 2007.



Again, that's the short of it. To get the full depth and breadth of the Rosenbergs—what makes them tick, why family means everything, how giving back is such a huge part of their lives—along with where Prime is today (and where it's headed), we invite you to read “The Long of It” below.

The Long of It

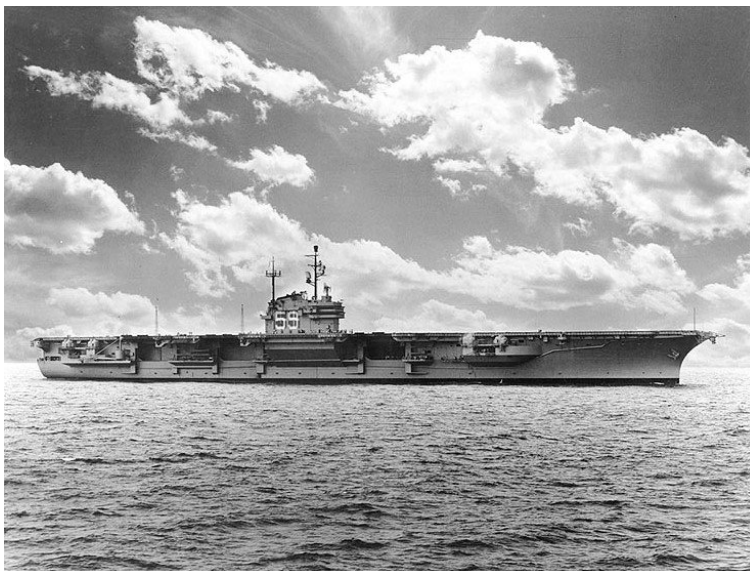
In 1937, Ira Rosenberg was born to the son of a meat cutter father and home-maker mother raised in Malden, Massachusetts, “a nice little town to grow up in,” he recalls.

As a kid, Ira worked as a soda jerk at the local drug store, a job he loved. Ira says, “The owner always made sales contests with chocolates and other assorted goods as prizes. I always won. I think that's where I first thought sales was for me.”

Other people inspired Ira as well. “My two favorite uncles on my mother's side where both salesmen. I remember that they always drove beautiful new automobiles and wore great suits,” he says. “They influenced me more than anything else.” Ira also had a paper route, and he recalls earning lots of good tips, teaching him early on that treating customers well was rewarding.

Growing Up Fast in 1954

Never much of a traditional student, Ira joined the Navy when he turned 17, much to his parents' chagrin. After a tough six months on the USS Randolph where young Ira endured physical and verbal harassment from his shipmates, who didn't like that he was “Jewish and a Yankee,” he was transferred to the USS Forrestal.



Fortunately, on the USS Forrestal, he wasn't subject to the same poor treatment from his fellow sailors. Ira shares that his time on the USS Forrestal would change him forever. “At that time, it was the largest ship in the world,” he says. “I grew up in the next year and a half mentally—and in rank. Eighteen years old, and I had my own group of guys pushing planes. I had a lot of responsibility, we had some really good times and I got to see the world. What an adventure for a kid.”

A Stretch of Firsts

By 1958, Ira was out of the service and attending Suffolk University on the GI Bill (although he confesses only lasting a year and a half and never buying a single book). While still enrolled in school, Ira got a job changing tires in the used car department of Porter Chevrolet for a couple of months. Then he worked in the



service department for two more months before finally being hired for his first job selling cars.

Ira says, “The first car I sold, I knew this was for me,” a sentiment that David Rosenberg, Ira’s eldest child and the president of Prime Motor Group, would echo almost three decades later. But of course, Ira didn’t know any of this yet.

Soon, Ira was presented with new work opportunities, mostly with different family members, and he felt he shouldn’t pass them up. So he left the car business for a couple of years. But it didn’t matter: he’d been bit by the car bug, something his wife Judy recognized, which was why, after spotting an ad in the paper for a sales opening with Sea Crest Cadillac in Lynn, she encouraged him to apply. She was pregnant with David at the time, so there was a lot on the line with the increased bills they’d soon have to pay once the baby arrived.



Ira recalls the moment he walked into Sea Crest in 1962: “I entered their doors at 9:30 a.m. never imagining that this place would be a turning point in my life.”

It certainly was a turning point, but not without its share of potholes and detours. Sea Crest didn’t hire Ira that morning—not right away, anyway. They said he was too young so Ira left, feeling dejected, and drowned himself in coffee at a nearby Dunkin’ Donuts. But he resolved to try again, returning to Sea Crest just a few hours later, and this time he refused to leave until he got the job.

