



NEWS BULLETIN

MAY 2011

**Montana Automobile
Dealers Association**

501 North Sanders Helena, MT 59601 406-442-1233



Don Kaltschmidt

PRESIDENT'S MESSAGE

My fellow dealers I hope all is well with you as we continue to attack this wonderful thing we call the car business. One of the updates from the MTADA office is we are making a change in our accounting department at the association. We had many good

applicants and with the help of Jim Stanger, Marilyn and her team we were able to hire Carolyn Zimmer that will be starting June 1st. All involved believes she will be a good fit for our association and we welcome Carolyn to the team. That said, our employees at the association have been doing what you are doing at your businesses; that is doing the work of more than one person. We have all had to become lean and mean and your association is no exception. They are continuing to work for you every day to insure your back is covered as you run your dealerships. The industry is changing but as oil prices, as of this writing, seem to be easing that should spell a good summer selling season again this year. Keep it between the ditches and most of all have fun. Life is what we make it.

God Bless;

Don "K", President 2011

CONVENTION SPEAKERS

IADA & MTADA have a great line up of convention speakers for this year's joint convention. Please refer to the convention schedule included as an insert.

Monday June 20th, Opening Luncheon with Idaho Governor Otter & NADA Chairman Stephen Wade. Also speaking Monday is guest speaker Rhonda Lewis followed by motivational speaker Art Krug.

On Wednesday June 22nd, the day's speakers will start with guest speaker Grant Cardone followed by Marilyn Youngs of NADA University.

FRAUD ALERT: DEALERS TARGETED IN LOAN MARKETING SCHEME

NADA is warning dealers to be on the lookout for possible fraudulent activity related to dealers' retail loan portfolios. Certain individuals have recently targeted dealers with a scam involving a promise to "bundle a dealership's car loans and market them to inventors," essentially selling the car dealers' collectible debt. The individuals then require dealers to pay car buyers' first two to three months' payments up front. These individuals collect the fees, but never market the loans. One such group of individuals in Washington state was recently sentenced in federal court for their role in such a scheme. This group operated under several names including Auto Credit Solutions, Sub-Prime Financial Services, Easy Credit Store, Instant Funding Systems, Great Northwest Financial Services and Western Empire Financial Services.

Dealers are encouraged to be diligent in selecting business partners, and if a dealers suspects such fraud is being attempted, they should contact the Internal Revenue Service Criminal Investigation, U.S. Postal Inspection Service or their local police department.

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INSERTS:

AFAS CONVENTION INFO ZURICH



Bill Underriner

FOUNDATION EXPANDS SUPPORT FOR CANINE COMPANIONS TO INCLUDE WOUNDED VETERANS INITIATIVE

Support a wounded veteran in your community by making a contribution to NADA's Frank E. McCarthy Memorial Fund

McLEAN, Va. – The National Automobile Dealers Charitable Foundation has expanded its support for a nationwide program that provides skilled companion dogs at no cost to physically disabled children and adults—and for the first time—includes U.S. war veterans injured in Afghanistan and Iraq.

Last month, Retired Army Sgt. Sam Cila of Riverhead, N.Y., and his service dog, Gillian, were the beneficiaries of the foundation's first \$10,000 grant to the Wounded Veterans Initiative of Canine Companions for Independence. "Gillian has rounded out my new team. She acts as my left hand. But more importantly, she's my teammate," said Cila, who lost most of his left arm from an IED (improvised explosive device) during an ambush in Baghdad on July 4, 2005. "Gillian has made me stronger as an individual because I can live a more active lifestyle with her at my side." Since May 2002, the foundation—through its Frank E. McCarthy Memorial Fund—has contributed \$130,000 to the program, placing 13 skilled companion dogs. McCarthy served as NADA president for more than 30 years. The fund was established to honor McCarthy after his death in 2001. "We've expanded the Canine partnership to include the Wounded Veterans Initiative because of the growing need to match wounded soldiers with assistance dogs," said Pat McCarthy, who chose the organization as the beneficiary in memory of her late husband.

Debra Dougherty, executive director for the Northeast Region of Canine Companions, noted the Wounded Veterans Initiative receives no government funding and depends solely on financial contributions from private donors. "Many veterans returning from Afghanistan and Iraq with combat injuries are unaware that the program even exists," Dougherty said. "Additional funding from the business community, like the foundation, puts us in a better financial position to match more wounded veterans across the country with highly skilled service dogs."

NADA-IHS Automotive Forum Brings Together Leaders from Across Industry

The 2011 NADA-IHS Automotive Forum drew nearly 500 people to the New York Hilton on April 19. Hosted by the New York International Auto Show, the annual event brings together thought leaders from OEMs, suppliers, dealers and the media to discuss major industry events and focus on how the economic recovery will affect automotive stakeholders. Key speakers at this year's event included Dan Akerson, GM Chairman & CEO; Nariman Behravesht, HIS chief economist; and Stephen Wade, NADA chairman, along with panelists from Subaru, Nissan, Toyota, Hyundai, Facebook, Dealer.com and Penske Auto Group. The forum was covered by a host of media outlets including newspapers, Internet publications, radio and television, with CNBC providing exclusive live coverage. To access interviews with CNBC Automotive Reporter Phil LeBeau and to receive alerts about the 2012 forum, visit www.autoforumny.com.

