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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. On the tan bar across the top of the screen, click on Education/Careers and follow the drop-down menu to CATA-DealersEdge webinars.

Premiering Thursday, May 28 at 12 p.m. CDT

"BDC Managers: 5 Top Sure-Fire Bottom Line Builders" Learn the Top 5 improvements that most BDC managers can employ today to grow the bottom line — right now. The low-hanging fruit is just begging to be picked!

Just about every BDC expert, trainer and consultant

SEE **WEBINARS**, PAGE 2

6 vying for 5 CATA director seats

Six candidates, including three incumbents, have been nominated to fill five openings on the board of directors of the Chicago Automobile Trade Association. Each term lasts three years beginning next month.

A summary of the candidates' qualifications was mailed May 14 to CATA dealer members, and election ballots were sent May 22 to those dealer members whose association dues are up-to-date.

Completed ballots must be received by 12 p.m. June 5 by the CATA's auditing firm, Crowe Horwath LLP, which will tally the submissions. Results will be announced at the June 9 golf outing at Cog Hill Golf & Country Club in Lemont.

One of the incumbents on the ballot, **John Alfirevich** (Apple Chevrolet, Tinley Park), is seeking his third and final term on the board. The two other incumbents, **Kevin Keefe** (Brilliance Honda, Crystal Lake; Brilliance Subaru, Elgin) and **Thomas F. Shirey** (Shirey Cadillac, Oak Lawn), are pursuing their second board terms.

Additional nominees include **Glenn J. Bockwinkel** (Acura of Libertyville), **Jay Hopkins** (Ron Hopkins Ford, Elgin), and **JC Phelan** (Jack Phelan Chevrolet, Lyons; Jack Phelan Chrysler-Dodge-Jeep-Ram of Countryside).

A committee of former CATA board chairmen convened in April to identify candidates for nomination.

The CATA board totals 15 directors. A director may serve a maximum of three, three-year terms.

CATA office closed May 25

The CATA administrative office will be closed May 25 to commemorate the Memorial Day holiday. Business hours resume May 26.

Are millennials unfairly denied credit thanks to traditional credit scores?

Study underscores looking at alternative credit data

Young adults have a high incidence of being "credit invisible," meaning their credit histories render them "unscorable" based on the traditional credit scoring methods, a study released this month found.

The study, "Millennials: High Risk or Untapped Opportunity?" analyzed consumer behavior among three generations — millennial, generation X and baby boomer — and across multiple industries. Millennials, the study found, are denied credit at a much higher rate than the other two generations examined, but that an examination of alternative credit data would make them credit worthy.

Traditional credit scores, such as FICO credit scores, are calculated based on mortgage, credit card, auto loan and other installment loan payment histories. Data released by the Federal Reserve Board of New York shows that nearly 40 percent of people below the age of 30 years have a FICO score below 621, putting many of them in the subprime category, while others do not have credit scores at all.

But while traditional credit scores were valuable for previous generations, they may not provide the most accurate assessment of credit worthiness for the millennial demographic, the study suggests. This limited consideration hinders enterprises from understanding the true opportunity of millennial applicants and often results in credit declines or unattractive offers — higher interest rates, deposit requirements, limited features — that are rejected by the consumer.

The need for alternative credit data

"Given the financial and credit behavior we've seen among the millennial population, lenders can no longer rely solely on traditional credit data and scores," said Patrick Reemts, vice president of credit risk solutions at ID Analytics. The company, a leader in consumer risk management, conducted the study.

"By leveraging alternative credit data — which utilizes proprietary alternative insights across multiple industries, plus address change histories — lenders are able to deliver a precise and unique view into a consumer's credit risk and worthiness, which is particularly crucial for the millennial demographic," Reemts said.

Congratulations!

Planet Honda (Matteson) and **Valley Honda** (Aurora) are among 50 dealerships named to the 2014 Honda Masters Circle.

Webinars

Continued from Page 1

has a list of go-to items to employ to immediately bring additional profit to the department's bottom line.

In this series of workshops, our experts will outline for you the 5 Top Fixes that are almost always easy to employ, providing immediate positive results.

Join Joni Stuker as she reveals his Top 5 Fixes for Business Development Managers. You will learn:

- how failure of "immediacy" kills the conversation
- the 4 Steps of Verbal Prospecting most miss
- how lack of contact detail derails many a sales opportunity
- who are the "Influencing Parties" and why they are important
- how most are losing sales by not changing the conversation when a lead grows cold

<u>Premiering Thursday, June 4 at 12 p.m. CDT</u>

General Managers: 5 Top Sure-Fire Bottom Line Builders Learn the Top 5 improvements that most GMs can employ today to grow the bottom line ... right now. The low-hanging fruit is just begging to be picked!