Sea Crest took him on for a 30-day sales stint, a humbling time for Ira. The far more experienced sales staff took advantage of the ambitious but naive young salesman, causing him to go without one sale for the entire month. On his 31st day, the General Manager explained that Ira was just too young and inexperienced to compete with the rest of the salesmen, and so he was fired. He licked his wounds at the same Dunkin’ Donuts he visited the day he first applied for the job. With a wife and new baby on the way, Ira knew he had to make it work. So, once again, he returned from Dunkin’ Donuts and convinced his boss to let him stay on, promising he was up for the challenge and predicting that he would soon change things around.

And so, he did.



"I became the top performing salesperson at Sea Crest," he says. "I was also the most concerned with the cleanliness and overall orderliness of the showroom, which meant I was often the one washing the windows, filling the book rack and redoing key tags."

During this time, Ira's home life was filled with much joy, thanks to Judy and baby David, who would grow into a curious little boy who loved spending time with his dad.

"I can actually remember when he was a car salesman at Sea Crest," David says. "On Sundays, when the dealership was closed, my dad would sometimes bring me there, and he'd be handing out his business cards to people walking around the lot."

Was Ira grooming David for the car business? David says, "I learned early in life that if I wanted to spend time with my dad, who was my hero growing up, then I needed to go to work with him. I looked at it as more of a way to spend time with my father than anything else."

The Seven-Year Itch

During Ira's seven-year tenure at Sea Crest, he was the top-selling car salesman, and he also studied everything going on around him, hungry to learn and do more. "I watched everybody carefully, including the managers and owners, calculating what I would copy and what I would do differently when my time would come. Because I knew that some day, I would have my own store."

Indeed he would.

In 1967, Ira left Sea Crest to launch his own used car business. "I opened up North Shore Auto Brokers in Salem, Massachusetts, with my last check and two used cars on consignment from friends. I was in business, or so I thought."

He struggled mightily in the beginning, even declaring defeat at one point, which was when his mother-in-law stepped in and gave Ira \$5,000 to help keep creditors at bay. Ira recalls, "She said, 'You go back and buy some cars and make believe you don't owe anyone anything. Don't pay back the creditors yet, just buy used cars you can sell.' That's what I did and that's what happened. And North Shore Auto Brokers became very successful."

Meanwhile, young David continued accompanying his dad to work. The car bug bit David as well, although in more subtle ways, at first.

David explains, "I just remember hanging out there as a kid, and I really liked it. It got so that the smell of the garage with the oil and everything was comforting. We had a guard dog there named Tasha, and she was really was more of a pet to me than anything else. So I enjoyed being there to play with Tasha."

Laying the Foundation

Fast forward eight years to 1975 when Ira heard about a Toyota dealership in trouble. He walked into the showroom on High Street in Danvers and masterfully negotiated a deal that allowed the former owner to walk out debt-free while Ira got a Toyota dealership in return. This store would become the foundation of the Ira Motor Group, a brand as famous for its excellent deals and customer service as it was for its catchy commercial jingles. ("Ira, Ira, zero down at Ira!")

The Toyota dealership would also provide David with a complete education in the car business. He started as a lot boy. "I would help line up the cars. I'd sweep up



the lot, take out the trash, clean the bathrooms,” David says. “As I got older, I got jobs with a little bit more responsibility. I started cleaning cars for delivery, and then, when I was in high school, I got to work in the parts department on the weekends and during summer vacations. I thought that was really cool, because I was working with people who were a lot older than me. I also got to see my dad often, driving with him to work and usually joining him for lunch.”

David still remembers his very first car sale vividly: “One day, when I was still in high school, I was working in the parts department, and my father called for me. He told me that there was a customer in the showroom whom nobody would help. The man was wearing an old grungy trench coat and had a greasy ponytail and beard. My father said, ‘David, I want to teach some of the guys a lesson. I want you to go help that man. See if you can take care of him.’”

“I sold the gentleman an Oldsmobile 98 Regency Brougham for sticker price, and he pulled a bag of cash out of his pocket. The other salespeople were so ticked off. After the customer left, my dad called everyone into his office to teach them an important lesson while admonishing them. ‘How dare you judge someone just by his looks. You don’t know anything about the man. The biggest sin you can make in sales is to pre-qualify someone without having any of the facts.’ Throughout his speech it was hard for me to contain my excitement as I was ecstatic after selling a car.”

A Business with a Heart

Treating people—all people—with respect was, and still is, important to the Rosenberg family. Judy recalls countless times that Ira would take calls from customers while at home, and during odd hours, listening to their needs. He did the same with employees as well, often quietly helping whoever needed it. Ira explains, “I led with my heart all the time. To me, it’s the best practice.”

Bob Wilson, a longtime employee who started at the Toyota dealership in 1979, remembers how well Ira treated him early in his career. At the time, Bob was dealing with addiction. “Ira knew I was struggling,” Bob says, “and he gave me a second chance through a program created to help young people struggling with alcohol.” Bob has been clean and sober ever since.

