



## 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, Aug. 22 at 12 p.m. CDT

**“The Habits & Practices of the Exceptional Automotive Controller”** Exceptional automotive controllers are, of course, experts in their areas of direct responsibility. And maybe above all, they are always finding new ways to support members of the management team.

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## BBQs for USO raise \$37,500

More than \$37,000 was raised by 70 area dealerships that participated in the July 20 Barbecue for the Troops, a fundraiser to benefit USO programs which support deployed troops, military families, wounded, ill and injured troops and their caregivers, and families of the fallen.

The USO, a nonprofit, non-political organization, has since 1943 provided Americans with a tangible way to express appreciation and gratitude for the dedication and sacrifice of the nation's troops and their families.

Jessica Dolan, vice president of development for USO Illinois, said in a letter to the participating dealerships that her organization was astounded by their efforts.

Dolan said: “We have been blown away not only by the amount you all successfully raised to support our troops but also by the effort and time you spent making each of your events unique and engaging.

“I never expected to see



such a large group of people, joined together only by their profession, step up to the plate and dedicate not only their own resources, but also rally those available in their surrounding communities, to provide support for our service members and their families. It is hugely impactful and inspires me every day.

“Thank you for all you have done, and we are truly excited about continuing to partner next year!”

Representatives of the CATA presented a check to the USO on Aug. 15 at another of the nonprofit's fundraisers, Clark After Dark, a block party that the USO bills as “summer's last ‘hoo-ah!’ ”

## CATA partners with Carfax for history reports on DriveChicago.com

### Reports free during 90-day campaign on Web portal

An agreement to provide vehicle history reports to visitors to DriveChicago.com has been reached by the Chicago Automobile Trade Association and Carfax. In addition, the CATA will work with Carfax to provide vehicle history reports to its dealer members at a discount.

Kicking off this partnership is a 90-day campaign providing no-charge Carfax vehicle history reports to DriveChicago.com site visi-

tors on nearly every used vehicle listed. This campaign will begin Aug. 26 and run through November.

“We are extremely excited to be partnering with the premier provider of vehicle history reports and especially pleased that we can offer no-charge reports on all of our used vehicles for the strong-selling months of September, October and November,” said Tony Guido, chairman of the DriveChicago committee at the CATA and owner of Arlington Heights Ford.

The Carfax agreement also includes dealer training programs, the ability to use



Carfax Marks on DriveChicago.com, and a commitment to the promotional radio buy that will announce the 90-day, no-charge vehicle history report campaign.

“Carfax and DriveChicago.com are committed to helping Chicagoland consumers purchase quality used cars,” said Larry Gamache, communications director at Carfax. “A Carfax report is a great place to start. Now

DriveChicago.com visitors can get a Carfax report on every used vehicle—free until the end of November—to help them make the most educated purchase possible.”

For more information about the CATA’s partnership with Carfax and the no-charge vehicle history report campaign, contact Mark Bilek, general manager of DriveChicago.com, at mbilek@drivechicago.com.

## Rising incentives, high trade-in values boost new-car sales: NADA

Generous automaker incentives and high trade-in values will keep the new-vehicle sales momentum going during the third quarter, an analyst for NADA Used CAR Guide, Jonathan Banks, said in a monthly report on new- and used-vehicle sales trends and used-vehicle price movements.

“Traditionally, this is the time of the year when auto manufacturers increase incentives on outgoing model year vehicles to make room for the new model year fresh off the assembly line and headed to dealer showrooms,” Banks said.

The NADA anticipates that August will bring another month of comparatively mild depreciation for used cars and light trucks up to 8 model years in age.

On average, trade-in

values in the August edition of the NADA Used-Car Guide were adjusted down by 1.5 percent and, staying true to recent trends, downward price movement for cars exceeded trucks, 1.7 percent to 1.2 percent, respectively.

Auction prices for used vehicles up to 8 model years in age fell a modest 1 percent last month, a figure substantially better than the 2.6 percent loss in July 2012 and less than the 1.6 percent drop in July 2011. Prices fell 1.1 percent in June 2013.

Through the first seven months of the year, the average auction price of used vehicles up to 8 years in age was \$15,064, nearly identical to \$15,040 in 2012 and \$518 higher than 2011’s average of \$14,546 compared to the same period.

