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Relationships with state officials grow at CATA Town Hall meeting

At the inaugural CATA Town Hall meeting, on July 21, CATA Chairman Steve Foley Jr. told a contingent of Illinois lawmakers that while new-vehicle dealerships are categorized as small businesses, “We are the foundation upon which sales tax revenues are based.”

Indeed, NADA statistics indicate that franchised new-vehicle dealers generate hundreds of millions of dollars in tax revenues for state and local governments via sales taxes, corporate taxes, and payroll taxes. The average Illinois dealer employs 49 workers.

But the legislators at the Town Hall meeting are well aware of dealers’ impact on the state coffers, and they encouraged the 30-plus dealers there to exercise their influence.

“Dealers have political power they don’t know they have,” said Sen. John Millner (R-St. Charles). “Invite your legislator to your dealership and get to know

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Shirey Cadillac principal Tom Shirey, above left, confers with Illinois Sen. Dan Cronin (R-Elmhurst) at the CATA Town Hall meeting. The event featured comments by Senate Republican Leader Christine Radogno of Lemont, right. Seven state lawmakers and more than 30 dealers attended.



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. And to help introduce

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Customer relations training is important for your employees

A thorough examination of attitudes and practices at a dealership is necessary before an effective consumer relations program can be instituted. A comprehensive consumer relations program that looks good on paper won't work unless the underlying reasons for the complaints have been resolved.

Complaints generally arise from unmet expectations and misunderstandings. Poor communication usually is the root of the problem.

Communication starts with you. You must convey to your employees the dealership's philosophy—its goals and its code of ethics. Central to this code is a commitment to serve customers fairly, honestly and courteously. One goal should be that no customer will leave your dealership with an unresolved problem. You must train your employees to practice that philosophy.

One study found that 54 percent of customers who reported complaints did not consider the first person they contacted helpful. Damage done by thoughtless employees is incalculable. "Consumer conscious" employees can do much to ensure that you will have satisfied, repeat customers.

- Explain your goals, objectives, and customer relations policies to your employees. Outline this in a letter to all your employees and discuss it at regular staff meetings.

- Explain the whole customer relations picture and the importance of each employee's role in it.

- Explain how an effective customer relations program will make the job of each employee easier because there will be fewer complaints, more satisfied customers, and a better working environment.

- Utilize your manufacturer's training program or professional seminars to train key personnel in customer psychology and people-handling.

- Integrate role playing in sales and service staff meetings to enable staff to react to trial situations.

- Make sure each department understands the policies and procedures of other dealership departments. Have managers sit in on meetings of other departments.

- Explain to your employees new laws, regulations, or actions taken by the manufacturer or government that affect your business or impact your customers.

- Hold informal sessions to discuss the strengths and weaknesses of your customer relations program.

- Orient new employees to your program and publicly recognize employees who have done an outstanding job with customer relations.

This article is excerpted from "A Dealer Guide to Customer Relations: Profits, Not Problems," available through NADA University's Resource Toolbox.

Webinars

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a new audience to them, DealersEdge will permit CATA members who have not already seen a Webinar to view the July 29 presentation free. 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 fees are \$298 for non-DealersEdge members.

And once purchased, the DealersEdge Webinars and accompanying PDF file are available for download and can be viewed later. Each connection, no matter how many in attendance at your location, 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. 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 July 29 at 12 p.m. CDT

"Improving Service Menus Without Giving Away the Profit." The presentation offers an engineer's approach for using small changes to see big profit improvements.

Thursday, Aug. 5 at 12 p.m. CDT

"How to Prevent and Survive a Factory Warranty Audit." If you think the factory doesn't do warranty audits anymore, think again. And if you have not had one recently, your ability to produce clean, auditable records has been diminished by a reduced fear of enforcement. Review a checklist of issues and documentation problems that could need fixing.

Thursday, August 12 at 12 p.m. CDT

"What's Working in Dealership Advertising & What's Not!" Where to allocate your ad dollars for maximum impact.

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

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Auto dealers exempted from Wall Street bill

By **RAY SCARPELLI SR.**

METRO CHICAGO NADA DIRECTOR

WASHINGTON – Main Street auto dealers were excluded from sweeping legislation to overhaul the nation's financial system, which President Barack Obama signed into law on July 21. The long-fought victory preserves dealer-assisted financing as an affordable option for car buyers.

"The exclusion for dealers is truly a win for consumers," said NADA Chairman Ed Tonkin. "Dealer-assisted financing will continue to provide more convenience, more competition and more choices for car buyers.

"This is also a testament to the hard work of all of the auto dealers and dealership employees around the country who made sure that the merits of the issue were heard. Their grassroots efforts truly made today's victory possible."

The House approved new financial regulations June 30; the Senate, on July 15; and the president's bill-signing came the following week.

The Congressional conference committee's favorable vote came after stiff opposition to the exemption by the White House, the Pentagon, the Treasury Department and other groups. Automotive News summarized the battle over the bill in a June 28 article: "In the end, (the) NADA prevailed because, with members united, it got rank-and-file Democrats in the House and Senate to buck their leaders and the president." Tonkin sent a message to all members, thanking them for the many weeks of continued engagement.

"I want to personally thank everyone for putting forth such a sustained and effective effort on behalf of dealer-assisted financing," Tonkin said. "This is a victory for consumers who will now continue to have access to affordable and convenient

credit options at dealerships."

David Regan, NADA vice president of legislative affairs, also thanked House Financial Services Committee member John Campbell (R-Calif.), and Sen. Sam Brownback (R-Kan.), who took up the cause in the House and Senate, respectively.