“My father has always had a lot of empathy for his employees,” David says. He adds that Ira always treated employees like family, something David continues today with Prime. “That’s why we call our associates ‘Prime family members,’” he says, “because we really do consider them like part of our family.”

Giving back to the community is another value the Rosenberg family holds dear. Ira says, “I believe you have to give back. If you make it, you’ve got to give back to the community.”

Ira and Judy instilled this thinking in their children, as evidenced by David. “I was brought up knowing it’s important to give back to your local community,” David says. “I was also brought up believing that it’s a moral obligation to treat success as a debt to society, meaning we need to use part of our success to help the less fortunate and others who are struggling.”

David practices what he preaches as well, both personally and as the leader of Prime. Read more about our community involvement here.

Building a Car Empire, One Dealership at a Time

Ira’s purchase of the Toyota store coincided with the end of the gas crisis, which



had the adverse affect of getting people interested in larger cars with larger gas tanks, typically among domestic car makers.

Ira knew that a single point Toyota dealership focused on small cars would not generate enough interest for him to build a successful business. So he pursued another car line, eventually acquiring Oldsmobile. General Motors insisted that dealers refrain from naming their dealerships after the town in which the business resided, so along with the Oldsmobile acquisition came the name change from Danvers Toyota to the eponymous Ira Olds Toyota.

During the next twenty years, Ira Motor Group would grow to include Lexus, Pontiac, Hyundai, Mazda, Porsche-Audi, and Subaru dealerships. It was a true family business with all of the Rosenberg children, including Brian and Lori, working at some point during school and summer vacations. (Today, Lori spends a lot of time helping out her aging parents, and Brian heads up Prime's marketing and advertising department.) Throughout the years, Judy worked alongside Ira as well, handling payroll for many of the early years and, more recently, joining her husband and son in a series of commercials they filmed for the group's Maine dealerships. "She truly is, and was, my partner," Ira says.

But David notes that his father is also famous for saying a ship can have only one captain. And Ira was at the helm of the Ira Motor Group. So after graduating Colby College and returning to the family car business for a couple of years, David decided to leave the dealership to pursue his MBA in NYC, eventually forging his own path.

At the time, Ira and Judy didn't think David was making a good decision. In retrospect, however, they acknowledge that the business acumen David developed during his time at Columbia proved invaluable.

A Very Bad Case of the Mondays

David wanted to work on Wall Street, despite the car business's siren call, which never quieted completely. Fate stepped in, however, when the market crashed on Black Monday, October 19, 1987.

David says, "Needless to say, with Columbia being located in New York City, the mood wasn't great in business school. I talked to my best friend from undergrad, who had gone through the same graduate program earlier than me. He was working on Wall Street at the time, and he was working 90 hours a week, slaving away. I started thinking, 'Well, I'm learning all these theories and ideas, and I can't help but ponder how they could apply to the car business. If I'm going to work 90 hours a week, wouldn't I be better off dedicating that time to try and benefit the family business?'"

By this time, Ira had a CFO basically running the back-end of Ira Olds Toyota and Ira Lexus, and David thought his MBA would provide unique value while allowing him to develop himself as an individual in the process.

Baptism by Fire

So after completing his MBA, David returned to the family business in 1990 and got a whole lot more than he'd bargained for. He discovered major discrepancies with the company's financials due to this CFO's unscrupulous accounting.

"Right around the same time, we had a recession," David recalls. "We were in a tough state financially, so it was a really difficult time. But I knew that my dad had weathered past difficulties, and so I kept a positive attitude and a laser focus on



turning things around. I will say that I learned more running the business without money in two years than I could have learned in business school in 200 years.”

Under David’s leadership, they got through the difficulties while also building even stronger bonds with employees, a defining a moment that harkens back to the values his father instilled in him about treating everyone honestly and with respect.

David says, “I didn’t realize it at the time, but I took what my father had taught me over the years to be successful, which was basically to treat people the way I want to be treated.”

He goes on to explain that, “I was very honest with our employees at the time, explaining the realities of our difficult cash position. In return, they helped become part of the solution and within three years, working together as a team, we turned the business around. In contrast, our CFO never shared our financial information with any of our employees.”

When Life Hands You Lemons

By the late 90s, Ira Motor Group was thriving, but the Rosenbergs were faced with devastating news. Beloved wife and mom Judy became sick, and the eventual prognosis was bleak. No one knew how long she’d survive.

Just before her diagnosis, David had bought out his parents, allowing Ira time to slow down with the expectation that he and Judy would enjoy a well-deserved retirement. While the buyout consisted of some cash up front, the rest would be paid out over time, something that concerned David once his mother fell ill. He didn’t want his parents’ well-being to depend on how successful the company was.

