



the southlander

January/February 2010

SMCDA Announces 78th Annual Meeting

Meeting and Installation of Officers Takes Place at the Hotel Maya on Thursday, January 21, 2010

Who: Dealers, Manufacturers, Industry Executives, Affiliates. *By Invitation Only.*

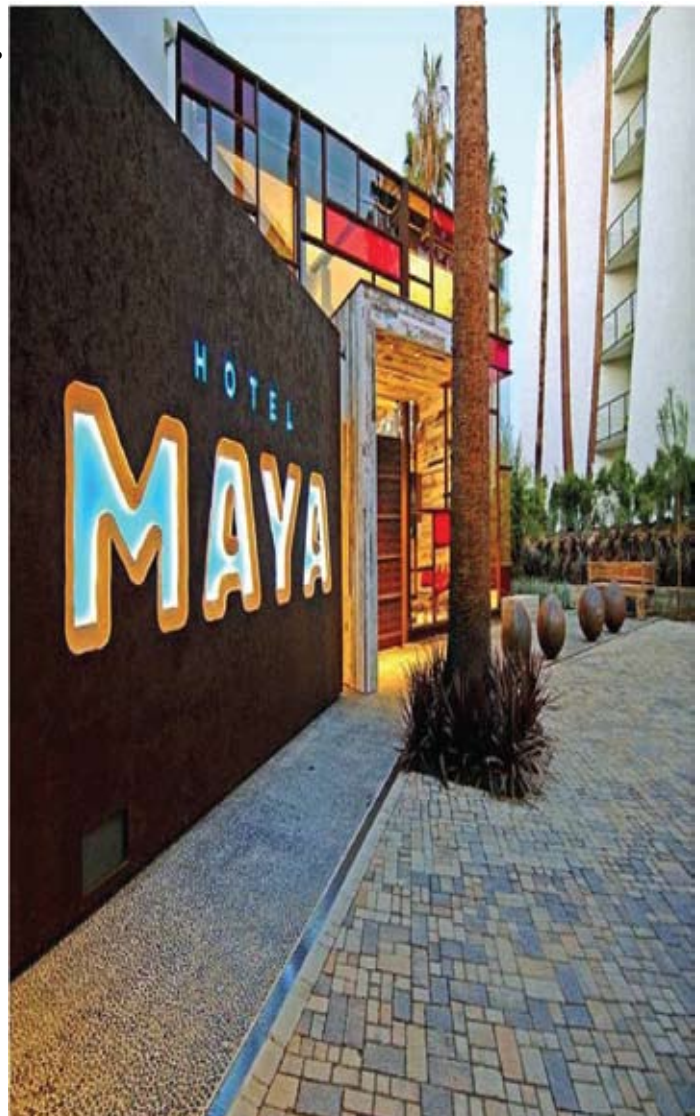
What: 78th Southland Motor Car Dealers Association's Annual Meeting and Installation of Officers. We cordially invite you to help us celebrate our 78th anniversary with the installment of Greg Timmons, Timmons Volkswagen/Subaru and the 2010 Board of Directors

When: Thursday, January 21, 2010
5 p.m. to 9 p.m.

Where: Hotel Maya
700 Queensway Drive
Long Beach, CA 90802
(562) 481-3914

RSVP no later than January 14th, 2010, to Dianna at SMCDA. (562) 595-4326

The Southland Motor Car Dealers appreciates your sponsorship of the 78th Annual Meeting and Installation of 2010 Officers; celebrate with us 78 years of service to the automotive industry. ■



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The Southlander is an official publication of



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PRESIDENT'S MESSAGE

By Greg Timmons,
Timmons Volkswagen/Subaru
Long Beach

Welcome to a new year and a new issue of the SMCDA's bi-monthly bulletin *The Southlander*. Last year was a tough one for most people in our industry, and hopefully the worst is behind us. If you believe the pundits and economists, we are starting to see the economy stabilize, along with auto sales. While we aren't at the very high (perhaps artificially high) sales levels of the first half of last decade, we seem to have reached the bottom. If we were able to make the necessary adjustments with our inventories, our staff and cash management, we will be in a stronger position when the economy ramps up.

I want to acknowledge the passing of Don Kott, who for many years was a major presence in the Southland area. Not only was Don a great supporter of the community, but he served on the SMCDA board for many years. If you had the opportunity to know Don, you were lucky and will have a smile in your heart when you think of him.