The best GM trainers and consultants have a list of "go-to" items to employ to immediately bring additional profit to the bottom line. In this series of workshops, industry experts will outline the 5 Top Fixes that are almost always easy to employ, providing immediate positive results.

Join Jeff Sacks as he reveals his Top 5 Fixes for Dealership General Managers. The presentation will help you:

- eliminate process disconnects in Internet sales practices
- get serious about using your advantage in acquiring good Used Vehicles
- make even a minor improvement in Accessory and Add-on Sales
- learn where truly needy service customers are being under-served
- make small changes in service production process that pay off big time on the net profit line

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Review past editions dating to 1998 or search by subject at www.cata.info/publication/bulletins.

David E. Sloan President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

KPA advises how to find, hire, retain the best workforces

When the economic bubbles starting bursting eight years ago, businesses responded to the weakened markets by tightening their belts — and their employee rosters. Now they are ready to hire again, and with plenty of qualified candidates, the hiring process should be easy, right?

"We all got a little rusty during the downturn," said Kathryn Carlson, vice president of HR Management Products for KPA. Carlson led a May 13 seminar at the CATA, "Finding, Hiring, Retaining the Best Workforce."

With employee compensation and benefits accounting for 35 percent of a dealership's operating expenses, Carlson noted the costs of hiring and keeping the wrong candidates:

• It costs an average $10,000 to replace an employee.

• The typical worker wastes about two hours' a day at work, leading to an annual nationwide productivity deficit of $759 billion.

That makes the HR Department's role much more than payroll and party-planning. Carlson distilled the KPA method of hiring into five habits to follow:

1. Effective application. Post it on the dealership's website in a prominent place; don't hide it, Carlson said. "Many customers look at your website. There will be customers who say, 'Wow, I had a great buying experience. I want to work there.'" This also is a good way to reach passive applicants who are currently employed.

Craft an application to generate the information the dealership wants to gather, then look closely at the responses. "For those (applicants) who write 'See résumé,' I'd say, well, if I wanted to see your résumé, I would have asked for your résumé. Doesn't follow instructions. Rejected."

2. Behavioral interview. Carlson said many employers talk too much during an interview. "Don't bother telling them that this is a really good place to work. They already know that; they applied."

More information can be gleaned, she said, by posing hypothetical scenarios: You are a service advisor with an angry customer in front of you, you can't find the technician who worked on the car, and three more customers are backing up the service bay. Describe what would you do.

Poor interview questions, said Carlson, include the infamous "If you were a tree, what kind of tree would you be?" or "Where do you see yourself in three years?" or "Tell me your greatest strengths," because they don't uncover the candidate's traits.

3. Reference checking. Carlson discounted the importance of identifying references. "Are you going to give me the name of someone who wouldn't recommend you?" she asked. "And if you give me a bad reference, you're just dumb."

4. Background check. The $25 to $30 cost to conduct a check is a great investment, Carlson said, adding that the extension of any job offer before the check is complete should be a conditional job offer based on passing the check.

5. Candidate scorecard. Have three managers separately ask the candidate the same several questions, then compare the managers' reactions to the answers.

Carlson said employers also must weigh the cost of retention against the costs of turnover. "It might be that an extra $1 an hour, which comes to about $2,000 a year, will keep the worker and save you from training someone new," she said.

Also at the seminar, Nick Hardesty, KPA's North Central district manager, spoke briefly on OSHA changes and employee safety. Hardesty said it can be easy to get caught up in the fear that OSHA or the EPA is going to come knocking, and completely forget about the need to focus on employee safety.

That lack of attention can have a real effect on the company's bottom line when a dealership finds itself with a sharp increase in accidents and injuries in its workplace.

Fundraiser for student techs Sept. 18 at Chicagoland Speedway

As a follow-up to the Collision Repair Education Foundation's inaugural "Cars, Careers, & Celebrities" event, which last year raised more than $200,000, the foundation will hold the event's second edition Sept. 18 at Chicagoland Speedway in Joliet.

