VOTES DUE JUNE 5

7 candidates on ballot for 6 CATA board seats

Seven candidates, including one incumbent, have been nominated to fill six openings on the board of directors of the Chicago Automobile Trade Association. Each term lasts three years beginning this month.

Election ballots were sent May 22 to all CATA dealer members whose association dues are up-to-date. Completed ballots must be received by 12 p.m. June 5 by the CATA’s auditing firm, Crowe Chizek & Co., which will tally the submissions. Results will be announced at the CATA’s June 9 golf outing at Cog Hill Golf & Country Club in Lemont.

One incumbent is seeking re-election, this to his final three-year term. Steve Foley Jr., (Steve Foley Cadillac and Rolls-Royce, and Bentley Northbrook) currently is CATA secretary, one of the four board officers.

Newcomers on the ballot include Ed Burke (Naperville Jeep-Dodge-Hummer), Tom Gollinger (Woodfield Chevrolet-Hummer), Dan Marks (Libertyville Lincoln-Mercury), Mike McGrath Jr. (McGrath Acura, Honda, Hyundai, Lexus), Fred Vargason (Nissan of St. Charles), and Colin Wickstrom (Wickstrom Ford-Lincoln-Mercury).

A director can serve a maximum of three terms. A committee comprised of former CATA board chairmen met last month to identify candidates for nomination.

DriveChicago ‘best practices’ seminar

Brightest futures await dealers with best Internet sites

Traditional showroom traffic at dealerships continues to decline. But traffic via telephones and the Internet continues to grow.

“How well are we addressing this except to complain that showroom traffic is down?” asked Lee Eddy.

Eddy, who directs CATA Learning University, was one of eight speakers at an Internet “best practices” seminar hosted by DriveChicago.com, May 28 at the CATA office. The CATA owns and operates the DriveChicago Web portal.

Eddy noted that dealership Internet managers often have shoddy cubicles erected as afterthoughts, and sometimes earn their position simply because they helped the dealer access his e-mail remotely.

Eddy said: “The general sales manager should say ‘I am the Internet manager, not that guy tucked in the corner with a 386 processor.’ The showroom now oversees 12 percent of our customer traffic; the Web oversees 88 percent of the traffic. If I am the GSM, then I must oversee the whole process.”

“And if you don’t have your game covered,” said Mark Bilek, the CATA’s Internet

NOMINATIONS FOR TIME MAGAZINE AWARD DUE JULY 7

Nominations for the annual Time Magazine Quality Dealer Award, which honors new-car dealers for their business acumen and community service, must be received by the CATA by July 7.

All nominations should be submitted using the nominating ballot included with this newsletter. Criteria for eligible nominees appear on the ballot.

The Civic and Dealer Relations Committee of the CATA board of directors will review all nominations, and the full board will submit the name of one CATA candidate for consideration for the national award.

Winners will be named next January at the NADA convention in New Orleans. The national winner are selected by a panel of faculty members from the University of Michigan Graduate School of Business Administration.

The CATA’s last nominee for the award, in 2007, was Tom Shirey.
Star Nissan owner gives SUV, offers job to amputee car-theft victim

Six months ago, Wensdae Williams lost her right leg below the knee, when it was amputated after years of painful surgeries related to a freak accident. On May 9, Williams lost her 1995 van, when it was stolen from the handicapped parking space in front of her Chicago residence.

The former steelworker had moved to the city’s Lakeview neighborhood to be closer to her doctors, but the theft stripped Williams of mobility. Cue Michael Berman, owner of The Berman Auto Group, which includes Mid-City Nissan and Mid-City Subaru-Lincoln-Mercury in Chicago; and Star Nissan in Niles.

Berman on May 21 gave Williams a 2002 Jeep Grand Cherokee and a job offer to work on his dealerships’ Internet activities, according to a report televised that day by ABC 7 Chicago.

“I can go back to living my everyday lifestyle like I did before,” said Williams. “Going to the doctors, therapy, the grocery store, just doing simple things. Getting back out there with my dogs.”

Berman said: “When I called Wendy and told her I was going to [give her the SUV], she said ‘God is going to bless you.’ And I said, ‘He already has.’”

Berman’s employees collected $1,000 to buy a gas gift card for her. An insurance agent friend is working on providing her coverage. Berman talked to Williams about hiring her after she recovers.

Chicago police said May 21 they had no leads on the stolen van.

Free gun promotion fires up sales

A Missouri dealer offered a free handgun with every vehicle sold through May 31 and said sales quadrupled during the offer.

Customers of Max Motors in Butler, Mo., could choose $250 in gas or a free semi-automatic handgun. Employee Walter Moore, who devised the promotion, said the handgun is the more popular choice.

“Right now,” Moore said in late May, “we’re running 80 percent toward the gun.”

Owner Mark Muller said every buyer “except one guy from Canada and one old guy” chose the gun.