I hope you will join us at the annual dinner on Jan. 21 as the SMCDA celebrates its 78th year representing our interests. We are honored to have Supervisor Don Knabe install our board, and perhaps we will have a surprise or two. It will be a fun evening getting reacquainted with old friends and maybe making several new ones.

See you there.



Greg Timmons
SMCDA President



If we were able to make the necessary adjustments with our inventories, our staff and cash management, we will be in a stronger position when the economy ramps up.

Greg Timmons: Business, Family and Goodwill

The Southlander recently interviewed incoming SMCDA president Greg Timmons about his years growing up at a dealership, his family, and his involvement in charity and speed racing.

Your father, Walter Timmons, bought the business in 1977. What was your first job at the dealership?

My first job was washing cars and mopping floors. Next, I moved up to positions as parts stocker and parts delivery driver, and then worked the parts counter. Later, I trained as a mechanic and a service



Greg and his team pull a skier in a race to Catalina.

writer. I worked in many positions in all departments.

In 1982

I graduated

from Point Loma University with a bachelor's degree in business administration and economics.

What did your father do prior to that? My dad had two motorcycle dealerships: Honda, BMW and Moto Guzzi under one roof and Kawasaki across the street. Prior to this, he was the general manager at Coberly Ford, in downtown Los Angeles.

Your parents came to the States from Europe, right? Yes, my parents were both born in Poland when it was German occupied. They grew up in West Germany, and Dad came to the U.S. in 1956. My mom arrived in 1959.

You took over the business in 1991, correct? Dad passed away in June of 1990, and at that time dad had Fritz Pflock as our general manager. I took over running our business by the end of 1991 when Fritz left us to start his own VW dealership in Van Nuys. Later, in 1993, we acquired Subaru from Jim Willingham.

Tell us a bit about your family. I've been married to Samantha, my wife, five years. I have two daughters, Natalie, 18, who works at our dealership, and Hannah, 13. Samantha has two boys, Blake, 19, who serves in the U.S. Army, and Miles, 16, who also works at our dealership.

When did you get involved in speed boats? Dad had a family ski boat, and I grew up around boats and water skiing. I bought my first speed boat in 1989 and had it for 13 years. In 2003 I got into offshore boating, and the boats got much larger.

Larger—and faster! Tell us about your involvement in the Catalina Water Ski Race. I have pulled skiers in the Catalina ski race for five years. We get up to speeds of 65 MPH during the 52 mile race to Catalina Island and back. We've placed first in our class for four out of the five years.

You also spend time with Bug fans, right? What's the 'Timmons Toy Jam' all about? Each fall, we collect toys at our dealership, and in October we coordinate with more than 40 VW Bug enthusiasts to deliver the

toys to terminal-ly ill children at the Miller Children's Hospital in Long Beach. The toys are loaded into the cars and driven to the hospital in a big rally. Once we

arrive, the kids get to choose their toys. Last year they even got to see the original "Herbie the Love Bug." It serves to get the kids out for a few hours and put smiles on their faces



The 'Timmons Toy Jam' delivers toys to kids each October.

Thanks, Greg. We're looking forward to your leadership at SMCDA in 2010.

Thanks. I'm looking forward to it too! ■

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Save the Date

January 13 State of the County Address: Supervisor Don Knabe. Cerritos Center for the Performing Arts, 11:30 a.m.

January 14 Don Kott Memorial, Carson Community Center, 11:00 a.m.

January 21 SMCDA Annual Installation Dinner, Maya Hotel in Long Beach, 5:00 p.m.

February 13-15 NADA Annual Convention, Orlando, Florida. Save registration fees if you register by Jan. 15

March 23 CNCDA Dealer Day, Sacramento

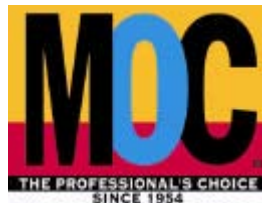
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Los Angeles Times

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The Need for Clear-Cut Pay Plans

Employee compensation and benefits are among your most significant expenses and yet having a motivated and skilled staff is critical to your business success. How do you find the right balance? *NADA Compensation Study 2009* serves as a resource to help you assess your situation and balance those needs. Please note two valuable additions to this year's guide:

NADA chief economist Dr. Paul Taylor has significantly expanded the introductory analysis section to provide you greater insight into the data.

