



# the southlander

Spring 2011

## Matt Browning Installed as 2011 SMCDA President

*L.A. County Supervisor Don Knabe Installs SMCDA's First Third-Generation President*

**P**ictured at right are Matt Browning and his father, Kent, at the SMCDA installation reception on January 20. Not only is Matt the SMCDA's first third-generation president, the dates of the Browning presidencies are exactly 28 years apart. Matt's Dad, Kent was president in 1983 and his grandfather Dick was president in 1955. Matt joined the SMCDA board in June 2008, bringing the third generation of Brownings to serve on its board. Following in the footsteps of past presidents grandfather Dick Browning (1953) and his father Kent (1983), Matt joined the board with enthusiasm and an understanding of what the association does for the car dealers.



*Matt Browning with his father, Kent Browning, at SMCDA's installation reception.*



*L.A. County Supervisor Don Knabe installs Matt Browning as SMCDA president on January 20.*

Matt is general manager of Cerritos Acura and a partner in a Kia franchise in Victorville. While his most recent stint with the family business began only a few years ago, he is no newcomer in the business. Since the age of 14, Matt spent his summers working at the dealership. After college he moved to San Francisco and took a job with Bank of America and soon rose to the rank of vice president of finance, where he doubled his sales targets. Soon Matt was looking to expand professionally, beyond selling loans to public

institutions, and he took a job in the Bay Area suburb of Sunnyvale where he worked for a Toyota dealership for a year. There, he learned how powerful the Internet could be. The Sunnyvale store reports 50 percent of its sales from online transactions.

Now, at Browning Auto Group, Matt has increased the number of web site sales to 20 percent, up from just seven percent when he took it over a little more than a year ago. Browning attended Emory University in Atlanta and graduated in 2001 with a concentration in finance courses, while he earned a double major in international studies and Italian. Matt is one of four siblings and is the only one in the business. ■

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## PRESIDENT'S MESSAGE

By Matt Browning,  
*Browning Auto Group  
Cerritos*

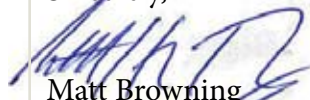
I am proud to be a member of the SMCDA. We are a group of dealers who have worked together for the betterment of our industry since 1932. Being the third Browning to preside over this association says several things. Other than the pressure of having big shoes to fill, it states the SMCDA has been supporting dealers in the Southland for generations, and most importantly it shows the value local dealers place on the unique dynamics that are created when we join together for the common good.

If only my grandfather Dick Browning could see us now! Grandpa and my father, Kent, were one of the first dealers to move to some vacant land in Cerritos 30 or so years ago. At that time, the association was operating out of offices in Long Beach, had monthly board meetings at a local restaurant, and kept tabs on state issues by working with the Southern California Motor Car Dealers Association. Today the SMCDA offices are in Cerritos on the Cerritos College campus, where we offer meeting space, educational programs that are second to none, and manage Northwood University's west coast training center. Just this week, the Browning sales teams are training at the SMCDA offices at the same time that BMW product training is taking place and Northwood automotive students are taking their final exams.

On the legislative front, we are proud of our support of local candidates in recent elections, which include the election of state senator, Ted Lieu from the South Bay, and council members Forester and Hansen in Signal Hill. With any luck we will have similar success in the upcoming Cerritos elections next week. Next week I will be joining Executive Director Todd Leutheuser in Sacramento, where we will attend the CNCDA's Legislative Committee meeting. In the meantime, we are setting up office visits with our state legislators on Dealer Day in Sacramento on March 29. We encourage you to attend this worthwhile event and stay for our legislative dinner that night.

I look forward to serving as your president.

Sincerely,



Matt Browning  
SMCDA President



**“We are a group of dealers who have worked together for the betterment of our industry since 1932.”**



# Dealers: You're On Social Media... Even if You Aren't

By Kathi Kruse,  
Kruse Control, Inc.