Now Playing on NADA-TV ...

- **Dealers Help Wounded Vets**: The National Automobile Dealers Charitable Foundation gives a \$10,000 grant to Canine Companions for Independence.
- **Treadway Hosts Utah Senators**: Kyle Treadway welcomed Sens. Orrin Hatch and Mike Lee to his dealership and he explained how regulations in Washington impact his business.
- **Social Networking**: NADA University to launch three social networking communities for ATD members, 20 Group members and Dealer Academy graduates.

AutoFocus with David Hyatt" -- a television interview program

Here's a list of recent interviews:

1. **General Motors Sales Chief Don Johnson** says the company's "new attitude" is helping executives make better decisions.
2. **NADA Chairman Stephen Wade** discusses the importance of donating to the NADA Japan Relief Fund and the impact of the disaster on the auto industry.
3. **Chris Visser of NADA Commercial Truck Guide** discusses the used-truck market and the impact of production slow-downs.
4. **Executive Automotive Analyst Jonathan Banks** discusses how the crisis in Japan will affect the used-car market.

In other legislative and regulatory news...

NADA HIGHLIGHTS VALUE OF DEALER-ASSISTED FINANCING AT FTC ROUNDTABLE

NADA representatives highlighted the importance of dealer-assisted financing at an all-day roundtable that the Federal Trade Commission (FTC) conducted April 12 in Detroit to examine consumer protection issues related to five areas of vehicle sales and leasing. NADA was represented on each of the panels by dealer, ATAE, and attorney representatives that specialize in each of the subject matter areas. During the discussions, the NADA team – led by NADA Dealership Operations chairman and North Carolina dealer Dave Westcott – made a compelling case that the problems identified by consumer group representatives on the panels are not representative of the industry and therefore do not justify the imposition of a new rule and already may be addressed through an array of consumer remedies that exist under current federal and state law. Most importantly, the NADA representatives explained in detail the extraordinary benefits that optional dealer-assisted financing provides to millions of consumers, including how dealers' access to multiple finance sources and their efficient pricing allows dealers to routinely offer consumers very competitive rates and, in many cases, secure financing for "unbanked" consumers who otherwise would not have the means to obtain transportation they need for employment. "Even when dealer-assisted financing is not selected by consumers, its mere presence helps to create an intensely competitive market that significantly disciplines the rates that other finance sources will offer to consumers," said Andy Koblenz, NADA vice president of Legal and Regulatory Affairs. NADA Regulatory Affairs will continue to monitor and respond to additional FTC activity concerning this initiative.

DEALERS' GRASS-ROOTS ACTIVITY CONTRIBUTES TO 1099 REPEAL

Dealers' grass-roots activism last month played a significant role in the repeal of the burdensome 1099 tax reporting requirements included in 2010 health care reform. The requirements would have forced all businesses and tax-exempt organizations to issue a Form 1099 to vendors from whom they buy goods totaling \$600 or more annually, starting January 2012. President Obama signed the bill into law on April 14. "Dealers' grass-roots activity contributed significantly to the success of the 1099 repeal," said David Regan, NADA vice president of Legislative Affairs. "We thank all the dealers who called their Senators and worked effectively on the House side to push for passage of this important measure, which will provide relief for dealers by significantly reducing their paperwork burden."

NADA SUPPORTS CONGRESSIONAL EFFORTS TO REACH SINGLE, NATIONAL FUEL ECONOMY STANDARD

Last month NADA expressed support for two bills seeking to reach a single, national fuel economy standard by prohibiting the Environmental Protection Agency and state of California from regulating tailpipe emissions. A bill sponsored by Rep. Fred Upton (R-Mich.) cleared the U.S. House on April 7. That bill seeks to overturn a 2007 Supreme Court decision giving EPA and California authority to regulate greenhouse gases under the Clean Air Act. A similar measure in the Senate, sponsored by Sens. James Inhofe and Mitch McConnell, failed to garner the necessary 60 votes to pass. NADA supported both efforts because they would return the nation to a single, national fuel economy standard, protecting consumer choice and ensuring vehicles continue to be available to the public. While the Senate bill did not pass, many legislators agreed with NADA's position that having three different agencies regulate fuel economy (EPA, California and the National Highway Traffic Safety Administration) does not make sense. The Senate is expected to reconsider this legislation in the future, and NADA will continue to advocate for a single, national fuel economy standard.

In other NADA news...

