



## 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:

Thursday, Sept. 20 at 12 p.m. CDT

**“How Lead Controllers/CFOs Can Master the Management of Multiple Dealer Group Locations and Staffs”** Master the art of “managing at a distance.” Group Controllers or CFOs are challenged to maintain tight financial and business office discipline at groups

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## Dealers hammer legislative goals, meet legislators at NADA summit

Nearly 400 U.S. new-car and truck dealers descended on the nation’s capital Sept. 12 for the National Automobile Dealers Association’s 37th annual Washington Conference and fly-in.

The three-day conference included briefings from the NADA, lawmakers and government officials.

Local dealers who attended included Mark Scarpelli who is an NADA director representing Metro Chicago, and Desmond Roberts, an at-large NADA director.

Dealers will meet with their members of Congress to discuss issues affecting their businesses, such as extending the current estate tax rates, preserving the LIFO accounting method, and reducing regulatory burdens on dealerships.

CATA President Dave Sloan joined Scarpelli, Roberts and representatives of the Illinois Automobile Dealers Association to host a reception for the state’s congressional delegation. Eight

Republican representatives attended, including Reps. Judy Biggert (Hinsdale), Robert Dold (Winnetka), Randy Hultgren (Wheaton), Peter Roskam (Wheaton), and Joe Walsh (North Barrington).

Roberts, Scarpelli and Sloan met separately with Democratic Reps. Dan Lipinski (Western Springs) and Mike Quigley (Chicago).

- Legislation passed in 2010 set the **estate tax** through 2012 at a 35 percent rate and a \$5 million per spouse exemption. Unless Congress acts before Dec. 31, the tax will revert to a 55 percent rate and a \$1 million exemption. Dealers petitioned legislators to maintain the current tax rate and exemption level.

- The Obama administration has proposed repealing the **LIFO** accounting method, which many dealerships have used for decades. That would trigger a tax on “phantom income” and strip dealerships of working capital.

## Webinars

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with from two to 20 locations or more. Learn tips and tactics for keeping everything and everybody in line.

“When the cat’s away, the mice will play.” But while cats do not have the benefit of modern technology and management techniques, you do! The growth and dominance of small- to medium-sized dealer groups has done nothing but accelerate over the past decade or so. The average non-mega dealer group today controls six to seven locations, and groups in this category account for a huge percentage of the total dealership population. The growth of this dealership ownership structure is a challenge for those charged with keeping it all running smoothly.

This is especially true for the Group CFO or Lead Controller. Even if we are only talking about two or three locations, the CFO/Controller cannot be in more than one place at a time. Consultant and presenter Sandi Jerome has both personal and client experiences to share with you on this topic.

You will learn:

- Various consolidated reporting options, even for multiple financial statement formats
- Ways to standardize processes and procedures
- How to monitor to make sure each location is playing by the rules
- How to specifically monitor 10 of the most important accounts and functions

Thursday, Sept. 27 at 12 p.m. CDT

**“Affordable Health Care Act Implementation for Car Dealers: What you should be doing right NOW!”** Now that the Supreme Court has acted, the complex phase of implementation of this massive legislation will continue. That means dealers need to be aware of a number of deadlines and make sure they are in compliance. The penalties can be stiff!

Like it or not, the constitutionality of the Affordable Care Act has been upheld, so the Health Care Reform Act will be implemented as planned. Some provisions of the new law are already in effect and others, like the implementation of state health insurance exchanges, go into effect on January 1, 2014. But many other requirements must be acted on as early as Oct. 1, 2012, and through 2013.

Hefty fines can be levied on dealers who fail to meet the deadlines. Join DealersEdge and John Fisher and Marc Newman of GCG Financial for a special webinar on the new Health Care rules and what they mean for car dealers.

### *Tune in ...*

... to “Drive Chicago,” 8-9 a.m. Saturdays on WLS-AM 890. All cars, all the time.



## Highlights of recent webinars

DealersEdge provides weekly access to industry experts on a variety of time-critical management issues. The CATA offers special discounts to these programs. Check out everything offered at the CATA Online Learning Portal. (<http://cata.dealersedge.com>)

Almost every week we all learn something we did not know before. Sometimes that little “factoid” provides the viewer a ‘light-bulb moment’ ... revealing the one piece of the puzzle that will launch a department into new growth and profitability.

Here are some factoids from recent webinars:

- One simple addition to your store’s Google account can reduce your cost-per-referral AND improve your sales results.