An entirely new section is provided on pay plans, including the excerpt below:

For purposes of avoiding misunderstandings with employees, the importance of legally-sound pay plans cannot be overstated. Moreover, dealers must pay close attention to the rules relating to wage and hour law, which can be deceptively complex. The Fair Labor Standards Act is the primary federal law in this area, but some states have rules that are different from or stricter than the federal.

A typical dealership uses a variety of pay plans. Some of these, such as those for employees primarily compensated on commission, revolve around complex accounting concepts involving a defined "gross" or "profit." In part, dealers use

pay plans to motivate employees to exert their greatest efforts—and subsequently to reward them for doing so. For example, salespeople paid on a commission basis receive a portion of the "gross" or "profit" on each vehicle sold. Most dealership salespeople clearly understand that they are being paid on a commission basis and that their compensation is tied directly to their production. However, unless key details are spelled out with well-defined terms in a legally-sound pay plan, salespeople may not fully understand all of the parameters of their compensation.

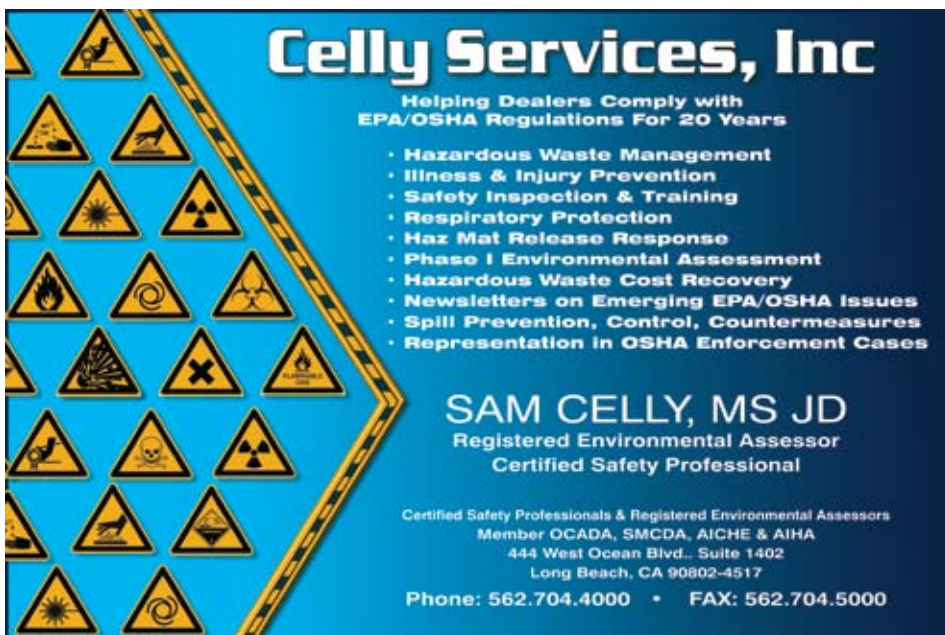


While *NADA Compensation Study 2009* provides an overview of the basic concepts that should be covered when drafting pay plans, it cannot cover all of the details needed to craft a legally-compliant pay plan and it does not constitute legal advice. Dealers are strongly encouraged to have their compensation plans

reviewed by competent counsel for compliance with federal, state, and local law. ■

This article is adapted from NADA Compensation Study 2009. The printed guide, provided free to all NADA members, will be mailed at the end of December. Please note, this is the last guide that will be printed and mailed. All future DRIVEN guides will be published online at NADA University (launching in February 2010).

To order additional copies of the guide through January, please visit www.nada.org/mecatalog or call NADA at 800-252-NADA, ext. 2.



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Southland/Cerritos Center to Open March 1

The finishing phase of the Automotive Partners Building of the Southland Cerritos Center for Transportation Technologies (SCCTT) training complex is under way. Workers have installed the drywall, along with almost all of the glazing and stucco of the new 10,000 foot facility.

“The building is on track and should be ready for occupancy the last week of February,” said Senior Project Manager Barry Willett.

The building will be occupied by three tenants: Southland Motor

Car Dealers Association, Northwood University, and Cerritos College automotive management personnel.

“It looks like this building will be in high demand,” said Todd Leutheuser, the Association’s Executive Director.

