



## Man nabbed trying to buy vehicle with fake ID

Hinsdale police arrested a man at a Hinsdale dealership on Feb. 27 and charged him with burglary in connection with his attempt to purchase a vehicle using a fake ID. He remained in custody March 2.

Hinsdale Police Detective Carter Sward described the man, whose actual name he declined to disclose, as “not the big guy” but instead someone who answered to a kingpin who offered the man a chance to make some money by taking delivery of vehicles.

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## State bills address \$10K trade-in allowance cap, time allotments for labor on warranty work

Illinois lawmakers in February introduced legislation to eliminate the trade-in allowance cap that took effect in 2020, plus a bill that addresses the compensation that manufacturers grant dealers for warranty repair work.

Senate Bill 58, filed Feb. 9 by Sen. Antonio Munoz (D-Chicago), would restore the full sales tax credit on traded-in vehicles. The bill passed out of the Senate Revenue Committee March 3 on an 11-0 vote. Dealers and others who back it are encouraged to contact their state senators to support SB 58,

which could be heard for passage by the full Senate March 9-11. Senators in early January voted unanimously to pass the same argument, but then the 101st session of the General Assembly expired before the House could act on it.

The trade-in cap first emerged in the final days of the legislature’s 2019 session, as Illinois Gov. J.B. Pritzker and lawmakers sought funding for the governor’s \$45 billion capital infrastructure plan. The CATA and other groups back

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## Thieves beat vehicle delivery driver, steal 3 cars off the truck

*Secured keys prevents loss of more vehicles*

Des Plaines police said a luxury car delivery driver was beaten badly by a group of four thieves early Feb. 25. The thieves stole three cars, and it was all caught on video.

Police said officers responded to the Jidd Motors used-vehicle service center on Rand Road about 1 a.m. Feb 25. They found a man lying in a snow bank with injuries to his wrist and leg. The victim was taken to a local hospital with serious but not life-threatening injuries.

Video captured the entire incident, from initial break-in to the quick and

violent attack. Police said three of the attackers were Black and one was white. An investigation into the attack and thefts is ongoing.

It began when four men broke into the nearby dealership showroom, stealing some laptops and office supplies, then moving to a huge warehouse. At the warehouse, they tried to steal several vehicles, but could not find ignition keys for any of them.

About 20 minutes later, they moved down the road to the dealership’s service center at 855 Rand Rd., where the men encountered the delivery truck. They violently attacked the driver, leaving him badly injured. He limped away,

eventually pleading for his life, as the thieves stole two BMWs and an Alfa Romeo.

“They’re really quick,” said Adam Jidd, owner of Jidd Motors. “Professional. They’re all masked up. They have gloves on them. They know what they’re doing.”

No arrests have been made as of this newsletter deadline.

Jidd said the driver underwent two surgeries that day and has a broken leg, adding there now will be armed security at both dealership locations.

Jidd Motors also has set up a GoFundMe page to raise money to help pay the driver’s hospital bills.

## AIADA gives Lifetime Achievement Award to late dealer Bob Rohrman

The late Bob Rohrman, whose namesake dealer group operates about 30 new-car dealerships stretching from Indianapolis to Kenosha, Wisconsin, was named Feb. 18 as the 2021 recipient of the AIADA's David F. Mungenast Lifetime Achievement Award.

Rohrman died Sept. 1, 2020, at age 87.

The annual award is presented by the American International Automobile Dealers Association to an industry leader who

possesses a community spirit and devotion to the international nameplate auto industry.

"Those of us who knew Bob Rohrman and his legendary generosity saw that he embodied the spirit of the award more than almost anyone else in our industry," said AIADA President Cody Lusk. "There are many things we remember Bob for, but at the very top was his giving spirit and commitment to leaving the



Bob Rohrman

world a better place than he found it."

Perhaps the most famous car dealer in the Midwest thanks to his iconic television commercials, Rohrman got his start in the car business in Lafayette, Indiana. During his

life, he was the recipient of numerous awards, including Indiana's 2019 Sagamore of the Wabash, and he served in multiple auto industry leadership roles, including on the AIADA's board of directors.

But Rohrman's generosity was even bigger than his television personality. Highlights include a \$15 million donation to Purdue University for Rohrman Field at Ross-Ade Stadium, \$3.5 million for the

Rohrman Performing Arts Center at Jefferson High School, and multiple other donations to organizations including Susan G. Komen, Meals on Wheels, and the Make-a-Wish Foundation.

Since 1975, the AIADA has presented an annual lifetime achievement award to dealers who are set apart by a deep commitment and contributions to the international auto industry and community involvement.

## Service ops revenue down, but year's second half forecast looks better

Some of the nation's biggest dealership groups expect service and parts business, especially body shop and collision repair, to recover in the second half of this year, as consumers begin to drive more.