Pay-per-click online advertising is often overlooked by dealers because they think it is too expensive. PPC does cost more, but the added expense is almost always offset by the benefits. Research performed by PCG Digital Marketing shows that effective use of a pay-per-click budget reduces a car dealer’s cost-per-visitor by a factor of 12.

Google also allows dealers the option of capping their monthly charges.

- Are you making the most of your Google account? Google Analytics is an option that allows dealership managers to track the source of online leads and to measure the effectiveness of the money spent on various Internet referral sources. If you haven’t seen a Google Analytics report, ask your Internet marketing manager to pull one and review it with you.

Action item: Review the cost-per-visitor for all of your advertising channels, print, TV, radio, and Internet.

- BIG DATA comes to car dealerships, and the results often are counterintuitive to what dealers expected.

Big Data refers to the explosion of structured and unstructured data about people — you, me and everyone.

Computers, smart phones, GPS devices, embedded microprocessors, sensors — all connected by the mobile Internet — are generating a cloud of data about people that is growing at an exponential rate.

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The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

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

## Drivers — but not all — love push-button-start vehicles

Push-button starts have become one of the hottest amenities in new vehicles, now offered on more than half of all car models — and appreciated or wanted by more than half of American car buyers.

But while glimpses of this handy option have become ubiquitous in automotive ads, a sliver of the American public refuses to embrace push-button starts, regarding them as actually complicating the entry and ignition process rather than simplifying it.

There's a reason that auto nameplates from the Scion tC to the Acura TLX make sure to show their nifty push-button starts in TV commercials: Most Americans would just as soon have one, and highlighting the device is a quick and easy way for a carmaker to illustrate how it has packed even its lower-priced vehicles with the latest technologies.

"It's a convenience, like the TV remote, and Americans love that kind of thing," noted Joe Oddo, practice lead for CapGemini's auto-consulting operation.

"It also makes it a lot more difficult for thieves to steal cars. So it's rapidly moving down from the luxury market to mid-luxury and beyond," said Oddo.

Alan Batey, new interim CMO for General Motors, said that "at 30,000 feet, consumers see it as a high-tech feature. Some of

that is because it traditionally has been positioned as more of a high-end product." At GM, for instance, the feature has spread from Cadillac into Chevy models including Malibu and Volt.

Overall, 193 out of 334 U.S. 2012 models, or 58 percent, offer standard or optional "keyless ignition" or push-button start, according to Edmunds.com data.

The progression of the feature through Nissan's lineup is typical. The brand began offering push-button start in 2007 on its Altima mid-size sedan, a mainstream product if ever there was one, and has continued to expand the offering across its portfolio.

Here's the reason: The take rate for push-button starts in luxury cars already was pushing 71 percent in 2010, according to an AutoPacific study, and topped 60 percent for large luxury SUVs. Buyers of sporty models already were opting for the feature 62 percent of the time, and buyers of mid-size cars and of compact and mid-size crossovers were selecting it 51 percent of the time.

A quick poll of KBB.com visitors in August found that 36 percent of respondents "love[d]" their push-button starts and another 17 percent would "love to" have one but didn't.

And while only one in 10 of respondents to a recent AutoTrader.com poll currently owned the feature, four in 10 wanted it in their next ve-



hicle. AutoTrader.com found that, for future purchases, push-button start was one of the top three desired features, right behind GPS and MP3.

The feature's obvious appeal is the convenience, in most models, of not having to haul out a key fob to start the car as long as you know it's on your presence somewhere or in close proximity, such as in a purse or jacket. And many executions of push-button start also include the car's recognition of the device as the driver approaches, automatically unlocking at least the driver's door.

"I have this feature in my 2010 RAV4 Limited V-6," an owner named Roger Carr told Edmunds.com recently. "Just like that I can lock, unlock and start my car without ever having to dig a key out of my pocket [and] my wife enjoys not having to dig through her purse.

"Also, with a small child, it can make things extremely easy when coming and going from the car with your arms full. [And] the fact that it won't let you lock your keys in the car is nice."

Auto executives indicated that women tend to favor the feature somewhat more than men because of the security aspects. "Women

going up to their car in the dark, or with armfuls of groceries or carrying a baby, have no need to hunt through a purse or pockets for a key," noted Elizabeth Robinson, president of a marketing firm.

