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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.

Coming topics:

Premiering May 1 at 12 p.m. CDT

"Updated Phone Skills for Showroom and BDC"
Take your Showroom Sales and Receptionist Skill Set to a New Level.

Phone skills in the showroom and the BDC have never been more important than they are today. It is mis-

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Fore!

CATA annual golf outing June 9

Clear June 9 on your calendar and join fellow members of the Chicago Automobile Trade Association for the CATA's annual meeting and golf outing at Cog Hill Golf & Country Club in Lemont.

Camaraderie abounds at the daylong golf affair; and the dinner meeting, at which the board of director election results are announced, offers good networking opportunities.

A full-day ticket — which includes green fees, cart, use of the club driving range, lunch, beverages at sponsored locations, entry in a putting contest, dinner and a gift — costs $95 each for dealer members and $125 each for allied members. A dinner-only ticket is $75.

Allied members who host a CATA dealer in a foursome can buy that dealer's ticket for $95, and allied members who sponsor an element of the outing can buy tickets to play for $95.

The outing features many potential prizes, adding to the excitement.

Get full details at www.cata.info.

Deadline for NADA Dealership Workforce Study is April 30

April 30 is the last day for dealers to participate in the National Automobile Dealers Association's annual Dealership Workplace Study, the industry's most comprehensive analysis of the dealership workforce. The greater the level of participation, the more accurate the findings will be. Eligible dealers can enroll at www.nadaworkforcestudy.com.

Results of the study provide data to help dealers make informed recruiting and hiring decisions and help them meet their No. 1 challenge: attracting and retain-

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Dealer acquisition action is strong, growing, report shows

Dealers and dealer groups are making moves at a rapid pace, as research shows acquisition rates are on the way up. According to an industry report released Monday, auto dealership buy-sell transactions rose by double-digit rates in 2013, and analysts are predicting this year's rates will continue to rise.

The buy-sell market is reviewed in The Blue Sky Report from Haig Partners LCC, and the report shows public retailers committed more than $1 billion to acquisitions for the first time since 2006 last year.

And these stores are going for more, as the value of public dealerships' acquisitions climbed 16.5 percent from 2012 levels, according to the report.

The number of private transactions rose 14 percent.

"Auto dealers are enjoying record profits, new vehicle sales are strong and rising, and the economy is improving. Those factors are driving valuations to all-time highs. It's an ideal environment for sellers," said Alan Haig, founder of Haig Partners. "But the sellers' advantageous position isn't deterring buyers. It's a low-yield world with few attractive alternatives for investment capital. Even with high purchase prices, dealership acquisition returns are very compelling."

New firm Haig Partners advises owners on selling their dealerships. Its founder, Alan Haig, led the automotive retail practice for the investment banking arm of The Presidio Group LLC, and was head of AutoNation's corporate development group.

Haig explained the buy-sell market will remain "robust" for a variety of reasons.

The report states private buyers are very active and interested in both single-point stores and larger groups.

Haig also shared that most all of the public retailers have expressed "a desire to grow through meaningful acquisitions."

"Many dealership groups have the capacity to make commitments of $100 million or more, with several capable of $500 million deals," according to the report.

The range of brands is growing, as well. According to the report, the 10 largest dealer groups acquired 16 different franchises in 2013.

"For sellers, dealership values appear to be at an all-time high. Plus, almost every franchise is in demand today. More dealers are taking this opportunity to sell their business for values that were not conceivable just a few years ago. And the market is ripe for the sale of large dealership groups," the report stated. "We remain in a 'win-win' period for dealership sales: strong returns for buyers and strong pricing for sellers."

Webinars

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sion critical to understand just why the customer is calling and how industry stereotyping will influence how we are perceived and received by the customer while on the phone.

You need a game plan that puts the customers at ease and allows them to feel your commitment right from the first contact.

Premiering May 8 at 12 p.m. CDT

"How to Create a Killer Business Plan for your Service Department" Opportunity is knocking for improved sales and profits in the Service Department; a good business plan will help you succeed.

Are you a Fixed Ops Business Builder or, like many, just a caretaker ... letting your fortunes be decided by whim and happenstance? If you do not have a solid Business Plan to help your service operations grow and profit, then you are just one of many. But if you have a carefully constructed plan, you will be in a position to guide fixed ops to greater profit and success.

Join Don Tipton as he shows you how to create a bold, but achievable Business Plan for your Service Operations. You will learn:

- How to identify areas in your service operation ripe for improvement
- How to analyze the 'structure' of your Service Dept., and the staff and resources to capitalize on those opportunities
- How to set a net profit objective compatible with your 'structure,' or vice versa
- Some new performance indicators that will help you meet your goals
- How to determine if your 'process' is compatible with your goals
- How to create a 'marketing plan' to help your meet your objectives
- How to keep it all on track for the whole year

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

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Now, it's Generation Y employees

Dealers who see Generation Y'ers as tough customers are learning that young hires come with their own set of expectations, too.

Those often butt up against traditional dealership work schedules, policies and environments. Discontented Gen Y workers seldom stick around waiting for things to get better. Instead, they bolt, as evidenced by data in a new study done for the National Automobile Dealers Assn.

Dealership employee turnover generally is high, especially among salespeople working on commission. But departure rates among 20-somethings are something else, said Ted Kraybill, president of DeltaTrends, the firm that conducted the study focusing on recruiting, hiring and retaining top talent.

"The dealership turnover rate for Generation Y is much higher than for other generations," said Kraybill. Dealership turnover hit 62 percent for salespeople specifically. Overall, it dropped a percentage point to 35 percent in 2012 compared with the year before. But it's expected to increase as stores hire more Millennials, many of whom end up disliking aspects of the work, particularly the long hours.