“We’re just damn glad to live in a free country where you can have a gun if you want to,” said Muller.

The logo of the GM dealership, located about 65 miles southeast of Kansas City, features a cowboy holding a pistol.

Jerry Hertzog, who was buying a new truck, said: “Love guns, we all need to have guns. Guns or gas or fuel, I’ll take the gun anytime.”

Moore said most of his customers already own guns. He said: “I get in a vehicle to bid a trade, there are guns on the seats, guns in the back windows. Everybody has a gun. There’s no backlash.

“I don’t understand what’s the bad idea. Telling people they have the right to protect themselves.”

Vehicle buyers were required to pass a background check before obtaining a gun. The local police chief said he was fine with the promotion as long as the weapons weren’t handed out at the dealership.

Illinois’s motor vehicle advertising regulations prohibit dealers from offering free gifts in connection with the purchase of a vehicle whose selling price is negotiated, except if the gift is offered through a manufacturer’s program or a dealer advertising association.

More on sales tax status of vehicles destined for Canada

An article in the May 19 edition of this newsletter generated several calls from dealers who questioned the allowance for Illinois dealers to issue drive-away permits for vehicles destined for Canada. The Illinois Revenue Department’s Form ST-556, at a quick glance, does not appear to permit that.

The instructions for completing the form’s Section 5, Box A state that “If you issued a drive-away permit, write the drive-away permit number and the two-letter state abbreviation of the buyer’s state of residence in the space provided.

But drive-aways also can be issued for vehicles destined for Canada because the Illinois Revenue Department expands the definition of a “state” to include Canada and Puerto Rico. See Section 1-195 of the Illinois Vehicle Code.

Adds the department’s Susie Lonzerotti: “We (also) have been allowing drive-away permits to Mexico on advice of our legal staff. I am trying to get that issue resolved so we can have that in writing.”
More dealerships ‘going green’

McLean, Va. (May 14, 2008) -- Dealers across the country are saving money with a renewed focus on energy conservation. More than 500 dealers, for example, are participating in the ENERGY STAR program.

ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Energy Department, helps consumers save money and protect the environment through energy efficient products and practices.

And program results are adding up. With the help of ENERGY STAR, Americans saved enough energy in 2007 to avoid greenhouse gas emissions equivalent to those from 27 million cars—all while saving $16 billion on their utility bills.

The National Automobile Dealers Association is the first association representing a national retail network to partner with the ENERGY STAR program. EPA Administrator Stephen Johnson praised the NADA for its efforts at the association's annual Washington Conference.

“‘The NADA’s commitment to energy efficiency education is unprecedented in our program and serves as a model for others,’” Johnson said.

The NADA's Energy Stewardship Initiative challenges dealers to reduce their energy use by at least 10 percent. According to the EPA, if all dealerships reduced their energy consumption by just 10 percent, they would save about $193 million in energy costs and eliminate more than one million tons of greenhouse gases each year.

Hundreds of dealers are meeting—and exceeding—the association’s challenge in a variety of ways. (Dealers who are interested in participating in the program can find out how by consulting “A Dealer Guide to Energy Star: Putting Energy into Profits.” The publication is available from the NADA’s Management Education catalog, at www.nada.org/mecatalog.)

“Doing something as simple as changing the lighting in your showroom can have a real impact on a dealership’s energy use and your bottom line,” says NADA Chairman Annette Sykora.

USA Today and the NADA recently celebrated the success of one “green” dealer by awarding him with the 2007 Dealer Innovation Award. Jim Hand, president of Hand Motors in Manchester Center, Vt., was selected from four finalists as the national winner of the annual award.

Hand Motors expects to save about $30,000 a year in energy costs through its “reduce, recycle and carbon-offset” program. The dealership heats its new, 11,200 sq. ft. service shop with 100 percent waste motor and vegetable oil, at no cost to the dealership. In fact, the dealership saves more than $15,000 per year by not having to buy standard heating oil.

The award’s three other finalists were Jack Quirk Jr., Quirk Auto Park, Bangor, Maine, who installed a natural-gas turbine generator to provide a constant supply of electricity; Steve Jackson, Toyota of Rockwall, Texas, who snagged a LEED (Leadership in Energy and Environmental Design™) Gold certification; and Jack Fitzgerald, Fitzgerald Auto Mall, Bethesda, Md., whose 12 stores recycled more than 4 million pounds of material last year.

In May 2007, Fitzgerald Auto Malls began using 100 percent wind power at all of its Maryland dealerships, and as a result has been named an EPA Green Power Partner. Fitzgerald says he’s committed to using 100 percent “green” power for all of his dealerships in Maryland, Pennsylvania and Florida.

Several other dealerships are achieving energy savings through the use of solar power. Mercedes-Benz of Arrowhead in Peoria, Ariz., became a LEED Silver certified dealership after installing solar panels on the roof to generate power and reflect heat off the building. The dealership is earning credits for power it is generating and pumping back into the electricity grid.

