



## Upcoming DealersEdge webinars

The Chicago Automobile Trade Association has established 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, half what is charged to users 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 people watch at your location, each connection costs a CATA member just \$149. A telephone connection is not needed; and the fee includes both PowerPoint slides and audio.

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 dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Premiering Thursday, June 12 at 12 p.m. CDT

**“Fixed Operations Pay Plans: The 5 Reasons Some Work, While Others Fail”** The continued fast pace of change in the service and parts business has pushed fixed ops directors to come up with new ideas on how to use pay plans to motivate.

SEE WEBINARS, PAGE 2

## Dealer employees paid more, but retention rate remains an issue

New-vehicle dealership employees, on average, earn 27 percent more than the average weekly earnings of all U.S. private sector employees, according to submissions to the National Automobile Dealers Association's 2013 Dealership Workplace Study.

Results of the NADA's second annual workforce study were released last November, but the organization recently revisited the report and examined a few more key findings — including an interesting tidbit on pay scales.

Participation in the 2014 NADA study is extended until June 30. To participate, go to [www.nadaworkforcestudy.com](http://www.nadaworkforcestudy.com).

The 2013 report is based on 2012 hard data culled from 290,000 car and truck payroll records, and includes both national and regional data. More than 2,240 dealerships participated in the 2013 Dealership Workforce Study.

Among the 2013 report's

findings:

- Perhaps not surprisingly, compensation in luxury dealerships tends to be higher than compensation in non-luxury dealerships.

- F&I managers had the highest income growth in 2012, at 8.4 percent, followed by service managers at 8 percent and sales consultants at 7.8 percent.

- Overall, the median salary in dealerships rose by almost 4 percent in 2012.

Dealerships also are shifting a bit when it comes to who they are hiring. According to the study results, many dealerships are looking to the younger generation when ramping up their teams.

Dealers hired members of Generation Y 41 percent of the time in 2012.

The NADA cautioned that, to keep younger employees, “We need to address dealership culture, work house, salary and incentive programs, as the turnover

SEE RETENTION, PAGE 2

## Webinars

CONTINUED FROM PAGE 1

Rob Campbell of the Mironov Group joins us with a frank discussion of new approaches and plans for compensation of key service and parts employees.

Premiering Thursday, June 19 at 12 p.m. CDT

**“Driving Dealership Profit: Five Key Factors Holding You Back and How to Fix Them Now”** Learn the five things that every manager can focus on every month and watch your profits grow!

Based on presenter Sandi Jerome’s vast experience, most dealership managers focus on surface numbers and results for an indication of how well their departments are performing. Sandi’s experience also shows that if your managers, from the top down to every department, focused on achieving better performance in just five areas, profits would soar.

Visit with Sandi via this online workshop and learn the five areas of “low hanging fruit” that can help each department, and the dealership as a whole, experience remarkable profit improvements.

## Retention

CONTINUED FROM PAGE 1

rate in 2012 for this age group was 54 percent.”

Dealerships also are increasing their female employee numbers, as dealerships hired women 19 percent of the time in 2012, up 2 percent from the previous year.

However, the NADA report noted again that the industry might need to work on dealership culture, as the turnover rate for female sales consultants is at 76 percent.

The overall turnover rate for dealership employees is 35 percent, which is less than that of other U.S. private sectors of 41 percent. That said, turnover is still an issue, the NADA pointed out, stressing that high rates might be due in part to long hours.

“The total number of hours and weekends that employees are scheduled to work has a significant impact on retention,” the report concluded.

Sales consultants who work 50 to 60 hours a week earn 4 percent more a year than their counterparts working 40 to 45 hours. But there’s a caveat.

When employees work more than 45 hours, turnover increases and retention decreases, implying a change to the incentive system may be due.

The NADA report also noted specific challenges dealerships can make on the recruiting front. Those include creating staffing models that reduce total hours dealership employees are required to work; shifting the focus from individual-based sales incentives to team-based awards; and taking steps to draw more women into dealership positions.

## In Memoriam

**John Charles “Jack” Phelan Sr.**, who founded a namesake Chevrolet dealership in Berwyn in 1970, died May 29 at age 93.

Mr. Phelan ran the dealership until 1982, when he passed the business to his son, John Jr. It now is operated in Lyons by his grandson, John “JC” Phelan III. Other survivors include a daughter, Judy; five other grandchildren; and 13 great-grandchildren.

He was an avid golfer and a Chicago White Sox fan who had lasting friendships with players such as Wilber Wood, Dick Allen, Terry Forster and Goose Gossage.

Donations appreciated to Christian Brothers of the Midwest, (630) 323-3725 and [www.cbmidwest.org](http://www.cbmidwest.org).

## Congress passes bill to reduce paperwork at dealerships

A bill that repeals an unnecessary paperwork burden on auto dealerships was presented to President Obama on May 30 after unanimous passage by both houses of Congress. The president has until late July to consider it.