NADA Brings Two Public Service Messages to Times Square

For the first time pedestrians walking past the CBS "Super Screen" in Times Square have been seeing public service messages from NADA. A CBS representative approached NADA in early March with the unprecedented opportunity when space became available after the network canceled the TV sitcom "Two and a Half Men" starring Charlie Sheen. NADA's first message, "Let's Keep Them Safe at Every Age," reinforces NADA's position as a leader in promoting child passenger safety nationwide, highlighting the fact that America's new-car dealers have inspected more than 1 million child safety seats over the past five years. The second message highlights the National Automobile Dealers Charitable Foundation's commitment to the Wounded Veterans Initiative of Canine Companions for Independence. Both 15-second commercials appear once every hour, 18 hours a day, for 45 days on the 26- by 20-ft. screen located at 42nd St. between 7th and 8th avenues.

Please stay involved and in touch.
Bill Underriner, NADA Director
(406) 255-2350





Jim Sewell

SHERIFF'S SALE PROCEDURE UNDER AGISTERS' LIEN STATUTE DECLARED UNCONSTITUTIONAL

Federal Magistrate Judge Carolyn S. Ostby invalidated the foreclosure of an Agisters' Lien on a mobile home by Sheriff's Sale

holding that a Sheriff's sale following the procedure outlined in Mont. Code Ann. §71-3-1203 violates the Due Process Clause of the U.S. Constitution. The case is James B. Cox v. Yellowstone County, CV10-65-BLG-RFC-CSO. The decision, if adopted by Federal Judge Rick Cebull, will adversely affect Montana's dealers.

As you are all no doubt aware, the Agisters' Lien is a lien imposed by statute in favor of a dealership repair facility for unpaid repairs and storage charges on a vehicle. It also serves as a means to dispose of vehicles abandoned at the dealership premises by the owner for one reason or another. The lien is dependent upon possession. In order for the lien take priority over other perfected security interest such as banks, etc., notice must be given to all secured parties and filed with the Registrar of Motor Vehicles as outlined in Mont. Code Ann. §71-3-1201, et. seq. If the charges are not paid, the statute allows the vehicle to be sold at a Sheriff's Sale following the procedure outlined in Mont. Code Ann. §71-3-1203.

Cox owned a mobile home in Billings that was sold for storage charges at the request of property owners, Hector and Rosina Rubio by the Yellowstone County Sheriff following the Agisters' Lien procedure. Cox sued Yellowstone County alleging that the Sheriff violated his due process rights under the Fifth and Fourteenth Amendments to the U.S. Constitution by selling his property without giving him a hearing prior to the sale.

Magistrate Judge Ostby pointed out in her opinion that the Montana Supreme Court questioned whether the Agisters' Lien foreclosure procedures in Mont. Code Ann. §71-3-1203 passed muster under the Montana and U.S. Constitutions in a 1986 case, Rose v. Myers, 724 P2nd 176 (Mont. 1986). The Montana Supreme Court did not address the question directly, but suggested that the Legislature address the problem. The Legislature did make two changes to the law in 1987 requiring that an affidavit be filed, rather than merely a "statement" and required that the sheriff give notice to the owner at least 10 days before a sale. She also noted that the imposition of the lien and retention of Cox' mobile home by Rubio before the Sheriff's Sale was NOT a question before the court.

Ostby found that due process requires both notice and an opportunity to be heard before a government official, here the Sheriff, can deprive a private individual of their property by holding a Sheriff's Sale. She acknowledged that the Sheriff provided notice, but since no hearing prior to the sale was provided for, the Sheriff's Sale did not pass Constitutional muster. In making the ruling, she pointed out the comments made by the Montana Supreme Court in the Rose case and that similar statutes in West Virginia, North Carolina, Kentucky, Oklahoma and other states were struck down for the same reason.

She held that the hearing process need not be elaborate or necessarily include a trial or the right to bring witnesses and present evidence as Cox requested, only an opportunity to tell his side of the story.

The last chapter has yet to be written in the case, however. In response to the ruling, Yellowstone County requested that the Court clarify its position regarding continued use of the Agisters' Lien statute because the Court was not clear as to whether Yellowstone County would be required to continue holding Sheriff's Sales on Agisters' Liens.

We will continue to monitor the matter and will provide further updates as more information becomes available. In the meantime, we suggest that you continue to assert Agisters' Liens as appropriate, but that no Sheriff's Sales be scheduled to foreclose on those liens until we know what process will be required to comply with the ruling.

A copy of the Court's ruling and the filing by Yellowstone County is available on the Smith Law Firm, P.C. website under the Dealer Law tab.

R.J. "JIM SEWELL, JR.
MTADA General Counsel



FTC FINDS BROAD DEALERSHIP COMPLIANCE WITH CONSUMER-PROTECTION RULE

WASHINGTON—All 50 or so dealerships reviewed by a federal agency are properly notifying customers that they can sue the banks that provide their loans if problems arise with their new vehicles, the Federal Trade Commission said.

The favorable FTC review gives ammunition to dealers as they seek to dissuade the agency from proposing new rules over dealer-assisted finance. The FTC said its review found “broad compliance” with an agency rule that seeks laws that seeks to protect customers who have problems with their vehicles or vehicle maintenance.