In late 2009, Rep. Campbell generated strong bipartisan support for an amendment to exclude dealer-assisted financing from an unwieldy new agency with almost unlimited authority to fundamentally alter the vehicle financing process. After the Campbell amendment passed the House, Sen. Brownback authored an amendment to do the same.

Grassroots efforts by dealers and dealership employees garnered a 60-30 vote to urge Senate conferees to exclude dealerships from the proposed agency. As a concession to secure the dealer exclusion, the Federal Trade Commission, which already oversees dealer-assisted financing, was granted expedited rule-writing authority over unfair or deceptive practices.

"The nation's 18,000 dealers applauded the persistent efforts of Rep. Campbell, Sen. Brownback and the bipartisan support from both senators and representatives who recognized the need for a balanced approach to protecting consumers while allowing continued access to affordable auto credit," Regan said.

For more information, visit www.NADA.org/KeepCreditAffordable. And if you haven't contributed to DEAC, please consider one. That's what helped achieve this result.

In other legislative and regulatory news . . .

The NADA is arguing against the so-called "**Right to Repair**" provision in the auto safety bill, and recently sent a letter to all senators outlining the association's concerns with Senate Bill 3181. NADA leaders say the measure

is unnecessary because repair data is commercially available to independent repair shops through manufacturer and third-party Web sites.

The legislation may be offered as an amendment to vehicle safety legislation targeted at the sudden unintended acceleration in Toyotas. Earlier this summer, NADA voiced opposition to several components of the auto safety bill, including a proposed tax of \$3 to \$9 on new cars, which the Secretary of Transportation would have the discretion to raise beginning in 2014 without the direct consent of Congress.

The summer 2010 issue of the **NADA Regulatory Review** was recently sent to all ATAEs and ATAE counsel. The issue contains a number of active links so readers can view relevant regulations and other materials just by clicking on them. Some of the topics covered in the issue include:

- COBRA premiums extension
- Toyota dealer recall duties
- New fuel economy/GHG rules
- UNICAP concerns

The issue is available at www.nada.org/Publications/Regulatory+Review/default.htm. You will need a username and password to access the publication online.

In other NADA news, registration for **2011 Convention & Expo** in San Francisco opens online July 26.

Register by visiting www.NADA-ConventionAndExpo.org. Detailed information about each hotel and a map of its location is also available online. More than 20 hotels have been secured, and rates have been reduced, ranging from \$139-\$269. Look for promotional materials in the mail soon, as well.

• A Lexus Sales Managers' 20 Group is launching this month, with a new Kia 20 Group following in August.

Town Hall

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him. We'll be happy to come and sit with you and meet your employees, who are voters."

Mike McGrath Jr., chairman of the CATA board's committee that governs the political action committee, CATPAC, said the Town Hall meeting was developed to grow relationships between area dealers and state legislators.

Millner said dealers sometimes can convey local issues better than lobbyists, who are not aware of them because they are anchored in Springfield. "Pick up the phone," he said. "We're here for you. We'd like to hear from you."

Some legislative districts include multiple counties, but the one Rep. Kevin McCarthy serves includes portions of just Orland Park and Tinley Park, an area the Democratic lawmaker said is blessed with many dealerships that generate about 60 percent of the district's sales tax revenue.

Sen. Christine Radogno (R-Lemont), the Republican leader of the Senate, spoke of the issues confronting lawmakers, notably the state's \$13 budget shortfall.

"Our state has serious, serious problems," she said. "The difference (between Democrats and Republicans) is how to go forward. Getting out of this by taxing alone is not an option."

Radogno said increasing the state income tax rate by 1 percent would generate \$4 billion. Finding savings and efficiency, she said, must be part of the equation.

"Medicaid represents one-third of the budget, so if we find savings in that," she said, "you're looking at a big number."

Radogno said she opposes increased tax rates to solve the state's fiscal woes, but supports an increased tax base achieved by putting more people to work.



Illinois Rep. Kevin McCarthy (D-Orland Park) addresses dealers at the Town Hall.

Retiring Sen. James DeLeo (D-Chicago) said one of his most memorable votes during his career in Springfield was the 1983 vote to require dealerships to close Sundays. "I thought to myself, 'Why is government dictating how dealers do business?'"

"But then I learned from an old lobbyist that in order for dealers to retain the best salespeople and service workers, they need to give their people the day off, to be with their families."

State Sens. Dan Cronin (R-Elmhurst) and Dan Kotowski (D-Park Ridge), and Rep. Jim Durkin (R-Western Springs) also attended the event to learn dealers' concerns. Cronin is running to become president of the DuPage County Board.

Foley, the CATA chairman, said small businesses can find it difficult to operate amid the recurring peaks and valleys of the state budget. Kotowski pointed to a recent Senate amendment that would require government agencies to tender multi-year revenue forecasts and identify spending priorities. He nicknamed the amendment "Budgeting for results."

"We would get a better result for the price of government," Kotowski said.

Forms from CATA still free, but shipping now on dealers' tabs

The Chicago Automobile Trade Association has long provided free to its members some of the paperwork necessary to sell new and used vehicles, and it will continue to do so.

But at a time when all budgets are under scrutiny, the delivery of those forms no longer will be paid by the CATA.

Instead, when member dealerships place a forms order, they also must offer their UPS or FedEx account numbers, to which the deliveries will be charged. To avoid delivery fees, dealerships near the CATA building in Oakbrook Terrace are welcome to send a representative to collect the forms.

Free forms offered by the CATA include the Used-Car Buyer's Guide, Odometer statement, Used-Car Limited Warranty statement, and Emission Control Equipment statement.

The CATA annual membership dues remain \$400.