House Resolution 724 eliminates a 1977 federal mandate requiring dealers to verify that new vehicles are compliant with the Clean Air Act.

“All new cars and light trucks delivered to dealerships from the factory already come with documentation that the vehicles conform to federal emission laws,” said Forrest McConnell, NADA chairman and a Honda and Acura dealer in Montgomery, Ala. “Requiring dealerships to fill out a form to recertify that a new vehicle complies with the Clean Air Act is redundant and unnecessary.”

McConnell added that new-vehicle owners can find documentation of Clean Air Act compliance under the hood of the vehicle, on the Internet, or in the owner’s manual and supplements, making additional government paperwork provided by the dealer unnecessary.

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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

## Motor vehicle A/C servicing requirements, safety concerns

Now that summer has begun and the temperature outside begins to rise, it's a good time to review the dealership's Motor Vehicle Air Conditioners (MVAC) requirements.

The handling and recycling of refrigerants used in motor vehicle air-conditioning systems is regulated by the Environmental Protection Agency under Section 609 of the Clean Air Act. The Air Protection Branch of the EPA historically has been very strict with its enforcement. The Clean Air Act often has some of the heaviest fines, so this is not something to ignore.

### Equipment Requirements

- Ensure that the dealership is using only EPA Certified Refrigerant Handling Equipment.
- Ensure that the EPA has been notified that the dealership is performing MVAC work by sending in the MVAC Refrigerant Recovery/ Recycling Equipment Form.
- Keep a copy of the completed form sent in, along with the delivery receipt, for proof that the dealership notified the EPA about the MVAC work.

### Technician Requirements

- Ensure that all technicians doing MVAC work have passed an EPA-approved certification program. ASE and MACS are the most commonly used online training

programs, but there are others available; ensure that it was one of the EPA-Approved Technician Certification Programs.

- Keep copies of all the technicians' certification cards on file. Any technicians unable to locate their certification cards will need to obtain a copy from the program they used. Do not allow technicians to perform any MVAC work until they have provided a certification proof. The fines for uncertified techs doing MVAC work usually are \$15,000 per technician, per work order.
- Do not purge this file after technicians have departed the dealership. The EPA requests proof of technician certification for previously performed work.

### Additional Recordkeeping Requirements

- Service shops must maintain records of the name and address of any facility where refrigerant is sent.
- If refrigerant is recovered and sent to a reclamation facility, the name and address of that facility must be kept on file.

### Safety Concerns

A new concern related to MVAC work has been the recent appearance of counterfeit R-134a refrigerant cylinders that are being sold in the U.S. Many of these are contaminated with R-40 gas (Methyl Chloride), which will mimic pure R-134a at a much reduced

cost. Systems that have been contaminated will pose a major safety issue to those working on them, as R-40 gas is flammable, toxic, and often chemically reactive.

More than 10,000 counterfeit cylinders already have been seized worldwide and counterfeit refrigerants can make automotive AC systems unserviceable due to safety concerns such as a potential fire or explosion. The industry currently is working on, but has not determined, the best service procedures to be used in these cases. The best precautions to employ currently would be to check the freon cylinders for signs that may indicate it could be counterfeit:

- Many counterfeits are illegally labeled with common brand names, but these counterfeit labels often are easy to detect by common spelling errors.
- Many of the seized counterfeit Freon cylinders do not state that the product is 100 percent R134a.
- R-134a refrigerant sold at below market value price is a good indicator that it may be counterfeit.

*This article is provided by KPA, a CATA allied member that provides environment and safety services for auto dealers. Direct additional questions to KPA at [info@kpaonline.com](mailto:info@kpaonline.com) or (800) 853-9659.*

## Survey: More consumers willing to buy automobiles online

More consumers around the world appear ready to buy cars online without coming into contact with a dealership, a new survey by consulting firm Capgemini found.

About one in three consumers in the U.S. say they expect to buy their next car online. That's slightly below the average in the 10 countries surveyed and far below

the highest country surveyed, China, where 61 percent of consumers want to buy online.

The survey is interesting, given how changes in car-buying behavior are starting to create rumblings in the U.S. Tesla Motors, the electric-car maker, has been trying to direct sell to the public but has been turned down flatly or faces trouble in sev-

eral states as traditional car buyers turn to the protection of state franchise laws.

About three out of four consumers worldwide say they are open to alternative ways to test drive a car rather than the tradition of going to a dealership. That might include going to a test-drive center or having the vehicle brought to their house.

The survey found that 45

percent of consumers still want to test drive cars and 43 percent want to touch, feel and otherwise get to know the vehicle before they buy.

Capgemini also found that 40 percent of consumers are open to not owning a car in the traditional sense at all. They say they're open to the idea of car sharing of some other way of having access to a car.

## *Thanks, Sponsors!*

Many allied members of the CATA are participating as sponsors of the association's annual meeting and golf outing on June 9, to help offset costs and keep participation at affordable prices. Please express your thanks to the sponsors and give them your consideration when doing business throughout the year.

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