



## Upcoming DealersEdge Webinars

The Chicago Automobile Trade Association has begun a partnership with DealersEdge to provide high-quality training and informational Webinars that offer the content to CATA member dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is \$149, or half what is charged to viewers who do not subscribe to DealersEdge. Webinars premiere on a near-weekly basis.

Even for dealers who hold an annual membership with DealersEdge, the new relationship with the CATA represents a savings because DealersEdge offers its Webinars to its own members for \$198. Regular annual membership fees are \$397, and normal Webinar fees are \$298 for non-DealersEdge members.

Once purchased, DealersEdge Webinars and accompanying PDF files can be downloaded and viewed later—and repeatedly. No matter how many in attendance at your location, each connection costs a CATA member just \$149. The fee covers the Internet connection - which includes both audio and PowerPoint slides. There is no need for a telephone connection to participate.

To register for any of the DealersEdge Webinars, go to [www.cata.info](http://www.cata.info). On the tan bar across the top of the screen, click on Education/Careers and follow the drop-down menu to CATA-DealersEdge Webinars.

Coming topics:

Thursday Aug. 12 at 12 p.m. CDT

“What’s Working in Dealership Advertising & What’s Not!” For most dealers, advertising is the second largest expense after payroll. You have a limited budget but probably also limited expertise to properly evaluate how

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## AG: Dealer can’t keep down payment if spot delivery unravels

The Illinois attorney general’s office has seen an uptick this year in area dealers who fail to return a customer’s down payment when a spot delivery unravels, and the office has opened investigations against six dealers, assistant attorney general Greg Grzeskiewicz said.

Grzeskiewicz led a July 28 meeting of the Illinois Attorney General’s Dealer Advisory Committee, which includes CATA representatives and gathers semiannually to discuss dealer-related issues.

He noted one dealer who, when spot-delivering a vehicle, asks his customers to sign a statement that they will pay 42 cents for each mile the vehicle is driven if financing cannot be secured

and it must be returned.

Section 2C of the Illinois Consumer Fraud and Deceptive Business Practices Act forbids a seller from retaining any part of a down payment of a sale conditioned on the consumer having an acceptable credit rating.

According to the act, any retention “. . . under those circumstances as a fee for investigating the credit of the consumer or as liquidated damages to cover depreciation of the merchandise which was the subject of the purchase order or contract or for any other purpose is an unlawful practice within the meaning of this Act, whether that fee or those charges are claimed from the down pay-

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## New Chicago Auto Outlook is online

The Chicago Auto Outlook publication examining the area’s new- and used-vehicle sales in June can be viewed on the CATA’s Web site, [www.cata.info](http://www.cata.info).

On the tan bar across the top of the home page, click on Publications, then follow the drop-down menu to Chicago Auto Outlook.

## Scarpelli elected NADA director



Dealers in Cook, Lake and DuPage Counties elected Antioch dealer Mark Scarpelli to represent them on the board of directors of the National Automobile Dealers Association.

Scarpelli, who will take office at the NADA convention next February, succeeds his father, Ray Scarpelli Sr., who is stepping down after holding the post

since 2002.

Mark Scarpelli, president of Raymond Chevrolet-Kia, overcame another candidate, Evanston Subaru in Skokie proprietor Rob Paddor, to serve the three-year term.

Downstate dealer Jamie Auffmanberg was elected last month to serve as NADA director representing dealers in 99 of Illinois's other 102 counties. He will serve until February 2012, to complete the term of his predecessor, Rick Gregg, whose Joliet dealership closed in March.

## Webinars

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well those monies are being spent. Plan to rethink much of what you thought you knew about dealership advertising.

Thursday, Aug. 19 at 12 p.m. CDT

“How to Evaluate Dealership TeleCom Equip’t, Systems, Bills” Your TeleCom is a maze of competing systems, Internet and I.P. protocols, carriers, equipment and some very confusing and expensive monthly billing statements. Learn to properly manage this growing expense category.

Thursday, August 26 at 12 p.m. CDT

“Zen and the Art of Time & Multi-Task Management for Today’s Super Controller” Dealership controllers and office managers have all been there before: The dealer reads an article or returns from a 20 Group meeting and immediately asks, “Are we doing this?” And while those questions often add to the stress of the day, they should be asked. Speaker will help registrants reach the goal of calming confidence.

## EPA publishes fillable pdf template for SPCC-qualified facilities

The U.S. Environmental Protection Agency has published a fillable pdf version of its plan template for “Tier 1” qualified facilities. The Spill Prevention, Control and Countermeasure rule provides regulatory relief for small facilities, including dealerships, that qualify as “Tier 1” qualified facilities by allowing them to use a simple, self-certified SPCC plan template in lieu of a complex written plan.