“With the current loads of students attending

the Northwood program, Cerritos College’s management classes and requests from dealer ad groups, we expect the facility to be running from eight in the morning until ten at night.”

The building has three large training rooms, two of which are more traditional class rooms. The third room is designed to be a media and marketing room with complete teleconference and media capabilities for dealer advertising and association meetings. The building will also have the capacity to provide product training in its state-of-the-art show room, which comes with a video wall for additional training.

“It is fantastic to see a plan come together,” said Leutheuser. “What started as a concept ten years ago will be a reality in just a couple of months.”

The SCCTT also received a significant contribution from Supervisor Don Knabe last month who joins the Greater Los Angeles and Southland Auto Dealers who collectively contributed over \$1,125,000 for public/private automotive education complex. ■



Workers install drywall, glazing and stucco on the new facility.

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Northwood Program Hits Overdrive

Students Fill Classes to Capacity as Program Hits Its 'Sophomore Stride'

If numbers are any indication of success, the Northwood Adult Degree Program at Cerritos College is well on its way to a strong future in California.

"Our classes are filled to capacity and we are seriously considering adding more to meet demand," said the program's manager Todd Leutheuser.

"Dealership employees tracking to get their business degree may want to choose Northwood, as it offers the business curriculum and ties it to the auto management application—creating the perfect fit."

"The completion of the Auto Partners building couldn't have come soon enough.

Northwood

wants the class size to be in the 15 to 20 student range and we are over 25 in three of the four classes we are offering this quarter." At this pace the college will have to run eight to 10 classes per term starting next fall.

Northwood offers two bachelor's of business administration degrees on the Cerritos College campus: one, a traditional management degree and the second, the Automotive Retailing and Management (AM) degree. The AM degree is generally offered on the three traditional campuses in Michigan, Florida and Texas. It has been the alma mater of hundreds of auto dealer prodigy from across the nation.

"With Northwood offering the program locally, we look forward to having degree-minded dealership employees choose this option," said Leutheuser.

"Southern California dealership employees who are tracking to get their business degree may want to choose Northwood, as it offers the business curriculum and ties it to the automotive management application—creating a perfect fit."

To find out more about the Northwood University AM program, please visit www.cerritos.edu/northwood. ■

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Take Five

Dave Brubeck changed traditional jazz structure with 5-beats per measure in the famous jazz classic, "Take Five." Unique approaches to music, as well as unique approaches to management, take a new direction with both music and dealership profits.

As auto industry managers, we follow the daily and monthly beat of swings in profits and losses. How would music exist without the vibrations

that create sound? How would managers measure their performance without reports and meetings? Each day we have the ability to give "sound" to the people we manage. This article addresses the age-old

formula for managing co-workers know as feedback on performance—or making noise that inspires and motivates.

Each day in the dealership we have the opportunity to coach and inspire. It's the timing. It's the speed of the day that limits the most important ingredient for managing others. We get busy and forget, or just can't fit it in—the feedback on performance is missed. This contributes to the num-

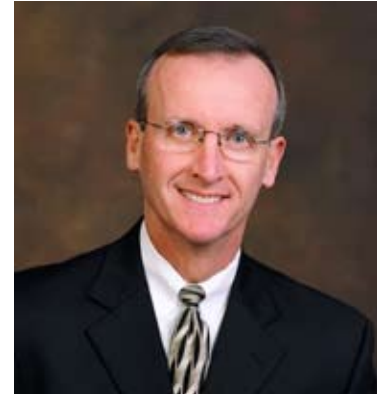
By Paul H. Webb, Street Smart/I.T.S., Inc.

ber one reason workers say on exit interviews for leaving the company: "I just don't know where I stand—no one tells me how I'm doing."

Our days are full with early travel to work—meetings that last too long—cumbersome reports, and recurring petty issues.

We lose the most important duty as managers. The ability to lead through example and to inspire others. Here is the opportunity to take advantage of the classic Brubeck jazz classic and to "Take Five" minutes. It's these five minutes – coaching and complimenting workers – on a daily basis, that gets the tempo and tonality on the right track.

As you go about your daily routine, take a tip from the Brubeck song and using a reminder; caring a nickel in your pocket—practice the "Five Minute—This Is How You're Doing—And I'm



Paul H. Webb

Practice the "Take Five" process and listen to the sounds of prospect and promise from the people we care about most.