I was talking with a group of car dealership managers the other day and one said, "I don't think we're ready for social media." He was being sincere about it. He just couldn't wrap his head around the changes he foresees in his operations. Changes needed to accommodate the creation and maintenance of a presence on social networks. I admit it can be overwhelming, but as we explored his objections, it was clear to him that not participating was more damaging.

For today's dealerships, there is no choice BUT to participate, because if you think you aren't on social media, think again. You ARE there, but you're letting others define your message and your reputation.

Andy Beal, the online reputation specialist who writes for *Forbes*, says that when you decide not to embrace your reputation stakeholders, you run a huge risk that they'll create their own community. Not so bad, if you happen to have a strong reputation—Apple gets by with no official social media effort. But, it's generally not a good idea to stick your head in the sand and ignore those that want to share their experiences with you. If your customer wants to complain about your abusive staff they may well head to Facebook or Yelp. If you don't have an official presence then you're leaving these dissatisfied customers to define your reputation for you! Instead, resolve to discover where your customers like to "hang out" and then make sure you're hanging with them!

Every business, every dealership, has an online reputation to maintain. Do you know where your customers and potential buyers are?



- Have you built them a Facebook community?
- Can they check on their car in Service through Twitter?
- Do you have a blog that keeps them up-to-date on your store, your products and relevant information they can use?
- Have you built Google Places and Yelp profiles so they can easily see what others are saying about your store?

If you build an official, company-supported social network, then your customers will know exactly where to head, should they have a question or complaint. It's not as simple as replying to a Tweet or a Facebook post. We coach our clients to actively listen to the feedback. Listen for trends. Listen for opportunities. When you actively engage your audience, you build long-term sales relationships. ■



facebook

**Kathi Kruse is an automotive Social Media expert, bringing 30 years of 'best practices' dealership management experience to dealerships across the U.S. Learn more about maximizing your dealership's social media presence at Kathi's workshop on Tuesday, March 8, 10 a.m. - 12 noon at SMCDA's offices. See the enclosed flier, or download a registration form at [www.smcd.org](http://www.smcd.org).**

## Kelly's Korner: Privacy Policy Pointers

By Jan. R. Kelly, Kelly Enterprises

A rash of recent questions about the "Privacy Policy" lead me to believe that it may be time to review this important aspect of the Graham-Leach-Bliley Act. I do so along with the reminder that none of the information that follows is intended as legal advice. Please consult your attorney for compliance matters concerning your own dealership.

### **What is the Privacy Policy?**

The Privacy Policy is the first part of the Graham-Leach-Bliley (GLB) Act. The Privacy Policy stipulates that businesses who collect information about their clients / customers / consumers must provide notification about what they will do with the information supplied to the business. This includes who will receive the customer information, as well as why and how the information will be shared.

### **How does the Privacy Policy apply to dealerships?**

When dealerships finance vehicle purchases and sell their customers a variety of policies and services, it becomes necessary to share certain information gathered with third parties in order to secure funding and to process the policies and services which the customer chooses to purchase.

Some states require that the privacy form must include an opt-out and/or an opt-in choice for the customer.

### **When should the customer receive the Privacy Policy?**

It is my understanding that the Privacy Policy should be given to each customer immediately after obtaining the credit application. Most privacy policies I have seen are 2-part NCR (No Carbon Required) forms. The forms have a place for the customer to sign an acknowledgement. The original stays with the deal. The copy goes to the customer.

### **What else should I know about the Privacy Policy?**

Many privacy forms state that the dealership takes steps to protect the NPI (Non-Published Information) through physical and electronic safekeeping measures. This statement seems to tie the Privacy Policy to the Safeguards Rule, which is the second part of the GLB Act. ■

"Kelly's Korner", Oregon IADA Newsletter, January 2007. Visit Jan Kelly online at [www.jlkelly.com](http://www.jlkelly.com).