David says, “In 1999, we were approached by different consolidators. I elected to take a deal with Group 1 Automotive, a publicly held company. The deal allowed my parents to become liquid up front. In the meantime, my mother kept on living, beating the odds that has befallen countless others stricken with the same disease. When it comes to finding inner strength, my mother is a warrior. In the many years since her diagnosis, she has faced several major medical crises. She does so with a quiet dignity and unyielding courage that never ceases to amaze her family.”

David continues, “Meanwhile, I really liked being part of the public company because they had a very decentralized model.” David also got along well with his new colleagues running other dealership groups like his own. David says, “We each had stock in the public company. We had a great leader, a great management team in Houston, and it was fun.”

But when the top leadership changed, so too did the decentralized structure—and soon after, the fun. No longer enthusiastic about work, David decided to retire in 2006 at the age of 44 from Group 1 (which still owns Ira Motor Group, including the rights to the name). A month into his retirement, David found himself restless and unsure what to do next. His wife told him he needed to find a job.

Around the same time, Ira, too, had been growing bored with his retirement. Ira says he told Judy, “I’d either like to go back to work or get a lobotomy.”

Work won.



The Birth of Prime

Ira and David partnered in three dealerships in Maine: Prime Toyota and Prime Hyundai, located in Saco, and a Mercedes-Benz dealership now called Prime Motor Cars, located in Scarborough. David served as an investor only, noting again that a ship can only have one captain and that captain's name was Ira Rosenberg.

But David was out looking for other opportunities.

In 2007, David and a former partner bought the Clair Auto Group: five dealerships in Massachusetts, one in New Hampshire, and three in Maine. The three in Maine were on the same road as the two Prime dealerships, so it made sense to consolidate everything under the Prime Motor Group umbrella.

And the rest, as they say, is history.

Today, Prime Motor Group consists of close to 30 dealerships, and brings in a billion and a half in revenue. David says, "We have 1,800 Prime family members, and we're in growth mode. We also pride ourselves on our community support, and the tremendous value we give to our customers."

Reflections from Father and Son

How to succeed in the car business? Ira says a person needs to have "PMA," Positive Mental Attitude and a fire in the belly, meaning an intense desire to succeed. Finally, there's YCDBSOYA: you can't do business sitting on your ass.

David dives deeper, noting that success hinges on three distinct pieces working in harmony: employee engagement, customer satisfaction, and profit. He says to think of it like a three-legged stool with each leg representing one of those things. If you cut off one of the legs, the stool will collapse.



David explains, "You need to make sure that the people who are doing the work every day are happy to be here, and they feel appreciated, respected, and well compensated. Because if you don't have happy, engaged employees, that causes issues with the second foundation that you have to have: customers who feel valued. And if you have engaged employees and customers who feel valued, it's no shame, if you're in business, to make a profit. It's got to be a fair profit, of course, we don't want to exploit anyone."

"I don't want to exploit anyone, because if I exploit employees by not paying them enough, they'll leave. If I exploit customers by charging them too much, they won't



come back. You need to have all three at the same time, because if you eliminate any one of those, then your business will end up failing.”

Prime Today: Creating a Better Way to Buy a Car

David says that his father is the best salesman he’s ever met, a guy who could negotiate deals on the back of a napkin.

But the car business has changed dramatically in the last couple of decades, thanks in large part to the Internet. People do their homework more thoroughly (and with greater ease) than ever before since everything they need to know is “out there.”

Across Prime Motor Group , David says he and his team have created a different way to buy a car, an easier way—one that acknowledges and rewards customers for doing their homework. “Why not give customers credit for all the research work they do?” David asks. “If they should be able to buy that Camry for \$22,311, then I’m certainly not going to start them at a sticker price of \$27,000!”

At Prime, the focus is no longer on the price, since the customer and the sales people all have access to the same information online. Instead, David says, the sales process involves choosing the right vehicle for the customer’s needs and structuring the deal properly so that it fits within the customer’s budget.

It’s a simple, yet elegant process—and it’s most definitely a better way to buy a car.

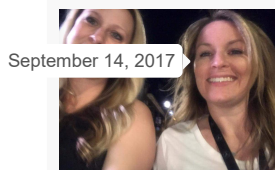
Looking Ahead...

David hopes Prime can continue to deliver an excellent car-buying and servicing experience. He’s quick to note that the sale doesn’t, and shouldn’t, end when someone drives off the lot. Each Prime dealership prides itself on providing excellent service and maintenance over the lifetime of a vehicle.

As for Ira, he retired—for the second time in his life—during the summer of 2017, leaving the helm in his son’s capable hands.

The poor boy from Malden who was never much of a student, whom many people wrote off, is now in the twilight of his life. What a life it’s been—and what a legacy he leaves behind.

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