Continued on next page

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Glad You're Doing It" employee review. You can practice it in the hallway, out back by the vending machines, at the morning coffee machine, and in your office.

These Five Sentences:

- How are things going?
- This is how you're doing and I'm glad you're doing it.
- I appreciate your efforts.

- Thanks for your contribution.
- Let me know if you need help.

A manager of a large dealership was shocked when her top sales producer suddenly quit. Sometimes we forget to pay attention to the top producers, thinking the rewards of money are enough to sustain them. Without the recognition—as little as a five minutes, a few times a week—catching people doing something right and telling them—was the lost ingredient.

It's not important that you know Brubeck's classic song. It is important that you practice a productive activity that inspires others. We have a give and take relationship with workers and as managers it's our responsibility to provide them with the opportunity to grow and profit.

So remember: Carry a nickel to remind yourself. Practice the "Take Five" process and listen to the sounds of prospect and promise from the people we care about most. ■

Paul H. Webb is a principal of Street Smart / I.T.S., Inc., (www.StreetSmartSalesTraining.com) a company whose clients range from vehicle manufacturers, state and national automobile associations and all size dealerships / dealer groups. To arrange for Paul H. Webb or one of the Street Smart Trainers to design a customized workshop for your dealership, call: 888-469-7117 to get more information on your Special Membership Discount. www.webbvt.com

Mr. Webb began his automotive career in 1988 and has presented training and consulting to automotive OEM's, NADA Dealer 20 Groups, NADA 2004/2005 Management Seminars, NADA 2005/2006 Convention Speaker, and associations and individual dealerships. As Director of Training for leading private and publicly owned Dealership Groups, "Webb" delivered customized sales and management training programs to increase profits as much as \$54k in 5-weeks.

Mr. Webb's earlier carrier as a union musician contributed to this article.

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Remembering Don Kott, March 21, 1931- December 21, 2009

On December 21, 2009, “Super Dealer” Don Kott passed away after a long and heroic battle with cancer.

Don was born in the car business on March 21, 1931 to Mr. and Mrs. Karl Kott in Los Angeles County. Don attended grammar school, middle school and high school in the Wilmington area, and then attended USC in 1953. Don’s father Karl Kott originally started with the Ford Motor Company in 1913 and later opened the first Ford dealership in Wilmington, CA. In 1953 Don started as a salesman for his father and in 1971 Don bought the business from his father and partners.

In 1971 Don saw a great opportunity in purchasing property in Carson in 1974 and developing nine dealerships in seven locations which put Carson on the map for the auto industry. The Don Kott Auto Center and Don himself became the community leader in Carson. Kott was the state’s ninth-largest car dealer when he sold the business and retired in 2002. Even after his retirement he remained a pillar in the Carson business community.

Along with his many other contributions and civic community involvement, Don was also a member of the Southland Motor Car Dealers Association, serving as president in 1992. He was the district chairman for the Ford Dealer Council, Hino National Dealer Council, as well as president of the Ford Dealers advertising committee. He received the Ford Distinguished

Achievement Award seven years in a row starting in 1979 through 1987. He received the ATD Truck Dealer of the Year Award in 1991, was nominated for the National Automobile Dealers Association presidency, the Ford 100 Club and received “Dealer of the Year” from Time Magazine in 1993. Don was also active as a director for Bay Harbor Hospital in 1999, the Los Angeles County Museum of Natural History, Wilmington Boys and Girls Club, Wilmington Rotary and the Long Beach Rotary clubs. Don was also awarded “Man of the Year” in 1978 from the Boys Scouts of America.

Don is survived by his wife of 45 years, Margaret, his two sons, Jeffrey Childers (Sharil), Christopher Childers, Don’s daughter Kelley Hall (Phil) and Don and Margaret’s five grandchildren, Christie, Allisa, Jack, Vin and Caitlin. Services will be held at 11 a.m. on Thursday, January 14, 2010 at the Carson Community Center, 801 E. Carson St. in Carson. In lieu of flowers, the Kott family asks that donations be made to: The Carson Boys & Girls Club, 21502 S. Main St. Carson, CA 90745. ■



Don Kott

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Source: 2006 JD Power New Vehicle Buyer Survey; Scarborough Release 1 2006.

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