"The forecast for 2021 is definitely heavier weighted on the second half," said Jeff Dyke, president of Sonic Automotive. "As the vaccine gets out and people get more comfortable with traveling, we're going to have people back on the road again."

Mike Jackson, AutoNation chairman and CEO, has similar expectations for parts and service, which AutoNation calls the "customer care" department, according to a conference call to announce fourth-quarter earnings.

"We estimate at the moment that miles driven are down about 10%. Our actual

customer care business in the fourth quarter was down 4%, 5%, something like that. And so, we view it as a gradual recovery," Jackson said.

AutoNation CFO Joe Lower said other pieces of the chain's service and parts business, such as customer-pay and warranty, are almost back to year-ago levels, while collision repair is down nearly as much as miles-driven are down.

"Again, I think as the miles recover, we'll see that portion of the business in particular improve, and we are very optimistic about customer care as we go through 2021," he said.

Analysts on the fourth-quarter earnings conference calls noted that starting in March and April, year-ago comparisons should get much easier for the dealership groups, percentage-wise,

because dealership business really bottomed out in March and April 2020, due to business shutdowns related to the pandemic.

That's also true of Vehicle Miles Traveled, a closely watched statistic from the Federal Highway Administration.

In November 2020, the latest month for which statistics are available, travel on all U.S. roads and streets was down 11.1% versus year-ago, to 231.6 billion miles. Year-

to-date through November, U.S. travel was down 13.7%, to 2.6 trillion miles.

Back in April 2020, it was down 39.8%, to 169.6 billion miles, the FHWA said. That was the biggest year-over-year percentage drop in 2020.

"At the end of the day, the body shop business is really defunct, a lot less driving, a lot less accidents," said Dyke of Sonic Automotive, in an earnings conference call. "And so that's been a big struggle for everybody."

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## NADA: Dealers must 'look at things differently' to succeed

In his first remarks as the NADA's 2021 chairman, Paul Walser urged dealers to look inward, think differently and take on new challenges in order to promote and strengthen the franchise system during a pivotal year for the industry.

"This is an important moment for dealers everywhere, because the truth is that we don't live in the same world we used to," Walser said during his keynote address at February's virtual NADA Show 2021.

"If we want to improve; if we, as an industry, are serious about becoming stronger; and if we want to have a sustainable shield against the disruptions of the world, we need to start looking at things differently," Walser said. "Sometimes you just need a clean sheet of paper to evaluate how we would do things without the usual playbook, as if we were starting over."

Walser, the CEO of Walser Automotive Group in Bloomington,

Minnesota, rallied dealers to focus on diversity and inclusion efforts, dealer-OEM relationships, and becoming more involved in their trade associations, including the NADA and the CATA.

Regarding a renewed commitment to diversity and inclusion, Walser said that it's the right thing to do, it's good for business, and it will strengthen the franchise system. "This year," he said, "I want to challenge all of us to make this a priority. Let's find the path to attract a more diverse workforce. Then let's implement training to help them succeed."

On dealer-OEM relationships, Walser said "we must look at everything through the lens of the customer; the sales process, the online process, the way we advertise, the way we interact in showrooms, in our service centers, and after the sale."

"Every time we touch a customer, we ought to think about how our decisions impact them," he said. "At

the end of the day, customers want three things: speed, transparency and control in the process."

Walser also urged dealers to become more active and engaged in the work of advocating for their businesses and the auto retail industry.

Dealers across the country "must get more involved with your state legislators, with your members of Congress, and with your state, metro and national trade associations, because our elected officials don't always understand our business. So we need to help them understand what we do, and why it's important," Walser said.

"If we can improve what we do and how we work, if we create a culture where more of us can succeed, and if we all take accountability for our industry, then there will be no question about the franchise system — that it is, in fact, a system that people do want, and that they will always need," he said.

## ID theft

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The man's photo appeared on several driver's licenses with different names, and he used them to obtain vehicles at several area new-vehicle dealerships in recent months, including at least three in February.

Sward said the man was charged with burglary with intention to commit forgery, for signing falsified documents. Additional charges might be forthcoming, the detective said.

Patrick McGowen, general manager at the Hinsdale dealership where the man was arrested, said, "This is



Hinsdale arrestee

my 40th year in the business, and I think we've had more issues of ID theft in the store than we've had in the last 35-40 years."

McGowen said the man confessed to other crimes during his arrest.

## Legislation

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an alternate path for raising state revenue: increasing the tax on private party vehicle sales.

House Bill 3940, introduced Feb. 22 by state Rep. Lawrence Walsh Jr. (D-Joliet), changes the manner in which dealers are reimbursed by manufacturers for labor work, mandating that it be no less than the amount the customer pays for the same services.

