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NADA Professional Series coursework heading to CATA office

The National Automobile Dealers Association is bringing its new training program exclusively for dealership managers to the CATA, with six two-day training sessions from October through December.

The NADA Professional Series provides training to new or high-potential department managers working in sales, office, parts and service. It's designed to fit the busy automotive retail lifestyle of dealership managers with convenient classes offered at locations across the country.

"The NADA is the only organization in the country that offers a full training program to give dealership managers the tools they need to run profitable departments," said Peter Fong, NADA senior vice president of dealership operations. "And very few, if any in the industry, offer training for office managers."

Training begins with an Oct. 8-9 class for parts managers, followed by training for service managers Oct. 10-11. Later classes: Oct. 15-16 for sales managers, Oct. 17-19 for office managers, and Nov. 21-22 and Dec. 10-11 for general leadership.

Each NADA Professional Series is comprised of four instructional modules:

• **Core Competencies** (Learn the Job): two-day classroom, instructor-led and interactive/online courses;

• **Leadership Foundations** (Learn to Lead): two-day classroom, instructor-led and interactive/online courses;

• **Human Resources Foundations** (Learn to Build a Team): self-paced online courses; and

• **DMS Applications** (Find Data to Succeed): self-paced online courses.

Ideal registrants for the program are up-and-coming dealership managers who will receive the training they need to successfully run their departments

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New federal rule widens overtime pay eligibility

Overtime pay eligibility will be expanded for up to 1.3 million workers effective Jan. 1, the Labor Department announced Sept. 24.

Under the new rule, most salaried workers who earn less than about $35,500 a year will be eligible for time-and-a-half overtime pay, up from the current threshold of about $23,700.

The Obama administration raised the threshold considerably higher in 2016 in an effort to cover millions more workers, but a federal judge first suspended and later invalidated the rule, which never took effect.

The current salary limit was set by the George W. Bush administration in 2004.

"This rule brings a common-sense approach that offers consistency and certainty for employers as well as clarity and prosperity for American workers," Patrick Pizzella, the acting labor secretary, said in a statement.

Many employers and business groups had supported an increase in the limit but argued that the Obama threshold of about $47,500 was simply too high. They warned that it would require businesses to suddenly pay out hundreds of millions of dollars in overtime compensation or raises intended to move workers above the new threshold.

"Had the Obama administration adopted a number that had three in front of it,

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Tax amnesty plan in Illinois

By Judy Mason
Partner, MichaelSilver

Illinois enacted two tax amnesty programs that will be available through Nov. 15, 2019. This is the first tax amnesty Illinois has offered since 2010.

Under both programs, the Illinois Department of Revenue waives applicable interest and penalties.

• The general tax amnesty

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Electric-car dreams could fall a nickel short

Demand for form of nickel used for car batteries outpacing supply

Global producers of electric cars have big ambitions and a bigger problem: Supplies of a key material are running short.

Nickel sulfate is a brilliantly colored crystalline substance used in electric-vehicle batteries. The ore most commonly used to produce it is mined in only a handful of places — and they include some of the most politically or operationally challenging, such as Russia or Canada's frozen Northeast.

Nickel sulfate accounts for just a fraction of global nickel sales; about 70% of nickel is used in stainless steel. But automakers will launch more than 200 new plug-in electric vehicles through 2023, consulting firm AlixPartners estimates — and that isn't counting hybrids. UBS expects batteries in electric vehicles to account for 12% of global nickel demand by then, up from 3% in 2018.

And after years of low prices that stalled investment by global miners, nickel supply is falling short of demand. "There's no new nickel in the pipeline," said Angela Durrant, principal metals analyst at Wood Mackenzie, a U.K.-based consulting firm.

Batteries with a high nickel content are becoming more popular because of the metal's stability under high temperatures and its resistance to overcharging, UBS said. Tesla has increased the nickel in its battery packs and reduced the cobalt — achieving the highest energy density of any electric-vehicle battery, it said, meaning a longer driving range. It plans to eliminate cobalt entirely. At a conference in May that included miners and lawmakers, a Tesla manager spoke of the importance of continued investment in mining for battery metals.

Under the baking sun in the Australian Outback, workers digging nickel out of the red earth for BHP Group have reason to be thankful for the appetite of Europeans and, increasingly, Americans for electric vehicles.

BHP's Nickel West operation was on the mining industry's death row only four years ago. With stainless-steel makers turning to cheaper nickel sources elsewhere, such as Southeast Asia, executives debated its closure — which could cause the direct loss of 2,000 jobs. As recently as May, it was up for sale.

Now, Nickel West ranks among BHP's priorities for new investment. Battery customers, a nonfactor as recently as 2015, now buy most of the operation's production. BHP plans to start up one of the world's largest nickel-sulfate plants next year, and has lined up buyers in Japan, South Korea and China.