The 1976 regulation, called the Hodler in Due Course Rule, overrode a number of state laws that shielded lenders from prospective consumer suits over alleged dealer transgressions, the FTC statement said. The rule requires dealers to include in any consumer credit contract a provision that “effectively makes lenders liable for dealers’ conduct,” the FTC said.

The National Automobile Dealers Association said the findings highlight the “significant push within the industry to frequently and thoroughly train dealership employees on ethics, regulatory compliance and the value of transparency and professionalism.” The findings also “underscore the positive efforts dealers have made to develop a vehicle financing process that is fair, efficient and competitive,” NADA spokesman Bailey Wood added.

The FTC reviewed consumer credit contracts executed after October 2009 at a randomly selected sample of nearly 50 franchised and independent dealerships in 45 states as well as two large online dealers, the agency said.

Before the rule was enacted 35 years ago, a dealer could ignore customers’ complaints because he already had been paid, FTC lawyer Ronald Isaac said in an interview.

Lenders, who were often exempt from liability, would deny knowledge of the vehicle problems. “Consumers were batted back and forth, and no one would take seriously their complaints,” Isaac said.

The rule gave lenders an incentive to press dealers to address customer complaints, he said. Lenders also were given an incentive to work with reputable dealers.

The FTC review was initiated as part of the agency’s broad information gathering on dealership practices as it decides whether to use its new streamlined rule-writing authority.

Last month, the FTC held the first of a series of roundtables to gather data on the prevalence of alleged dealer abuses. NADA participated in those discussions and argued that no changes were needed in rules governing dealer interest-rate markups. The review also was initiated as the FTC enters discussions with a new agency, the Consumer Financial Protection Bureau, about which should oversee the Holder in Due Course Rule, Isaac said...“We wanted to make sure of the landscape,” he

said.

One possibility that could emerge from these interagency talks is that the FTC will continue to monitor dealers’ compliance with the rule and the new consumer agency will oversee banks’ compliance, Isaac said.

Dealers currently do not have to disclose lenders’ liability in credit contracts over \$25,000 because those more affluent customers are thought to have the resources to look out for their own interests, he said.

That threshold will rise to \$50,000 on July 21, the FTC said.

Neil Roland
Automotive News

MOVING—AND PREVENTING—AGED PARTS INVENTORY

Many parts managers describe aged inventory as a part that is in inventory for more than 12 months, but there are different kinds of aged inventory; they are the result of different parts acquisition processes. In parts inventory, there are only two kinds of parts. They are:

Stock Parts

- Purchased for future sales based on historical sales demand
- Purchased via *computer*-generated ordering system
- Parts that meet stock-status ordering criteria
- Recommended by the stock order process
- Controlled by the parts manager

Non-stock Parts

- Purchased for immediate sale
- Purchased based on current demand
- Purchased by *people* via special-order requests
- Do not meet stock-status ordering criteria
- Minimum phase-in not achieved
- Not normally stocked

We may have obsolescence in our inventory, but don’t know where it came from. Once we determine where it came from, we can make adjustments to the process by which we acquired it.

If you have a lot of stock parts that are obsolete, you need to talk to your parts manager(s). They control phase-in, phase-out, days’ supply, ordering parameters, and the DMS system setup.

If you have a lot of non-stock parts that are obsolete, examine your special-order process. Non-stock parts are typically purchased for individuals, but in some cases, the individual may not come to pick up the part. Why? In such a case, you’ll want to review the communications between the parts department and the customer—or even the department’s entire communications process.



Britani P. Laughery

CREATING A SAFETY CULTURE

From OSHA.gov

Why do you want a strong safety culture?

It has been observed at the OSHA VPP sites and confirmed by independent research that developing strong safety cultures have the single

greatest impact on accident reduction of any process. It is for this single reason that developing these cultures should be top priority for all managers and supervisors.

In a strong safety culture, everyone feels responsible for safety and pursues it on a daily basis; employees go beyond "the call of duty" to identify unsafe conditions and behaviors, and intervene to correct them. For instance, in a strong safety culture any worker would feel comfortable walking up to the plant manager or CEO and reminding him or her to wear safety glasses. This type of behavior would not be viewed as forward or over-zealous but would be valued by the organization and rewarded. Likewise coworkers routinely look out for one another and point out unsafe behaviors to each other.

A company with a strong safety culture typically experiences few at-risk behaviors, consequently they also experience low accident rates, low turn-over, low absenteeism, and high productivity. They are usually companies who are extremely successful by excelling in all aspects of business and excellence.

Creating a safety culture takes time. It is frequently a multi-year process. A series of continuous process improvement steps can be followed to create a safety culture. Employer and employee commitment are hallmarks of a true safety culture where safety is an integral part of daily operations.

A company at the beginning of the road toward developing a safety culture may exhibit a level of safety awareness, consisting of safety posters and warning signs. As more time and commitment are devoted, a company will begin to address physical hazards and may develop safety recognition programs, create safety committees, and start incentive programs.