At a vehicle segment level,

prices in July remained strong for large pickup trucks, and large and midsize SUVs. Prices for large pickups remained unchanged in July, while the combined 0.6 percent price drop for large and midsize SUVs was modest. Larger losses were seen for the compact car (-1.8 percent), luxury car (-1.7 percent) and midsize van (-1.6 percent) segments in July.

After months of steep

depreciation, values for 2011 and 2012 model year Chevrolet Volt and Nissan Leaf plug-in electric vehicles were adjusted down by a comparatively mild average of 1.8 percent in August.

“The slower rate of depreciation for plug-in electric vehicles over the past month may be an indication that values are beginning to settle at price points more appealing to used-car shoppers,” Banks said.

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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).

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## ‘Accelerate’ your business at NADA convention in New Orleans

By MARK SCARPELLI

CHICAGO METRO NADA DIRECTOR

It’s fitting that New Orleans — a city as tough, determined and resilient as the auto industry — will host the 2014 NADA Convention & Expo in January.

Just like the city, the auto industry has endured its own share of crises and comebacks. We have been through many challenges over the past few years, but today we are stronger than ever and auto sales are steadily improving.

Since the devastation of Hurricane Katrina in 2005, The Big Easy has invested billions of dollars in major restoration projects, including renovations at the convention center and improving the streets. There also is a new streetcar line connecting the Sports District to the Central Business District and the French Quarter. Hundreds of new restaurants have opened since Katrina and millions of dollars have been invested in hotel upgrades.

This will be the 10th time the NADA convention has been held in

New Orleans since 1973.

Our convention theme is Accelerate — something the auto industry and New Orleans have in common, with both rebuilding our roads to recovery. The NADA convention offers all attendees — dealers and their managers, manufacturer execs and exhibitors — an opportunity to learn new ways to “accelerate” business success.

We’ve listened to feedback from attendees. After a thorough review of the convention schedule, some key changes have been made. Monday’s general session has been moved from the afternoon to 9 a.m., with workshops and franchise meetings to follow. And several franchise meetings are rescheduled for Saturday morning.

One thing that hasn’t changed is the quality of the workshops. We had 160 workshop proposals resulting in many new topics and presenters. From sales and finance to legal and executive leadership seminars, the 60 workshop topics cover every aspect of our businesses.

For convenience and accessibility, we have also developed programs

that will be available through NADA University’s online education resources and the convention mobile app.

And as always, dealers and their managers can attend networking events, meet with manufacturer execs and shop for products and services from hundreds of exhibitors on the expo floor.

The 2014 ATD Convention & Expo runs concurrently with NADA from Jan. 24-27. ATD members can attend any of the NADA events and programs.

Online registration and housing is now open. Seven of the 33 convention hotels are sold out. Be sure to make your reservations early to book a hotel of choice. Dealers and managers who register by Sept. 13 will receive a \$100 discount from the onsite rate. For more information or to register, visit [www.nadaconvention.org](http://www.nadaconvention.org).

We’re working hard to deliver a convention experience that lives up to the billing as the “Automotive Industry Event of the Year.” See you in New Orleans!

## Webinars

CONTINUED FROM PAGE 1

Being an effective automotive controller requires a lot more skill than putting together the financial statement - a lot more! Through this webinar, learn the habits and practices of some of the most exceptional automotive controllers in the business. You will learn how exceptional controllers:

- foster a top-notch staff to assist managing the finances of the dealership
- hone and sharpen their knowledge base, always learning and applying that knowledge
- demonstrate excellent communication skills and look for ways to improve communication on all levels
- help the dealership earn more profit by supporting and assisting every member of the management team toward that goal

Thursday, Aug. 29 at 12 p.m. CDT

**“Key Performance Indicators - The ‘Keys’ to Professional Dealership Management & Growth”** This session is focused on the Jeff Sacks List of Key Performance Indicators (KPI) that will let dealers, GMs and individual

managers know at a glance if they are on target and if their efforts are contributing to success.

Knowing what meaningful data you need to run your business is an important skill, but it often becomes too much to deal with on a daily basis. The complexity can hide the obvious areas needing attention. Management consultants and CEOs of all stripes preach the importance of having a few numbers, measurements or ratios that are constantly tracked and monitored.