"We have been on an extraordinary journey since January 2015," said Eduard Haegel, BHP's asset president overseeing Nickel West.

Betting on a demand boom is a tough business, especially for a niche commodity that isn't easily priced or hedged. Today, trading on the London Metal Exchange is for nickel cathodes, pellets and briquettes only. Buyers typically pay a premium for battery-grade nickel sulfate, which makes pricing opaque.

The benchmark nickel price is historically volatile. It has surged roughly 70% in 2019, to about $18,000 a metric ton, because of a ban on nickel-ore exports from Indonesia that will take effect earlier than traders had expected.

Some analysts are cautious after the last big nickel boom. Triggered by China's industrialization, it sent the price to $50,000 a ton in 2007 from roughly $10,000 just a few years earlier. But a crash soon followed, after China's steel producers figured out how to substitute a lower-grade product known as nickel pig iron.

There is a risk that a long-term surge fueled by electric vehicles could again drive innovation and bring nickel down to earth. Still, many miners and analysts are skeptical on the options for swapping out nickel, at least for the next decade or so.

Meanwhile, costly new projects — requiring nickel prices in the mid-$20,000s to be profitable — are likely to be needed to bridge the market gap, according to Roskill, a commodities consulting firm.

Already some mining companies are experimenting with new technologies to get ahead of the game.

Congratulations!

D'Arcy Buick-GMC of Joliet and **D'Arcy Chevrolet-Buick-Cadillac** of Morris both were named by Automotive News as being among the 100 Best Dealerships to Work For in 2019. Overall, the Morris dealership was ranked No. 39; the Joliet store, No. 42.

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It’s time to get our arms around the data quagmire

By Peter Welch
NADA President, CEO

Over the last decade, we’ve seen a revolution in customer expectations in the automotive retail industry. Technology has made an avalanche of information available to everyone instantaneously. Today’s consumers routinely enjoy fully integrated, real-time experiences in so many aspects of their lives, and they expect the same when buying or servicing their vehicles.

This “integration revolution” — which started with Amazon and other e-retail platforms — is at our doorstep, and it will provide dealers with massive opportunities to greatly enhance their customers’ experience. The key to this future is the seamless flow of data.

But in order for auto retailers to truly leverage data for the benefit of their customers, the auto industry must find a way to securely and efficiently integrate data flows across all channels of the automotive ecosystem: dealers, OEMs, finance companies, DMVs, vendors and the vehicle itself.

And right now we’re falling far short. A look under the hood of the auto industry reveals that the current way we integrate, share and use customer data isn’t clear, fair, efficient or even rational in many cases. As a result, instead of building new opportunities for ourselves, we’re chasing many away.

Take, for example, the way in which OEMs and their dealers share data. Some OEMs view this as a one-way street where data should flow to them in a single direction instead of in both directions on a shared basis. Some OEMs even require dealers to share customer data with third parties without appropriate legal or practical protections.

Not only is that unfair, it’s irrational, given that it often results in consumers receiving conflicting marketing and service messages from dealers, OEMs and third parties. That’s a far cry from the predictive marketing that other industries are able to pull off regularly.

The good news is that a growing number of OEMs are starting to get it. For example, one OEM — at the NADA’s urging — conducted a review of its data integrations and found, among other things, that it had more than a dozen different dealer data agreements just under its own roof.

To its credit, this OEM quickly took the opportunity to improve efficiencies and avoid duplication, and is now taking action to establish a dealer data governance strategy that controls third-party access and creates clear, rational and fair access rules.

Other forward-thinking OEMs are following suit and acknowledging that the proper management of today’s rich and complex universe of data requires significant coordination. These OEMs see that an efficient, secure and compliant data integration plan isn’t just possible; it’s vital to brand value in the eyes of today’s consumers.

Of course, it’s not all good news. That’s because when it comes to data integration with third-party dealership service providers, we’re actually moving backwards.

Technology vendors can provide tremendous value for dealers, but some vendors have abused their access to dealership systems in an effort to obtain and leverage customer data for themselves. And for many dealers’ most critical technology vendor — their DMS provider — the situation has become even more problematic.

In fact, some DMS providers have actually put more effort and investment in making data integration more complex and expensive than they have in modernizing their systems and cutting costs. These complexities, and what some have labeled the “monopolistic rents” they charge to third-party dealer service providers, stifle innovation and hamstring a dealer’s ability to efficiently and securely move data from one place to another in a cost-effective manner.

It’s a fallacy that the only way to securely move data and integrate systems is with more choke points, roadblocks and tolls. Technology not only exists that allows data to flow securely and openly, it is so common that it can be provided at very little cost, and with state-of-the-art control and security capabilities. For example, open and secure Application Program Interfaces (APIs) are almost ubiquitous in e-commerce. There is a reason why they are so commonly used worldwide, including for private, sensitive information such as credit card and bank account data: They work. Unfortunately, these tools often are not made available for dealer systems.