Top management support of a safety culture often results in acquiring a safety director, providing resources for accident investigations, and safety training. Further progress toward a true safety culture uses accountability systems. These systems establish safety goals, measure safety activities, and charge costs back to the units that incur them. Ultimately, safety becomes everyone's responsibility, not just the safety director's.

Safety becomes a value of the organization and is an integral part of operations. Management and employees are committed and involved in preventing losses. Over time the norms and beliefs of the organization shift focus from eliminating hazards to eliminating unsafe behaviors and building systems that proactively improve safety and health conditions. Employee safety and doing something the right way takes precedence over short term production pressures. Simultaneously, production does not suffer but is enhanced due to the level of excellence developed within the organization.

Building a safety culture – Any process that brings all levels within the organization together to work on a common goal that everyone holds in high value will strengthen the organizational culture. Worker safety and health is a unique area that can do this. It is one of the few initiatives that offer significant benefits for the front-line work force. As a result, buy-in can be achieved enabling the organization to effectively implement change. Obtaining front line buy-in for improving worker safety and health is much easier than it is to get buy-in for improving quality or increasing profitability. When the needed process improvements, are implemented all three areas typically improve and a culture is developed that supports continuous improvement in all areas. The following represents the major processes and milestones that are needed to successfully implement a change process for safety and health. It is intended to focus you on the process rather than individual tasks. It is common to have a tendency to focus on the accomplishment of tasks, i.e., to train everyone on a particular concern or topic or implement a new procedure for incident investigations, etc. Sites that maintain their focus on the larger process to be followed are far more successful. They can see the "forest" from the "trees" and thus can make mid-course adjustments as needed. They never lose sight of their intended goals, therefore, they tend not to get distracted or allow obstacles to interfere with their mission. The process itself will take care of the task implementation and ensure that the appropriate resources are provided and priorities are set.

Obtain Top Management "Buy-in" - This is the very first step that needs to be accomplished. Top managers must be on board. If they are not, safety and health will compete against core business issues such as production and profitability, a battle that will almost always be lost. They need to understand the need for change and be willing to support it. Showing the costs to the organization in terms of dollars (direct and indirect costs of accidents) that are being lost, and the organizational costs (fear, lack of trust, feeling of being used, etc.) can be compelling reasons for looking at needing to do something different. Because losses due to accidents are bottom line costs to the way in eliminating organizational barriers such as fear, lack of trust, etc.: Issues that typically get in the way of everything that the organization wants to do.

Continue Building "Buy-in" for the needed changes by building an alliance or partnership between management, the union (if one exists), and employees. A compelling reason for the change must be spelled out to everyone. People have to understand WHY they are being asked to change what they normally do and what it will look like if they are successful. This needs to be done up front. If people get wind that something "is going down" and haven't been formally told anything, they naturally tend to resist and opt out.

Build Trust - Trusting is a critical part of accepting change and management needs to know that this is the bigger picture, outside of all the details. Trust will occur as different levels within the organization work together and begin to see success.

Conduct Self Assessments/Bench Marking - To get where you want to go, you must know where you are starting from. A variety of self-audit mechanisms can be employed to compare your site processes with other recognized models of excellence such as Star VPP sites. Visiting other sites to gain first hand information is also invaluable.

Initial Training of Management-Supervisory staff, Union Leadership (if present), and safety and health committee members, and a representative number of hourly employees. This may include both safety and health training and any needed management, team building, hazard recognition, or communication training, etc. This gives you a core group of people to draw upon as resources and also gets key personnel onboard with needed changes.

Establish a Steering Committee comprised of management, employees, union (if one exists), and safety staff. The purpose of this group is to facilitate, support, and direct the change processes. This will provide overall guidance and direction and avoid duplication of efforts. To be effective, the group must have the authority to get things done.

Develop Site Safety Vision, key policies, goals, measures, and strategic and operational plans. These policies provide guidance and serve as a check-in that can be used to ask yourself if the decision you're about to make supports or detracts from your intended safety and health improvement process.

Align the Organization by establishing a shared vision of safety and health goals and objectives vs. production. Upper management must be willing to support by providing resources (time) and holding managers and supervisors accountable for doing the same. The entire management and supervisory staff need to set the example and lead the change. It's more about leadership than management

Define Specific Roles and responsibilities for safety and health at all levels of the organization. Safety and health must be viewed as everyone's responsibility. How the organization

is to deal with competing pressures and priorities, i.e., production, versus safety and health, needs to be clearly spelled out.

Develop a System of Accountability for all levels of the organization. Everyone must play by the same rules and be held accountable for their areas of responsibility. Signs of a strong culture is when the individuals hold themselves accountable

Develop Measures and an ongoing measurement and feedback system. Drive the system with upstream activity measures that encourages positive change. Examples include the number of hazards reported or corrected, numbers of inspections, number of equipment checks, JSA's, pre-start-up reviews conducted, etc.