Under HB 3940, "Adequate and fair compensation requires the manufacturer to pay each dealer no less than the amount the

retail customer pays for the same services with regard to rate and time. Any time guide previously agreed to by the manufacturer and the dealer for extended warranty repairs may be used in lieu of actual time expended. In the event that a time guide has not been agreed to for warranty repairs, or said time guide does not define time for an applicable warranty repair, the manufacturer's time guide shall be used, multiplied by 1.5."

Mechanics Local 701, the union representing area technicians at dealerships, is joining the CATA in its support of the legislation.



## Dealers acted quickly when COVID arrived, webinar panelists agree

COVID-19 has wrought overwhelming negatives to the auto-retailing world, but in one respect it's had an unwittingly positive effect: It accelerated progressive projects that had been in the works or were on the drawing board, said participants in a Feb. 16 WardsAuto/Ally Insurance webinar, "The Consumer Revolution and the Auto Retailing Future."

Panelist Ronald MacEachern of the Troy, Michigan-based Suburban Collection described what happened when the dealership group resumed showroom sales after a state-imposed pandemic-related shutdown in early 2020.

"When we reopened, we went from thinking to acting fast" in executing new initiatives, said MacEachern, Suburban's platform vice president and general manager.

"Before, one store had DocuPAD (an interactive tabletop digital device that aids in finance and insurance menu presentations and document processing). Within three months, all the stores had it. I was encouraged by how quickly we adapted."

In retrospect, "We've made more changes in the last six months than in the last 10 years," he said. "It was a bad couple of months (March and April 2020) — more than we could ever have imagined. But more importantly, we positioned ourselves for 2021 and beyond."

He anticipates Suburban and dealers in general will do well this year, especially ones that have been "practicing and working out."

The dark days of auto retailing "offered an opportunity to look in the mirror and analyze some things we had talked about, and then implemented," said Ryan LaFontaine, CEO of the

Highland, Michigan-based LaFontaine Automotive Group.

"It changed our mindset," he said. "It was an education in adversity. We got a great education there."

For one thing, it resulted in greater employee accountability, especially when it came to adapting to new ways. "A lot of employees can be resistant to change. This (the pandemic) forced change," LaFontaine said.

He noted home delivery of purchased or serviced vehicles "has been around for 20 years," but not as a regular offering. Now it is.

The LaFontaine group is poised for a "gangbuster" 2021, its CEO said, noting the need to focus on both customers and "the controllables."

The ability of large dealership operations such as Suburban and LaFontaine "to get ahead of the curve (serves as an example) for smaller players to get in the digital hunt," said webinar panelist Patrick Hennessey of Ally Insurance.

Whether a car consumer prefers to shop online or at the dealership, LaFontaine said the same process applies. "We make sure we accommodate them wherever they want to connect."

In a self-critique of its digital retailing efforts, MacEachern said Suburban "had the process down, but we didn't have the proper handoff from when people went offline and into the store."

Now, staffers meet daily to discuss how to make that transition seamless, especially in knowing at what point in the car-buying process customers are when they visit the store.

"We've made progress, but we're not there yet," said MacEachern. "But it's got to happen."

It requires dealer diligence to know what shopping and research consumers

have done digitally and what vehicles they've shown an interest in. Surveys indicate consumers expect dealership staff to know that when they ultimately go to the store.

They don't want to start from scratch in the showroom. "They don't want to reset," said Hennessey, who added "nearly everyone looking to buy a car today starts online."

To accomplish that seamless transition from offline to in-store requires "everyone on the team pulling in the same direction," he said. Often, the best ways to make meaningful changes "are done in the trenches."

LaFontaine added, "If you don't want a challenge, you shouldn't be in business in the first place."

Still, he said, "Anyone who said they were prepared for (how COVID has affected business operations) is lying."

In conjunction with the webinar, Wards Intelligence and Ally surveyed dealers to gauge how the digital age might alter their operations, expectations and consumer buying habits.

Among the findings:

- Large dealership groups appear better prepared for digital sales than are smaller stores.

- Management tends to be more bullish than staff regarding internet initiatives.

- Digital tools aren't seen by most respondents as a way to reduce inventory through build-to-order customization.

- Selling consumers F&I products online remains a challenge. Customers initially may become familiar with those products online, but most surveyed dealers expect completing the F&I process will remain at the dealership.

### Buyer satisfaction up in '20

While the global COVID-19 pandemic has negatively impacted nearly every measure of life, Cox Automotive's 11th annual Car Buyer Journey Study suggests the automobile buying process improved during the prolonged

downturn.

Both new- and used-vehicle buyers in 2020 report the process took less time and was more efficient than before. Overall, buyer satisfaction reached an all-time high in 2020.