Compliance with the SPCC rule is mandatory Nov. 10. Tier 1 qualified facilities are those which:

1. Have 10,000 or fewer gallons in aggregate above ground oil storage capacity and a maximum individual oil

storage container capacity of 5,000 gallons, and

2. For the three years preceding SPCC plan certification, have no single discharge of oil to navigable waters exceeding 1,000 gallons, or two discharges of oil to navigable waters each exceeding 42 gallons within any 12-month period.

The EPA in 2006 designated most facilities that store fewer than 10,000 gallons of oil and related fluids to be “qualified facilities,” making them eligible to prepare and self-certify their own written facility SPCC plan and thereby avoiding the expense of hiring a professional engineer to do so. The new

option for Tier 1 facilities is even less burdensome.

A link the self-certification SPCC plan template is on the CATA Web site, [www.CATA.info](http://www.CATA.info). See the Latest News box on the site’s home page.

The SPCC rule includes requirements for oil spill prevention, preparedness, and response to prevent oil discharges to navigable waters and adjoining shorelines.

The rule requires specific facilities to prepare, amend, and implement SPCC Plans. The SPCC rule is part of the Oil Pollution Prevention regulation, which also includes the Facility Response Plan rule.

## In Memoriam

Robert J. Grim Sr., a Dodge dealer from the 1960s to the early '90s, died in July at the age of 82.

Mr. Grim operated North Cicero Dodge, at 2662 N. Cicero Ave., Chicago. He also was a director of the Chicagoland Dodge Dealers Association.

He is survived by daughters Kathleen and Anne; sons Charles and Robert Jr.; and 10 grandchildren. Memorials appreciated to the American Heart Association, (312) 346-4675.

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Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

Review past editions dating to 1998 or search by subject at [www.cata.info](http://www.cata.info).

**David E. Sloan**  
**Erik K. Higgins**

**President, Publisher**  
**Editor, Director of Dealer Affairs**

# To be or not to be: Should your company have a social media policy?

BY SHARLYN LAUBY

Companies are realizing that people are talking about them whether they like it or not. As a result, they're deciding whether they should have a social media presence and, hence, a policy. A social media policy outlines for employees the corporate guidelines or principles of communicating in the online world.

Social media is moving quickly from an emerging communication form to the mainstream. So, like in the old days when companies had to figure out how to deal with e-mail, now they have to figure out how to deal with Facebook and all other new media venues.

Let's talk about the Five W's to adopting a social media policy.

## 1. WHY have such a policy?

As a human resources professional, I'm constantly accused of being all about policies. But besides the predisposition of my profession to policies, there are legitimate reasons to establish some guidelines for social media. You have to contemplate what might happen if someone says or does something stupid and then posts it on YouTube.

So I asked attorney Eric B. Meyer, an associate in the labor and employment group of Dilworth Paxson LLP, what companies should consider from a legal perspective in developing a social media policy. Meyer made two important points:

A. Employers need to be upfront with employees that they have no right to privacy with respect to social networking. "Employers reserve the right to monitor employee use of social media regardless of location (i.e. at work on a company computer or on personal time with a home computer)."

B. Employees "should be made aware that company policies on anti-harassment, ethics and company loyalty extend to all forms of communication (including social media) both inside

and outside the workplace." People need to remember that bashing your organization/boss/co-workers online can lead to consequences at work.

## 2. WHAT can social media do for my organization?

Shannon Seery Gude, vice president of Digital for Bernard HODES Group, told me that forming a social policy should start with an understanding of how your employees are aligned with your company values. "It's important," she said, "that authenticity can exist without the need for what may be perceived as forced company morality."

In addition, social media can strengthen your 'brand' not only as an employer but as a company. Take Dell Computers. A recent report claims Twitter earned Dell \$1 million in revenue over the past year and a half. What are you waiting for?

## 3. WHO should the policy cover?

Media is for everyone, not just the marketing department. So for it to really be effective, consider expanding the policy to all employees, not just to a handful of people. One way to think of it is, while it's called social media, it has a vibrant customer service component to it. You wouldn't take the phone or e-mail from your employees, so why withhold social media?

"Companies have existing communications policies," said Scott Monty, head of social media at Ford Motor Co. "They are directives that spell out the company's expectation when employees use the phone or e-mail." Since the conversation has moved to the Web, he said, "It's important for organizations large and small to acknowledge that and extend their existing communications policies to include online sites."

## 4. WHERE should you let employees know about this policy?

When you give all of your employees the ability to interact with

the whole world . . . well, then you have to provide them with some training on how to use it properly and effectively. A great example is Zappos, which encourages all its employees to have Twitter accounts so they can interact with current and potential customers. And they train their employees on the proper use of Twitter during new-hire orientation.

## 5. WHEN is the right time to implement a policy?

The time to think about drafting a social media policy is now. Twitter is just one of the many social networking applications in the market. Companies are using social media tools to establish value in marketing and branding.

Social media or new media is really media, plain and simple. Many organizations with any kind of formal structure have a policy in place for working with media.