While it is always nice to know what the bottom line performance is, i.e., accident rates, overemphasis on these and using them to drive the system typically only drives accident reporting under the table. It is all too easy to manipulate accident rates which will only result in risk issues remaining unresolved and a probability for more serious events to occur in the future.

Develop Policies for Recognition, rewards, incentives, and ceremonies. Again, reward employees for doing the right things and encourage participation in the upstream activities. Continually reevaluate these policies to ensure their effectiveness and to ensure that they do not become entitlement programs.

Awareness Training and Kick-off for all employees. It's not enough for a part of the organization to be involved and know about the change effort - the entire site needs to know and be involved in some manner. A kick-off celebration can be used to announce it's a "new day" and seek buy-in for any new procedures and programs.

Continually Measure performance, **Communicate Results**, and **Celebrate Successes**. Publicizing results is very important to sustaining efforts and keeping everyone motivated. Everyone needs to be updated throughout the process. Progress reports during normal shift meetings allowing time for comments back to the steering committee opens communications, but also allows for input. Everyone needs to have a voice, otherwise, they will be reluctant to buy-in. A system can be as simple as using current meetings, a bulletin board, and a comment box.

On-going Support - Reinforcement, feedback, reassessment, mid-course corrections, and on-going training is vital to sustaining continuous improvement.

Submitted by:
By Britani P. Laughery,
CIC, CWCP, AU

Drive new profit in your dealership.



New profit center • Increase CSI • Maximize customer loyalty



Tiger Training

By Dwayne Wiggins



It is my first day on the job. I am filled with excitement, so I show up to the dealership 30 minutes before it opens. I am wearing my white shirt and tie and have brought along a black ink pen, just as instructed by the hiring manager. Finally, the doors are unlocked. I approach the receptionist and introduce myself before asking for my manager. She tells me to have a seat and someone will be with

me in a moment. Approximately 45 minutes pass before I am instructed to go to "the tower." I arrive at "the tower" where I finally meet with the manager. After five minutes, he informs me that he is extremely busy and does not have any time to spend with me. He then pages Billy Joe Bob to the sales desk. Billy Joe Bob shows up, and the manager asks him to show me around the store. Now, I'm taken around the store and introduced to my fellow co-workers as the new "green pea."

The thing that really struck me as odd was that during this orientation, Billy Joe Bob constantly told me that it is a bad time of year to get into the car business and that he hoped that I did not need to make a lot of money because this was a hard place to do it. He also said that traffic was slow and that he did not know why management would want to "flood the floor." We concluded our tour back at the manager's desk.

My manager reminded me how busy he was and promptly escorted me to the training room. Upon arriving in the training room, I was shown a mountain of videos and compact discs (most of which were still encased in their original plastic wraps), and I was instructed to watch them all. It took me a few days to go through all the videos and, when I was through, I approached my manager, ready to go. He instructed me to get on the point, catch an up, and turn the customer before he/she left the lot. I will always remember him saying, "Go get em tiger!"

Does this sound all too familiar? Managers across the nation are utilizing this technique to "train" their salespeople. The managers that use the "tiger training" program do so because it is what they know. It is just the way it has been done in the business. I teach the way my manager taught me, the way his manager taught him, and so on. This type of program relies on two things: 1) the techniques from the past and 2) the new salespeople relying on the tenured salespeople to show them the way.

In the automotive industry today, we cannot do business the same way we did 5 years ago, much less the way we did 10 or 15 years back. We definitely cannot rely on current salespeople to train what upper management wants done. Training needs to be a process rather than an event. Do you have a sales process at the dealership? Do the salespeople know what it is? Are you sure? How do you know? Who is responsible for the continuous education of your staff? If I asked the sales staff, would they say the same thing?

It seems that there is never a good time for training. Something always comes up during that scheduled time. Training is the single most important aspect of a manager's job but is often the most neglected. Assign a manager to be in charge of training at the store. Keep in mind that not all managers make good trainers. It may not be their strong point. If there isn't anyone qualified for the position, hire someone or look for a training company to come in to help the staff. A third party can be extremely effective in installing and monitoring a sales process. It is important when using a third party to be sure a long-term agreement is in place and that they are experienced in both training and the automotive industry. Every day, customers learn something new about how to buy a vehicle. Our salespeople should learn something new about how to sell one every day.

Dwayne Wiggins is a Trainer for the Automotive Training Academy, a division of American Financial & Automotive Services, Inc. Dwayne can be reached at 800.967.3633 or at DWiggins@AFASinc.com.