Jeff is a master as well as a practitioner of this art and, via this webinar, he will share a series of KPIs that will cover every department in the dealership, as well as the dealership as a whole. You will learn:

- the KPI of personnel productivity: what to measure, chart and compare
- the ratios and measurements of profitability by department and for the whole store
- the KPI of Internet effectiveness: breaking down the numbers so you know what is working and what isn’t
- how to create a KPI Dashboard that will tell you at a glance how you are doing

## Pay plan too obscure, too 'spiffy'?

When was the last time the dealership pay plan was reviewed to make sure it accurately reflected current pay practices and policies, and adequately protected the dealership? Inadequately-drafted pay plans can create risks and legal liability for dealerships that the drafter never considered.

Saying too little can be as problematic as saying too much. For various reasons, including the "I don't want to make the plan too complicated because my employees will not understand it" rationale, many managers deliberately draft pay plans to be as short and cryptic as possible, usually by omitting explanations and definitions.

And why shouldn't they be brief? After all, everybody involved knows exactly what the pay plan means, right?

When a plan says that a salesperson will get 25 percent commission on the "gross profit" for new-car sales, what possible controversy could there be? Since everyone knows the intent, what's the need to explain what constitutes a sale, when a commission is "earned" and payable, what number or numbers are used when calculating the 25 percent commission, or what "gross profit" means in the context of the plan?

Unfortunately, "short and sweet" may create avoidable risks for the dealership because the person or per-

sons (e.g. judge, juror, arbitrator) who may ultimately decide what the plan means or was intended to mean may have no idea what the dealer meant. Most pay plans are written to be read and understood by people in the retail automotive industry who know the industry's terms and jargon, but the ultimate interpreter of the plan's language will be a person or persons who may never have heard of an "up" or a "spiff."

The risk of an unintended interpretation of the plan is increased by the chance that an arbitrator or judge may not let the dealer explain what he meant. Instead, the words on the paper will stand alone and be subject to a challenge or an unintended interpretation.

Terms such as "pack" and "spiff" seldom are used or heard outside the industry. Moreover, when terms such as "sale," "gross profit," and "charge-backs" are used without explanation or definition, the possibility exists for someone outside the industry to apply a commonly understood (outside the industry) definition of the terms.

Remember, "outsiders" ultimately will define the terms, and if the pay plan doesn't provide guidance, that definition of "gross profit" may not be the one the dealer intended. When there is uncertainty or ambiguity as to the intent of the plan, the general rule of law is that the document will be

construed or interpreted against the party who drafted it—i.e., the dealership.

Similarly, plans that offer bonuses, spiffs, guarantees and other incentives should explain what an employee must do to be eligible for the additional or guaranteed pay. If the plan includes a guarantee, the plan should be clear about the duration of the guarantee and that it is not a guarantee of employment. The plan also should define the circumstances when the guarantee will be paid or not paid in whole or in full, for example, when an employee misses work during the guarantee period.

Additionally, well-drafted pay plans often include language addressing minimum wage and overtime issues, where applicable, and any policy for recovering make-up pays. Such plans also include language addressing the employees' timekeeping responsibilities, the process for questioning concerns about the calculation of their pay and a restatement of the at-will dealership.

A good test to determine if you have a good pay plan: Hand it to someone with no knowledge of the business and ask them to tell you what it means without any explanations from you. If that person has difficulty understanding it, it's a safe bet a judge, jury or arbitrator will, too.

## In Memoriam

Scot McKay, a second generation dealer with diverse business and personal interests, died July 10 at age 59.

Mr. McKay bought his father's Evanston dealership, Ernie McKay Datsun, in the late 1970s, and added Mazda and Suzuki franchises. He later became a partner of Acura of Libertyville.

Mr. McKay also was a partner of the Clean Plate Restaurant Group, which included Pete Miller's, Davis Street Fishmarket, Tommy Nevin's Pub and Merle's restaurants. He additionally served on the boards of the American International Automobile Dealers Association and the Big Sur Land Trust in California, where he moved in 2003.

Survivors include his wife, Heidi; daughters Ashley, Elyse, Bridget and Paige; and sons Kyle, Matthew and Ian. Donations appreciated to Big Sur Land Trust at (831) 625-5523.