A social media policy is merely an extension of what you currently have in place, along the lines of ones that say you won't do anything illegal, immoral or unethical.

Monty agrees: "If anything, existing policies should already be in place; amending them to include the changes to communications platforms and anticipating future changes should occur ASAP."

So it's time for companies to start thinking about social media in the same context as all other forms of communication.

According to Gude, "the case has been made that common sense should be all that is needed. But when done right, formal policies can drive effective practices." That means developing guidelines for its use, training people to leverage the benefits, and proactively creating a positive social media presence for the organization.

*The author is president of Internal Talent Management, which specializes in employee training and human resources consulting.*

## Even in depressed economy, dealers important: NADA annual report

Despite 2009 being a tough year economically, auto dealerships remain a significant employer in thousands of communities around the country, according to the NADA's annual state of the industry report.

"NADA DATA 2010," the dealer association's latest comprehensive look at auto retailing, was released July 29.

"The payroll for all new-car dealerships was nearly \$44 billion and represented about 13 percent of the nation's total retail payroll," says Paul Taylor, the NADA's chief economist. "New-car and -truck dealers are significant contributors to their local economies, tax bases and civic and charitable organizations."

Average new-car and -truck dealerships employed 49 people with an annual payroll of about \$2.4 million in 2009, according to the report.

### Advertising

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ment . . . or made as a separate charge to the consumer."

Even in cases of repossession, Grzeskiewicz said any deposit must be returned and any trade-in must be returned if the dealer can't arrange financing at the same term agreed to by the customer. He said some dealers were charging the customers for excessive wear to the returned vehicle, but that is not allowed.

"This (uptick) may be a result of financing being more difficult to obtain in this economy," he reasoned.

Other matters the attorney general's office is monitoring:

- **Sales of vehicles for more than their advertised price.** The infraction commonly occurs when dealers list reduced prices on Internet ads. The Better Business Bureau writes letters to offenders, and the attorney general has taken enforcement action. A consumer does not have to see the ad with a lower price for the infraction to have occurred.

- **Factoring limited rebates in ads.** It is problematic when a dealer calls a customer weeks after the sale to say that the customer did not qualify for one or more of the limited rebates and thus must return to the dealership to pay the

difference.

But Ed Burke, who owns Naperville Jeep-Dodge and attended the meeting, said he and dealers he knows instead tell customers who claim a military rebate without supporting documents that if the customer returns later with the necessary documents, the dealer will re-bill the transaction minus the rebate amount.

- **Ads that tout "payments as low as."** Such ads also must depict the high range of payments.

- **Coupons.** Another Internet-heavy source of infraction, which direct the customer to mention the coupon in order to reduce the selling price, or take the coupon to the dealership to earn a higher trade-in allowance. "This still pops up every once in a while," said Grzeskiewicz.

- **Use of the word "guaranteed" in AutoTrader Buying Center ads.** The use is misleading because the initial value established for a consumer's vehicle is likely to change upon inspection, and the program itself initially anticipated that, advising that final offers could be different than the guaranteed amount. Recent radio spots correct the matter.

Under the program, a vehicle can be used as a trade-in on the purchase of another vehicle, or purchased by dealers--the Buying Centers--with no sale of another vehicle to the consumer.

Taylor says the recent recession caused a drop in revenue from service and parts, as well as new-car sales in 2009. Other numbers from last year:

- New-vehicle sales fell to 10.4 million units from 13.2 million a year earlier;
- Used-car values increased as the shortage of used units started to limit sales for used vehicles;
- New-vehicle sales revenue fell by 15.4 percent from 2008 while used-car revenue increased by 3.5 percent.
- The NADA Optimism Index, which reflects new-vehicle dealers' optimism about profitability over the coming quarter, dropped below 80 in the third quarter of 2008 and stayed below that level through June 2009. It then jumped above 110 the rest of 2009. In past recessions, strong improvements in the index were followed by higher light-vehicle sales.

- **Sales negotiated in a language other than English.** An Illinois law enacted in 2001 makes it simpler for retailers to conduct a transaction or other negotiation with a customer in a foreign language. A single form, available on the CATA Web site, can be used to confirm that the customer understands the obligations of the contract or other written negotiation, after an explanation to the customer in his native language.

A consumer advocate at the committee meeting said foreign-speaking people complained to him that they neither understood recent vehicle sales transactions nor signed the necessary form. With the form absent, he said he asked the dealership employee to sign a statement attesting that at no time was the negotiation discussed in a second language.

- **Dealers who buy used vehicles from other dealers without also obtaining the title.** Recently, said Grzeskiewicz, the problem stems from dealers about to close who sell their inventories without settling all liens. The new dealer never gets the title, and then he sells the title-less car. "Now there's a problem because the new consumer owner never gets a title. You have to unwind this deal to make the customer whole."

He advised dealers not to pay for any vehicle before obtaining its title.