The event takes place in conjunction with the Chase for the NASCAR Sprint Cup taking place that weekend, and will bring together hundreds of high school and college collision students, industry members, and sponsors. High school and college collision students from Illinois, Indiana, Wisconsin, Iowa, Kansas, and Michigan are anticipated to participate in this event, and that list is expected to grow by the event date.

ABRA Auto Body & Glass will participate as the first Diamond Level sponsor and the Collision Repair Education Foundation encourages all industry members to participate to not only showcase the various members of the industry to the attending students but also to help raise additional funds to assist collision school programs.

This event will be available at no charge for high school and college collision students, instructors, and administrators. The Collision Repair Education Foundation is requesting a $100 donation per individual industry member to attend.

For full details, call the foundation's Brandon Eckenrode at (847) 463-5244.

Electric market: To lock rates or not to lock?

By Tom Jankowiak
Utility Management Group

One of the most frequently asked questions we receive regarding the electric market is when customers should lock rates. Unfortunately, no one can know what the electric market will do in the future.

The main factors driving the electric market include temperatures, natural gas prices, the economy, hurricanes, oil prices and regulatory issues. All of these factors are difficult or impossible to predict, making future electric rates impossible to predict.

Obviously, you want to lock your rates on the day the market reaches its low. While we cannot tell you what the market will do going forward, we can tell you where it is now, as well as how favorable the factors driving the market are. Knowing that allows us to make an educated decision whether it is currently favorable to lock your rates. If it is favorable to do so, we recommend locking them and not trying to outguess the market.

Once you're within 12 months of your current contract expiration date, we recommend watching the market for opportunities and considering three factors. The first is whether you can lock at a rate that's at or below your current rate. Since you have no way to know what the market will do going forward, if you can guarantee a reduction in your budget, we recommend considering locking.

The second consideration is how the market is trending. If it is trending downward we recommend waiting until it reaches its bottom. If it's trending up, we recommend considering locking as we don't know how long the upward trend will continue or whether it will reverse itself before your current contract expires.

The third consideration is where the market is compared to where it has averaged historically. If the market is high by historic standards, you may want to wait as there's no benefit to locking at that time. A market at or near its bottom is another indicator that it's a good time to lock.

Because the above are currently favorable, it is a good time to consider options for your next contract term. Once you make the decision to consider supplier offers, issues such as what term length offers the greatest benefits, how can you receive a true apples to apples comparison of supplier offers, under what circumstances can they change your rate, what contract language impacts what you'll truly pay and how do Com Ed's increases impact your offers must be considered.

Utility Management Group has been providing natural gas and electric service for close to 15 years, and its services are endorsed by the CATA. Contact UMG at (630) 279-0117 to discuss your energy needs or to arrange a time to have a UMG consultant meet with you in person.

Q1 subprime lending falls

Worries that auto lenders were back to their old ways of writing risky loans may prove to be unfounded. The percentage of subprime loans is falling.

Subprime or deep subprime loans made up 19.7 percent of the market in the first quarter, the lowest percentage since 2012, Experian Automotive reports.

Yet with employment strong across the country and new cars costing more, auto loans are reaching record levels. They hit $905 billion in the first quarter, up 11.3 percent from 2014.

In addition, the number of borrowers who fell 30 days behind in their payments fell 4.1 percent from a year ago. Those behind 60 days went down 3.2 percent.

Consumers making timely payments on outstanding loans is evident in the improvement in delinquency rates. The lowest delinquency rates were in the Midwest and Northwest.

Collision protection technologies pave way for autonomous driving

Three of the top five technologies consumers most prefer in their next vehicle are related to collision protection, according to a recent J.D. Power study.

The examination, "2015 U.S. Tech Choice Study," found that technologies which reduce the overall burden of driving and enhance the safety of the vehicle and its occupants receive the most consumer attention.

Among the technologies consumers express most interest in having in their next vehicle are blind spot detection and prevention systems, night vision, and enhanced collision mitigation systems.

These findings demonstrate growing customer acceptance towards the concept of the vehicle taking over critical functions such as braking and steering, which are the foundational building blocks leading to the possibility of fully autonomous driving.

The only non-collision protection technologies to crack the top five are camera rearview mirror, which appears in the driving assistance category; and self-healing paint, a comfort and convenience category.

The inaugural study uses advanced statistical methodologies to measure preference for and perceived value of future and emerging technologies. A total of 59 advanced vehicle features are examined across six major categories: entertainment and connectivity; comfort and convenience; collision protection; driving assistance; navigation; and energy efficiency.