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# Moving Obsolete Parts Out of Inventory

You're probably aware of how parts move into and out of your inventory. You may even take precautions to make sure the special-order process is tight in your dealership. But at the end of the day, you may still have some obsolete parts in your inventory. So the three million dollar question is: "How do I get rid of them?" I have some ideas, starting with the least expensive, moving up to the most expensive.

First, ask for a special, one-time return to the manufacturer.

Although manufacturers have specific policies for parts returns, they'll often allow a one-time return to help you clean up your inventory. This varies

by manufacturer, but you'll never know if you don't try. This is your best option, since you can return parts and get money for them.

Next, you can try to sell parts for less than 100 cents on the dollar in a garage sale. Simply gather your obsolete parts and sell them in the dealership or online. If you decide to sell parts on an online auction site such as eBay, you'll need to provide

clear pictures and descriptions of each item. I've seen dealers have limited success with this, but it does take time to do.

There are also locator services that you can use so people can find your parts. Again, no 100 cents on the dollar, but it's better than just giving them away.

You can trade or sell parts to another dealer as well, and possibly get 50, 60, 70 cents on the dollar.

You may take precautions to make sure the special-order process is tight in your dealership. But at the end of the day, you may still have some obsolete parts in your inventory.

You should also consider selling those parts to your own used-vehicle department. It's always better to sell a part at cost than to just give it away.

But if you can't sell the parts, you may have to give them away. If you decide to take this route, make sure you get a tax break. I see many dealers donate obsolete parts to technical schools and get a nice tax deduction as a result.

If you can't give the parts away, you have to throw them away. Just get rid of them, write them off, and be done with them. Once you clean up your inventory, you can make room for the parts that will make you money. ■

*This article is adapted from the upcoming NADA University online course "Overcoming Obsolescence," presented by NADA Academy instructor Jim Phillips. Look for this new course in the NADA University Learning Hub at [www.NADAUniversity.com](http://www.NADAUniversity.com), or call 1-800-557-6232 for more information.*

The advertisement for Celly Services, Inc. features a blue background with a diagonal border of yellow and black hazard symbols. The text is white and yellow. It reads: "Celly Services, Inc" in large white letters. Below that, in smaller white text: "Helping Dealers Comply with EPA/OSHA Regulations For 20 Years". A list of services follows in yellow text: "• Hazardous Waste Management", "• Illness &amp; Injury Prevention", "• Safety Inspection &amp; Training", "• Respiratory Protection", "• Haz Mat Release Response", "• Phase I Environmental Assessment", "• Hazardous Waste Cost Recovery", "• Newsletters on Emerging EPA/OSHA Issues", "• Spill Prevention, Control, Countermeasures", "• Representation in OSHA Enforcement Cases". Below the list, in large white letters: "SAM CELLY, MS JD". Underneath that, in smaller white text: "Registered Environmental Assessor", "Certified Safety Professional". At the bottom, in small white text: "Certified Safety Professionals &amp; Registered Environmental Assessors", "Member OCADA, SMCDA, AICHE &amp; AIHA", "444 West Ocean Blvd., Suite 1402", "Long Beach, CA 90802-4517", "Phone: 562.704.4000 • FAX: 562.704.5000".

# CNCDA's 2011 Dealer Day in Sacramento

The California New Car Dealers Association (CNCDA) will host its annual Dealer Day on Tuesday, March 29 at the Sheraton Grand

Sacramento. Activities during the summit will include briefing on current legislative issues affecting dealers in California, and an afternoon of appointments with legislators and staff members.

Legislative issues on the agenda for discussion this year include legal and regulatory changes in 2011 for dealerships, new statewide laws, and consumer protections advocated by watchdog groups. New environmental

guidelines and the rising price of auto fuel are sure to be topics of discussion as well.

To register for Dealer Day, please visit [www.cncda.org](http://www.cncda.org). ■



Pictured at CNCDA's 2010 Dealer Day are, left to right, Terry Schaier, Greg Timmons, Bill Stephens, John Davis, Dave Conant and Matt Browning.