MasterTech Service Contracts • Automotive Training Academy • American Financial Tech Solutions
Reinsurance • GAP • Credit Insurance Ancillary Products • Panoptic® Insurance

www.AFASinc.com • 800.967.3633

Tentative Schedule of Events

SUNDAY JUNE 19TH

		LOCATION
3:00-6:30pm	Registration & Information	C. C. Registration
1:30-3:00pm	Montana Dealers Re Meeting	Kidd Island Bay
3:00-5:00pm	MTADA Insurance Trust	Kidd Island Bay
6:00-7:30pm	Welcome Reception w/ Hors d' Oeuvres	Rooms 162 &164

MONDAY JUNE 20TH

7:00-9:00am	MTADA Executive Committee Meeting	North Cape Bay
9:00-12:00pm	MTADA Board of Directors Meeting	North Cape Bay
8:00-9:00am	IADA Executive Board Meeting	Casco Bay
9:00-11:45am	IADA Board of Directors Meeting	Casco Bay
9:00-12:00pm	Registration & Information	C. C. Registration
12:00-1:30pm	Opening Luncheon (Governor Otter & NADA Stephen Wade)	Bay 4
1:45-2:25pm	Education Speaker (NADA Paul Metrey)	Bay 4
2:30-3:30pm	Guest Speaker Rhonda Lewis	Bay 4
3:35-4:35pm	Motivational Speaker – Art Krug	Bay 4
5:30-7:00pm	Cocktail Reception (<i>Cocktails & Heavy Hors d' Oeuvres</i>)	Outside Pool Deck

TUESDAY JUNE 21ST

7:00-12:00pm	Registration & Information	Outside Bay 3
7:00-9:00am	Breakfast Buffet	Bay 3
8:00-2:00pm	Golf Tournament	CDA Golf Course
10:00-2:00pm	Motorcycle Ride	Mceuen Parking Lot
5:00-8:00pm	Tradeshaw Expo (<i>Cocktails & Heavy Hors d' Oeuvres</i>)	Bay 2 & 3

WEDNESDAY JUNE 22ND

9:00-10:30am	Registration & Information	Outside Bay 5
9:00-10:00am	Sponsor Recognition Light Breakfast	Bay 5
10:00-12:00pm	Guest Speaker - Grant Cardone	Bay 3
12:15-1:35pm	Presidents' Luncheon TIME presentation (<i>Plated lunch</i>)	Bay 5
1:45-2:15pm	Guest Speaker NADA University Marilyn Youngs	Bay 5
2:30-4:00pm	Idaho Members General Session Meeting	Bay 3
2:30-4:00pm	Montana Members General Session Meeting	Casco Bay
4:00-5:30pm	Networking/Free time	
5:30-8:00pm	Lake Cruise Banquet w/ Cocktails & Entertainment (Kid's Klub Available 5:15-8:45pm)	Mish-o-nock VIK Room

Registration Form

IADA & MTADA 2011 Convention | June 19-22 | Coeur d'Alene, ID

Attendee Information		Attendee Name(s) <small>Print name(s) as you wish them to appear on convention badges</small>					Rate Code	Sun.	Mon.	Tues.	Wed.	Golf	Motorcycle Ride	Kid's Klub	Child's Age
Contact Name:															
Title:															
Company:															
Address:															
City, State, Zip:															
Phone:															
Email:															

Please Check Days That Will be Attended

Add-Ons

Children

Mail, Fax or Email form to IADA by June 3rd Note: *Guests & children attending meal functions will be billed at the individual day rate, plus a \$50.00 if not registered in advance.* Entire Convention Registration Fees - include all scheduled events and meals Sunday through Wednesday except golf. Individual Days include all events scheduled for the day except golf.

ENTIRE CONVENTION RATES:

RATE CODES

- M** - Member Rate
- N** - Non-member Rate
- R** - Sponsor Rate
- S** - Spouse Rate
- C** - Children (ages 3-17)

ADD-ONS:

- Golf \$125 / per adult
- Motorcycle Ride \$30 / per bike (must show motorcycle endorsements)

INDIVIDUAL DAY RATES:

- Sunday \$50 - Member / \$100 - Non-Member
- Monday \$100 - Member / \$150 - Non-member
- Tuesday \$75 - Member / \$125 - Non-member
- Wednesday \$125 - Member / \$175 - Non-member

All registration forms must be accompanied by full payment. See the Registration & Information brochure for cancellation policy.

PAYMENT: _____ Enclosed is a check made payable to IADA

_____ Please charge my credit card

Name on Card: _____ Card No.: _____

Expiration Date: _____

Signature: _____

TOTAL \$ _____

\$25.00/person x No. _____ = \$ _____	\$25.00/person x No. _____ = \$ _____
\$500.00/person x No. _____ = \$ _____	\$25.00/person x No. _____ = \$ _____
\$25.00/person x No. _____ = \$ _____	\$225.00/person x No. _____ = \$ _____
\$15.00/person x No. _____ = \$ _____	\$125.00/person x No. _____ = \$ _____
\$30.00/bike x No. _____ = \$ _____	

Loss Prevention

Please route to:

- Owner
- General manager
- Sales manager
- Service manager
- Office manager

Fire Prevention: How to keep yourself in business

An electrical short in a power strip cord and three electrical panels resulted in fire losses at four businesses totaling over \$3.6 million. Discarded cigarettes were reported to be the cause of fires in two other instances resulting in losses of almost \$1.3 million. In each of these cases, there was extensive damage to the buildings, inventory and equipment. Business was disrupted, customers inconvenienced and profits lost forever. According to statistics, some of these companies will never recover. They will either never reopen or will be out of business within five years.