New guidelines available to help dealers protect customer information

The Standards for Technology in Automotive Retail (STAR) organization has developed new guidelines to help dealers with safeguarding customer information.

STAR is a nonprofit, dues-paying organization whose members include dealers, manufactures, retail system providers, and automotive-related industry organizations.

The goal of STAR is to use voluntary information technology standards to fulfill the business information needs of dealers and manufacturers and reduce the time and effort previously necessary to support this activity.

Collectively, STAR develops voluntary industry standards and researches emerging technologies for the benefit of dealers. STAR is considered the IT standards organization for the retail automotive industry.

For more information, visit STAR's Dealer Infrastructure Guidelines publication at www.starstandard.org.
16% of drivers unfit for roads; Indiana 11th best, Illinois below par

Illinois drivers trail those in 31 other states, on average, in their knowledge of the rules of the road, according to a study by a vehicle insurer released May 22. Indiana drivers ranked 11th best in the study.

In all, the 2008 GMAC Insurance National Drivers Test found that 16.4 percent of all drivers on the road—about 33 licensed Americans—would not pass a written drivers test if taken today.

The fourth annual survey, which polled 5,524 licensed Americans from all 50 states and the District of Columbia, is designed to gauge driver knowledge by administering 20 actual questions taken from state Department of Motor Vehicles (DMV) exams. Kansas drivers ranked first in the nation, with an average test score of 84.0 percent; New Jersey drivers ranked last, with an average score of 69.9 percent.

Indiana drivers scored an average 80.6 percent. Illinois drivers ranked 32nd in the country, with a 77.5 average. The ranking for Illinois is an improvement over 2007, when it was in 45th place.

Overall, findings from the 2008 survey indicate that an alarming number of licensed Americans continue to lack knowledge of basic rules of the road. While the national average score improved slightly—to 78.1 percent from 77.1 percent in 2007—in general, geographi-
cal regions ranked similarly to previous years, with the lowest average test scores in the Northeast.

Across the board, respondents continued to have difficulty on questions about yellow lights and safe following distances. Eighty-four percent could not identify the correct action to take when approaching a steady yellow traffic light, and 73 percent could not properly identify a typical safe following distance from the car in front of them.

Additional key findings from the 2008 GMAC Insurance National Drivers Test include:

- Drivers ages 35 and older years old were most likely to pass.
- Women (20 percent) were more likely to fail the test than men (13 percent)
- The Northeast had the lowest average test scores (76 percent) and the highest failure rates (19.8 percent)
- The Midwest had the highest average test scores (81 percent) and the lowest failure rates (11 percent)
- New York, New Jersey, the District of Columbia and Massachusetts ranked within the last five places for the past three years.

Fortunately, nearly all respondents (98 percent) know what to do when an emergency vehicle with flashing lights approaches, what to do when hydroplaning and the meaning of a solid yellow line.

DriveChicago

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director, “you don’t get 88 percent; you get 10 percent.”
Bilek noted that DriveChicago.com traffic is up 40 percent since the portal’s redesign six months ago. All CATA dealer members—and only CATA dealer members—are represented on the portal free, as a member benefit.
Bilek said when he joined the CATA in 2006, only about 10 percent of portal visitors were converted to dealer leads. That figure now is approaching 45 percent, and Bilek said his goal is a conversion rate of at least 75 percent.
Jim Miller of Dealerskins, which designs Internet sites, said a dealership’s Web site must be “visually captivating” to hold a consumer’s interest.
“Would you watch “Boston Legal” if it was black-and-white? I don’t think so,” Miller said.
He said “hot buttons”—to access telephone numbers, new- and used-vehicle inventories, and financing information, among other things—should appear on every page of a Web site, so the viewer is never more than one click away from reaching the information.
“You should never have to back-arrow to find what you’re looking for,” Miller said.

The group debated listing used-vehicle prices online. Bilek said the top complaint he hears about DriveChicago is dealers who instead instruct the consumer to “call for price.”
Representatives of nearly 40 dealerships attended the seminar. Other DriveChicago technology partners who spoke included Experian Automotive, BlackBook Online, Dealer Specialties, DataOne Software, and TimeHighways.com.

Congratulations!

Harlan Bettenhausen of Bettenhausen Motor Sales in Tinley Park was named Dodge’s 2007 Dealer of the Year in the Midwest region. The award, for achieving the best overall Dealer Scorecard performance, names Dodge, Chrysler-Jeep, and Chrysler-Jeep-Dodge franchises in eight regions each.

Marketplace

Controller/Office Manager 20+ years dealership experience. Cross training in multi-departments, Microsoft Word and Excel, ADP. Organized team player, dedicated, professional, self-motivated. Debra Simo, 708-804-6814. Résumé on file at the CATA.