## SMCDA Welcomes New Members

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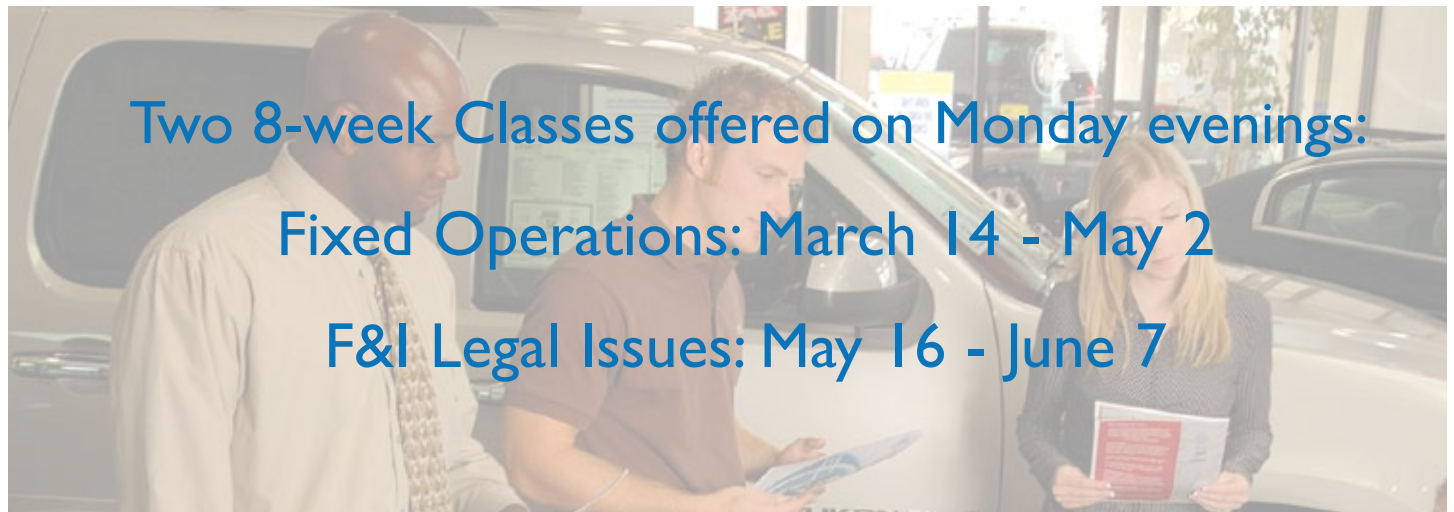


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# Update Workplace Technology Misuse Policies to Include Social Networking

By Stuart Baron, Stuart Baron  
Stuart Baron and Associates, LLP

Employees' use of social media sites, such as Facebook®, MySpace®, Twitter®, or LinkedIn creates significant business challenges. A recent study found that 8 out of 10 people who visit Facebook at work are checking up on their online friends and family, "resulting in loss of productivity and malware introduction by clicking on a link within someone's 'wall.'" Some actively post to their profile pages or blogs, often disclosing proprietary or confidential data about their employer (inadvertently or deliberately).

Employers also face significant legal risks when employees access social networking sites both on and off the job: lawsuits for harassment from rude, crude, or lewd content posted by and about co-workers; cyber bullying; discrimination against job applicants by using personal (and protected) information gleaned through Google; privacy violations from monitoring workers' online activities without an effective policy; and wrongful disciplinary actions or termination based on protected online activity. A few recent



cases tell the tale:

- Two Houston's restaurant employees created a password protected MySpace page to air grievances, inviting current and former employees to talk about all the "crap/drama/and gossip" occurring in the workplace without having to worry about outside eyes prying." A manager learned of the page when an employee showed him a profane posting. He asked for the employee's password to view the content and after ducking the request several times, she relented. The restaurant