It is a fact that many businesses close their doors for good following a serious fire. Insurance will generally reimburse you for the building, equipment and stock lost in a fire. The one critical loss they cannot replace – customers. There will be a period of time when you cannot provide the service or products they want. When this happens, your customers can become someone else's customers. The best way to keep your automotive business and customer base intact is to invest time and effort in fire prevention.

Ignition sources

The first step in fire prevention is to identify the most common sources of ignition. For most automotive businesses they are electrical equipment, arcing or overloading; cutting and welding; spontaneous ignition or chemical reaction; smoking; and furnaces and hot water heaters. Once the ignition sources have been

identified and located within your facility, they must be separated from all flammable and combustible materials. Separation is accomplished through distance or by implementing appropriate control measures including the following:

Electrical equipment, arcing or overloading

- Establish a three-foot clear zone in front of electrical panels and transformers.
- Remove unapproved extension cords from your facility.
- Do not substitute extension cords for permanent wiring.
- Keep combustibles at least 12 to 18 inches away from fluorescent light fixtures.
- Beware of unauthorized electrical appliances, especially small electric heaters.
- Retain a competent electrical contractor to perform regular inspections of electrical systems.

Cutting and welding

- Establish approved, isolated areas for cutting and welding operations.
- Train employees in the safe operation of welding and firefighting equipment.
- Station adequate fire extinguishing equipment nearby.
- Remove all combustibles from the area; hot sparks may land up to 35 feet away.
- Sweep the floors clean in the area surrounding the welding or cutting activity.
- Never weld adjacent to containers of flammable liquids, including automotive gas tanks.

- Assign a “fire watch” to monitor the area for 30 minutes after welding.
- Inspect welding apparatus on a regular basis to ensure it is in proper working order.

Spontaneous ignition or chemical reaction

- Soiled rags and uniforms should be stored in closed metal containers.
- Rags soaked in gas, oil, paint or thinner should be placed in approved, self-closing metal cans.
- Battery charging areas must be well-ventilated to prevent a build-up of explosive hydrogen gas.
- Combustible materials should not be stored close to sources of heat; they can undergo a chemical change that results in a lower ignition temperature.

Smoking

- A 100% “smoke-free” environment is preferred.
- Paint and body shops should be posted (and enforced) as “No Smoking” areas.
- If smoking is permitted, establish approved smoking areas and provide appropriate receptacles.

Furnaces and hot water heaters

- Retain a qualified contractor to inspect all heating equipment and furnaces prior to winter.
- Clear the immediate area of all combustible materials.
- Do not store janitorial or other paper supplies inside furnace closets or next to water heaters.
- Clean and inspect all flues prior to using equipment.
- Maintain a safe distance between overhead heaters and all combustible storage.

Flammable and combustible materials

Flammable and combustible materials provide a fuel source that is easily ignited and can spread fire throughout a facility. Control measures for flammable and combustible materials commonly found in automotive businesses include the following:

Gasoline

- Never use gasoline as a solvent. There are many other less flammable alternatives.
- Store gasoline outside the building whenever possible.
- If it must be stored inside, keep gasoline in FM or UL approved “safety cans.”
- Always transfer gasoline out of tanks prior to removing them from the vehicle.
- Gasoline transfer operations should be conducted outside.
- Transfer the gasoline using an approved “gas caddy” or equivalent, never into open containers.
- Clean up all spills as quickly as possible.
- Avoid using incandescent utility lights around gasoline. Sealed fluorescent lights are safer.

Other flammable and combustible liquids

- Use nonflammable solvents, not gasoline, for parts cleaning.
- Store flammable and combustible liquids inside approved storage cabinets.
- Limit quantities of flammable liquids in the work area to a one day supply.
- Store large containers of flammables, such as 55 gallon drums, outside or in approved rooms equipped with explosion-proof electrical fixtures and 24-hour ventilation system.

Loss prevention information

For questions about this loss prevention topic, contact the Zurich Risk Engineering Department at 800-821-7803.

Not a customer?

For more information about Zurich’s products and Risk Engineering services, visit www.zurichna.com/zdu or call us at 800-842-8842 ext. 7449.

Already a customer?

Contact your Zurich Account Executive or agent for information about additional Zurich’s products and Risk Engineering services.

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute legal advice and accordingly, you should consult with your own attorneys when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.



**Montana Automobile
Dealers Association**



CUSTOM MIRROR HANG TAGS

Create your very own Mirror Tags with your dealership logo & message only \$17.00 per pack of 50.



**Contact Dan Dallas
Field Services Director
406-442-1233**

Montana Automobile Dealers Association
 501 North Sanders
 Helena, MT 59601
 (406) 442-1233
 Fax (406) 449-0119

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