"They value their free time," Kraybill said. "They won't work a schedule that goes over 45 hours a week. For many of them, a valuable spiff isn't money, but rather time off. Dealerships traditionally rely on money to motivate people, and Gen Y is less motivated by it."

Some progressive dealerships are trying to address the issue by altering staffing schedules in an effort to make them more palatable.

"A 45-hour week seems like a sweet spot, because dealership people working that tend to make (proportionately) more money than someone

working 40 hours," Kraybill said. "But when you go past 45 hours, the data shows the extra time incrementally amounts to something like $4 an hour. Generation Y says, 'No way.'"

They may say it more vociferously than others, but they aren't alone in expressing dissatisfaction. That's why some stores are reconfiguring employee schedules.

"Those don't require everyone to be there from bell to bell every day," Kraybill said. All hands aren't needed on deck at times of the day when business typically is slow.

Change agents, particularly publicly owned dealership chains, are developing alternative staffing models designed to give workers more time off. Those include split shifts and longer work days but fewer of them, such as 10-hour shifts four days a week.

Such changes may bump up head counts and fixed payroll costs, but Kraybill said those are offset by reducing the expenses of continually hiring and training replacement workers.

Revolving-door employment hurts in other ways, as well. For example, vehicle sales potentially are lost before a "newbie" gets up to speed, he said. "Turnovers cost dealers a lot of money."

It's not just the hours that discourage Generation Y from long-term dealership work. It's also the way dealerships traditionally foster competition among salespeople.

Out of sync with that are young people who like working collaboratively. The study recommends shifting from individual sales incentives to team rewards.

Some stubborn old-school dealers have come up with their own rather simplistic solution to steer clear of dealing with Young Turks.

"I've had dealers tell me, 'We just won't hire Gen Y,'" said Kraybill. But that position ultimately defies demographics. "In 2011, the number of Gen Y new hires at dealerships was 34 percent. In 2012, it was 41 percent. And it will go up more."

Millennials in their late teens to early 30s currently make up nearly a quarter of all dealership personnel. That's about the same as the estimated general U.S. workforce.

The reaction to the report by the National Automobile Dealers Association's board of directors, Kraybill said, was: "We've got to figure this out. What do we need to do to make this industry more attractive?"

The firm analyzed data from 290,000 dealership payroll records. More than 2,240 dealerships participated in the NADA's second annual Dealership Workforce Study.

"This is by far the most comprehensive and timely study on the dealership workforce ever produced, and it serves as a tremendous resource to help dealers step up their game," NADA Chairman Forrest McConnell said.

Other findings:

- On average, dealership employees earn 27 percent more than the average weekly earnings of all U.S. private-sector employees.
- F&I managers had the highest income growth (8.4 percent), followed by service managers (8 percent) and sales consultants (7.8 percent).
- The median income of individual dealership employees is nearly equal to the 2012 U.S. median household income ($51,017).

Sedgwick deflects Q1 2014 jobless claims

One hundred forty-three CATA dealer members reported a combined 754 unemployment claims during the first quarter of 2014 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 $945,096 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 265 CATA dealers among its clients.

The number of claimants and affected dealers and benefit amounts were at their lowest numbers in years. Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between .55 percent and 8.55 percent of each employee's first $12,960 in earnings.

The 2014 average unemployment tax rate & new employer rate for Illinois employers is 3.95 percent, or about $512 annually per employee ($535 in 2013). The rate continues to inch down from 2007, as the Illinois economy continues to improve.

"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 or Bruce Kijewski at (773) 824-4322.

Congratulations!

Volvo of Oak Park is among 21 U.S. dealerships to win the 2013 Volvo President's Club Award.

Seven area dealers received the 2013 Honda President's Award, for consistently excelling across all facets of their operations: **Bosak Honda of Highland** (Ind.); **Brilliance Honda** (Crystal Lake); **Continental Honda** (Countryside); **Bill Kay Honda** (Bourbonnais); **Muller Honda** (Highland Park); **Pauly Honda** (Libertyville); and **Valley Honda** (Aurora).

Five area dealerships are Ford Credit 2013 Partners in Quality award winners. **Smith Ford of Lowell** (Ind.) was named an award winner; masters award winners include **Rod Baker Ford Sales** (Plainfield), **Highland Park Ford-Lincoln**, **River View Ford** (Oswego), and **Van Drunen Ford** (Homewood).

Workplace

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ing talented employees.

Dealers who participate in the study will receive a complimentary, customized report when the results are completed. Dealers can enroll as individual dealerships or as dealer groups. The study involves using a secure, Web-based process to complete a survey and upload payroll data.

At the study's close, each participating dealership will receive a complimentary, customized report (Basic Report) comparing its own employee compensation, retention and turnover, work schedules, hours of operation and employee benefits programs against data aggregated on a regional and national basis.

Participants also receive, free of charge, the Dealership Workforce Industry Report, which provides analysis of the industry as a whole, including state-of-the-workforce and demographic trends, plus aggregated compensation, retention, and benefits data for each region of the U.S. Participants also have the option to purchase other customized reports providing even more data.

Please direct any questions to WorkforceStudy@nada.org or (800) 557-6232.

Tune in ...

... to "Drive Chicago," the CATA's automotive radio show, 8-9 a.m. Saturdays on WLS-AM 890.

Save the date and get the charcoal! USO barbecues planned for July 19

Area dealers will be encouraged to host a Barbecue for the Troops on July 19, following last summer's inaugural effort during which 70 dealerships raised $37,500 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. More details coming soon!