Given this reality, you would think that the leading DMS providers would engage their best IT people and get to work. Regrettably, the only ones they’ve put to work are their lawyers — and that’s a shame. During the past year, several states have intervened to enact new laws to level the data playing field and better protect dealership customer data. However, the two largest DMS providers recently sued one of those states in an attempt to evade its new law.

The world is changing, and data quickly is becoming the auto retail industry’s oxygen. Dealers need partners — OEMs and vendors alike — willing to embrace this reality and work with dealers, not against them, in service of consumers.

Car2Go ending service in 5 markets, including Chicago

Car2Go, a free-floating carshare service and subsidiary of Daimler AG, is shutting down its service in Chicago and four other North American markets by year's end, the company announced on its website.

Car2Go has plans to halt operations in Austin; Calgary, Alberta; Denver; and Portland, Ore. on Oct. 31. The carsharing service also will cease operations in Chicago on Dec. 31. The five markets represent half of Car2Go's footprint in the U.S. and Canada.

Operations will continue in New York City; Washington D.C.; Montreal; Vancouver, British Columbia; and Seattle, where the company will "refocus [its] efforts and resources [to markets] that represent the clearest path toward free-floating carshare success," the company noted.

"[Rideshare] is a complex transportation market that requires a significant investment on the part of any mobility provider wanting to enter the city and unfortunately, we are unable to continue doing so in a manner that's sustainable for our business," the company wrote to its members in an email, adding that the company will thin its fleet as the stop-service date approaches.

Car2Go first launched its services in North America in 2009. The German-based mobility company also has operations in Austria, France, Germany, Italy, the Netherlands, and Spain.

Overtime

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they would not have been sued," said Tammy McCutchen, one of the authors of the Bush increase, who now is a lawyer at the management-side firm Littler Mendelson.

The Obama administration had argued that its rule was in line with historical increases, and that it still left fewer salaried workers eligible for overtime than had been eligible in 1975.

Heidi Shierholz, a former Labor Department chief economist who helped develop the Obama rule, said in a statement: "While the administration may be trumpeting this rule as a good thing for workers, that is a ruse. In reality, the rule leaves behind millions of workers who would have received overtime protections under the much stronger rule, published in 2016, that the Trump administration abandoned."

The Trump administration had appealed the decision that struck down the Obama rule but asked the court to suspend its appeal while it worked on a replacement.

In an analysis of the rule that the Labor Department proposed in March, which closely resembles the final version announced Sept. 24, Shierholz estimated that the Trump rule would yield workers \$300 million to \$600 million a year in wage increases over the next decade. But that amount was more than \$1 billion a year less, on average, than the wage gains that the Obama rule would have produced, according to her estimates.

Salaried workers who make more than the legal threshold can also be eligible for overtime pay if they lack substantial decision-making authority. But the Obama administration argued that employers had either ignored this so-called duties test or circumvented it by giving low-level workers loftier titles, which made the salary threshold the de facto standard.

President Trump's first nominee for labor secretary, Andrew Puzder, strongly opposed a significant increase in overtime eligibility. But Alexander Acosta, who replaced Puzder after his nomination collapsed amid personal controversy, took a more conciliatory tack. Acosta endorsed a threshold in the low \$30,000s during his 2017 confirmation hearings.

Professional

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while spending minimal time out of the dealership, Fong said. The courses require an employee to be away from the dealership only twice for a total of four days, and participants can complete the program in as few as three months.

"We want the next generation of automotive retailing professionals to secure their success at the dealership," Fong said.

"Worth every penny and time away from the store," said Brooke, an executive manager with five years automotive experience, in one program testimonial. "I learned a lot about myself and my team, and (it) has me thinking about the ways to improve. Thank you!"

Tuition for any of the two-day classes is \$2,995 for NADA members, beginning with a \$95 nonrefundable deposit. For more information and to register, go to www.nada.org/professionalseries.

Tax

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applies to all taxes due to the State of Illinois for any tax period ending after June 30, 2011, and before July 1, 2018.

• The other tax amnesty applies to franchise tax and license fees taxes due for any tax period ending after March 15, 2008, and on or before June 30, 2019.

Regulations have not yet been issued regarding how amnesty is to be claimed, which forms to use, how payment is to be made, etc. For prior amnesty programs, taxpayers were required to file delinquent and/or amended tax returns, including making the applicable payment, within the short amnesty period.

If you are currently under audit for sales or income tax or are delinquent with your Illinois tax filings, you may be able to participate in the amnesty program and eliminate interest and penalties associated with a liability.