*Continued on next page*

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Continued from page 8

- had no policy prohibiting employees from using social media to comment on its business and workplace issues. It fired the employees who started the page. They sued asserting privacy and violations of the Stored Communications Act. At trial, the jury focused on whether the manager effectively coerced the employee who disclosed her password, thereby accessing the site without authorization. The jury found coercion and awarded \$3,403.00 in back pay and \$13,000 in punitive damages. The US Court of Appeals for the Third Circuit affirmed the decision.
- From her home computer, an EMT working for American Medical Response wrote critical Facebook posts about her supervisor, referring to him with the company's code for a psychiatric patient. Several co-workers posted responses expressing support. AMR had a policy barring workers from criticizing the company or its supervisors on websites, on blogs, and in online communication with co-workers or posting any information about the company online without permission. The National Labor Relations Board (NLRB) sued AMR for violating her protected speech because under Federal law employees have the right to engage in "protected concerted activity," which can include discussions, meetings or even a single employee discussing the personal character of a particular supervisor. The suit was settled for an undisclosed payment. The NLRB's statement said: "the company agreed to revise its overly-broad rules to ensure that they do not improperly restrict employees from discussing their wages, hours and working conditions with co-workers and others while not at work, and that they would not discipline or discharge employees for engaging in such discussions."
- TEKsystems sued three former employees for violating non-compete and non-solicit agreements. The suit alleges that one former

manager contacted clients and co-workers—and that her LinkedIn page could prove it. While working as a technical recruiter, she signed contracts prohibiting her from contacting clients and colleagues if she left. Two months later, she joined a competitor as business development manager. TEKsystems alleges she used social networking sites to communicate with at least 20 of TEKsystems contract employees. It cites LinkedIn connections with at least 16 TEKsystems employees as evidence.

How do you manage your wired workplace to assure productivity, uphold employee rights and still enforce accountability for proper online behavior and data security? A solid first step in managing the risks is adopting an appropriate policy for social media use. You can make it part of your existing email and Internet policies, or adopt an independent Social Media Code of Conduct.

1. Define the permissible uses of all systems and electronic media that impact your business.
2. Define appropriate—and impermissible—content. Include specific examples.
3. Reserve the right to monitor e-mail and other electronic communications, and then do so regularly.
4. Establish specific and objective disciplinary policies and apply them consistently to all employees.
5. Draft narrowly to balance your organization's legitimate interests with your workers' protected rights.

**SBA will present an in-depth webinar on social networking risks, rights, and responsibilities, including policy issues and what to say to your supervisors on Thursday, March 17. Save the date and look for your emailed invitation. ■**

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# Southeast ROP Wins SMCDA Tech Competition

High school students Frank Cornejo and Pedro Ruiz-Barrios, along with ROP instructor Abel Ponce, took first place out of 12 competing schools and will represent the SMCDA in the National Automotive Technician Competition in New York April 26-27. This is the fourth time in six years that SEROP has won the right to compete at the national level.

During the contest, each two-student team rotated through 12 work-stations, or “bugged” vehicles, using a repair order with actual customer complaints. The student teams worked to diagnose and repair problems within the allotted time. Each “bug” correctly diagnosed and repaired was worth a number of points, depending on the level of difficulty.

In addition, the students’ knowledge of emissions control systems, alignment, electrical test equipment, airbag components, oscilloscope usage and mechanical measurement equipment was tested during a series of intensive work station sessions.

Local industry gift sponsors included: LONGO Toyota; MATCO Tools; Mercedes-Benz USA; Mitsubishi USA; Toyota Motor Sales USA, Inc. (Toyota T-TEN)

Local industry station judge volunteers included Dubai; CA State Tech Ed., Marvin Linville; CA AYES/NATEF, Chris Barthel, VP, Fixed Operations Director; The CAR Group, Dennis Erickson, Facilities Manager, Sullivan Automotive Group; Feviu Villarreal, Shop Foreman, Lexus Santa



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