There even are positive implications for families with young drivers. "This is a great way to market the car to anyone who's worried about their teenager having the car out in bad neighborhoods at night," said April Masini, an online advice columnist.

At the same time, however, the KBB.com survey found 13 percent of respondents "hate[d]" push-button starts, another 20 percent "have never used it" and were "not interested," and also 14 percent who counted themselves "indifferent" to the feature's charms.

Marcia Brier, a public-relations pro in Needham, Mass., objected to several aspects of the push-button start in her BMW. She thinks the fob is awkwardly large. Her car also has a slot that must house the fob before the push-button works "and sometimes we forget it's there."

Some owners have come to dislike the feeling that their key fob could be floating just about anywhere in their vehicle instead of being able to count on its being anchored in an ignition slot on the steering column or dashboard.

## NADA launches campaign against stair-steps

The National Automobile Dealers Association kicked off a national print ad campaign on Sept. 10 detailing the many negative aspects of manufacturer stair-step incentive programs.

The full-page ad, "Stair-Step Incentive Programs are Bad for the Auto Industry," began running in that day's edition of Automotive News.

The ad points out that "stair-step programs create too many negatives to justify their use."

Stair-step programs "harm brand credibility; hurt dealers of all sizes; undermine relationships between dealers and their customers; have an adverse affect on CSI scores; and destroy consumer confidence in dealers -- and in manufacturers' brands."

Dealers who want to comment about the programs and other manufacturer intrusions into dealers' businesses

**STAIR-STEP INCENTIVE PROGRAMS**  
are **BAD**  
for the Auto Industry.

**Stair-step programs create too many negatives to justify their use.** And they are not necessary for success in the marketplace. Just look at the manufacturers that have stopped using them.

**Stair-step programs...**

- Harm brand credibility.
- Hurt dealers of all sizes.
- Undermine relationships between dealers and their customers.
- Have an adverse affect on CSI scores.
- Destroy consumer confidence in dealers -- and in manufacturers' brands.

**There are better ways to structure incentives.**

NADA  
Tell us what you think about stair-step programs and other manufacturer intrusions into dealers' businesses. Send an email to [stairsteps@nada.org](mailto:stairsteps@nada.org). All messages will be kept strictly confidential.

are encouraged to send comments to [stairsteps@nada.org](mailto:stairsteps@nada.org). All messages will be kept confidential.

## Sedgwick deflects Q2 unemployment claims

One hundred forty-five CATA dealer members reported a combined 706 unemployment claims during the first quarter of 2012 to Sedgwick Claims Management Services, Inc., which has been serving CATA dealers under various names since 1979. The company's efforts saved those dealers a total of more than \$1.4 million in benefits by contesting the claims.

Sedgwick CMS monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 250 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between 0.55 percent and 9.45 percent of each employee's first \$13,560 in earnings. The 2012 average unemployment tax rate among Illinois employers is 4.35 percent, or about \$590 annually per employee (\$480 in 2011).

"With the downturn in the economy, unemployment remains at record highs (9.9 percent in Illinois through August) and a drain on the Illinois Department of Employment Security trust fund, markedly higher tax rates for 2011 and probably for a couple of years after that," said Paul Schardt, a Sedgwick senior vice president.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," Schardt said. An ex-employee's claim affects the employer's tax rate for three years.

For new enrollees, client fees amount to \$2.60 per employee, per fiscal quarter. For the fee, Sedgwick monitors all unemployment claims; files any appeals; prepares employer witnesses for hearings, as necessary; represents the client at any hearings; verifies the benefit charge statements; and confirms the client's unemployment tax rate.

To discuss retaining the company, call Schardt at (773) 824-4325.



### Vroom!

**The No. 99 Aflac Ford Fusion show car stopped Sept. 7 at Packey Webb Ford in Downers Grove.**

**The stock car is jet black with bright green and blue accents and is a retired version of the vehicle that Carl Edwards drives throughout the NASCAR Sprint Cup Series season. The car also is equipped with a replica motor like those used on the track by Roush Fenway Racing teams.**

**"It generated lots of interest, especially when they fired it up!" said senior Aflac rep Paul Jackson. Call Jackson at (313) 808-0221 to learn about Aflac's employee benefits package.**

### Congratulations!

In an inaugural list, Automotive News has identified **Continental Audi of Naperville** and **Kunes Country Ford of Antioch** as two of the best 100 dealerships to work for in 2012.