



the southlander

November/December 2009

SCCTT Facility On Track to Open March 2010

New Cerritos College President Dr. Linda Lacy Tours Construction Site

SMCDA recently hosted Dr. Linda Lacy, the new president of Cerritos College, and Warren Mault, of Northwood University, at a tour of the soon-to-be completed Southland/Cerritos Center for Transportation Technologies. Pictured at right are Steve Richardson, of the Cerritos College Foundation, along with Dr. Lacy, Mr. Mault and Todd Leutheuser of SMCDA. The center is on schedule to be completed in spring of 2010.

Mault was in California for the 19th annual Northwood Golf Tournament, which raised funds for students attending Northwood University. Many of the students receiving scholarships are attending the Northwood-Cerritos campus, and will benefit from the completed SCCTT facility.

The SCCTT will house the Hybrid and Alternative Fuels Training Center, manufacturer-sponsored technician apprentice programs, and Northwood University's West Coast program center that offers a bachelor's degree in automotive marketing/management for full-time students and working adults.

The center will include a \$9 million renovation



of the existing three-acre auto complex and a new \$6 million automotive partners building that will focus on management education for the auto industry.

Once completed, the SCCTT will have a large role in filling the ever-changing, highly skilled employment needs of the auto 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 the fall issue of the Southlander. My name is Greg Timmons and I run the Volkswagen/Subaru dealership in Long Beach. Your board of directors appointed me to this position when Don LaMar sold his Hyundai dealership to the Conant Auto Group early this summer. The SMCDA will have a formal election in December for the 2010 slate of directors. We wish Don and his family well, as he leaves behind a long heritage in the auto industry.

I have been involved in the automotive business since 1977 and the GM/co-owner of our business since 1991, and I haven't seen changes in our industry quite like those in the last year. Things are changing at an unprecedented rate. Today the Southland is facing a 37 percent decline in year-to-date sales. Consequently, we have to adjust our variable expenses wherever we can. Hopefully the worst is behind us and soon customers will grace our showrooms with their presence.

While many of us have had to make significant cuts in our labor force, the changes in technology continue. Most of us are doing more work with fewer personnel. One area in which we will continue to see a demand is in our service departments. We are fortunate to have a partnership with Cerritos College that will ensure that our technicians are prepared for the future. Construction of the Automotive Partners Building at the Southland/Cerritos Center for Transportation Technologies is expected to be completed by March of 2010. This center will be home to the SMCDA, Northwood University and a variety of education programs for all aspects of the dealership.

I look forward to seeing you there.

Sincerely,



Greg Timmons
SMCDA President



"We are fortunate to have a partnership with Cerritos College that will ensure our technicians are prepared for the future."



Congratulations to the 2009 SMCDA Scholarship Golf Tournament Winners!

First Place Team, with a score of 50
Ryan Nelson, Dave Ditgen, Lou Pingtella and Ken Beus, Zurich

Second Place Team, with a score of 60
Dan Duir and Jon Forgy, Parke Guptill & Company
Henry Nodal, Bank of the West and Bill Rehwald, Hart Fullerton Leasing

Third Place Team, with a score of 61
Eddie Chavez, Scott Ennis, Brian Whalen and Richard Earlywine, Asbury Environmental Services

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By Jan. R. Kelly, Kelly Enterprises

Kelly's Korner: What Can You Do to Improve Business?

Looking across the business landscape right now may look a bit bleak. I view this as a time of decision(s). Either you can do nothing, close shop, and go fishing, or you can make a stand for your business. Either way, you make a decision.

How many times have we heard, "Activity begets activity?" When you are busy, your brain and body are engaged in moving the business forward - even if it is cleaning the office, going through old files, clearing out the outdated, and making room for new activity. So, if you haven't cleaned out the offices and drawers in awhile, start with that task.

Walk the lot, pick up trash, look at the inventory, ask yourself if the units are clean and inviting, and how you can improve the display. If you were a customer what would make you stop, look and listen? This drill will give you some low- or no-cost ideas to make the most out of every opportunity.

Use this slow time to role-play with your sales team. It is critical to sharpen their skills. Use audio recording and videotaping and play it back for the presenters. Ask them, "Would you purchase a car listening to these words?" Improve their word tracks and have them practice prior to seeing real customers. When times are slow, the worst thing anyone can do is practice on a customer.

Be positive! Put on your game face for employees and customers. Yes, we all have concerns about making payroll and all of our various obligations. However, when you are in sales, 98 percent of what you do is attitude and faith. As you think, so shall you be.

We are now in the times when the funding will be from low invoice. The customer will need to be in an equity position at the beginning of the loan. Remember the old phrase, "The cash down payment equals the gross profit in the deal." ■

Article written by: Jan Kelly, President of Kelly Enterprises. Visit her online at www.JLKelly.com.

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Parts Managers Daily Responsibilities

For maximum efficiency, a parts manager should follow a routine including daily, weekly, monthly, and even annual tasks. The following are suggested daily responsibilities:

(1½ hours)

- Open the parts department. Establish a counterperson for service. Open shop counter in conjunction with service advisors. Turn on computer(s). Check security. Start perpetual inventory counts.
- Check arriving personnel to open parts counters, set deliveries, check in stock and enter into inventory. File appropriate paperwork, including updating MSDS binder. Check with service department and body shop to give any updates on vehicles carried over which are waiting for parts.

(1-1½ hours)

- Review invoices and counter tickets for coding, costing, discounts, purchases against the purchase order book or electronic account; turn in paperwork to the business office with appropriate account coding.
- Post inventory adjustments, emergency sales, lost sales; run order updates; review any electronic messages.

(1 hour)

- Complete reports for shortages, overages, errors, and transportation claims; match invoices to packing slips.
- Enter daily orders and spot check parts and invoices in delivery trucks.
- Justify cash receipts against the driver's log.

(2 hours)

- Update bin locations, parts numbers and

inventory counts. Correct any bin count irregularities and post the variances.

- Review lost sales and emergency purchases.
- Review special-order bins for aging and customer notification.

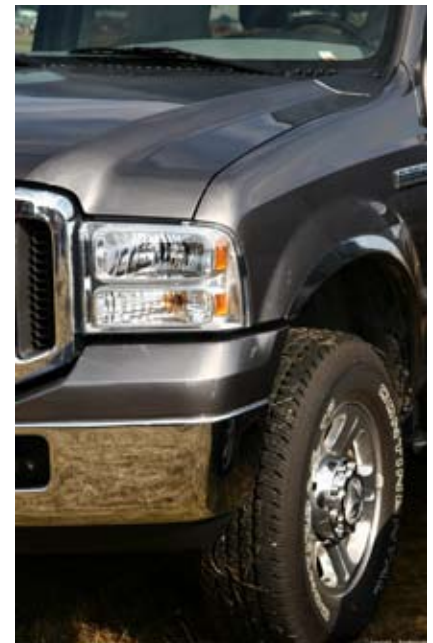
(1 hour)

- Check with service department and body shop to give any updates on vehicles carried over waiting for parts.
- Review purchases from aftermarket vendors in purchase order book.

(1 hour)

- Check condition and maintenance of delivery vehicle.
- Oversee the turning in of all money; secure the department or transfer management responsibility to the next shift.

This article is adapted from A Dealer Guide to Parts Management and Profitability: Third Edition (SP5). You may order the guide online at www.nada.org/mecatalog or by calling NADA at 800-252-NADA, ext. 2. For in-depth training on improving your parts inventory performance, visit www.nada.org/seminars to register for NADA Dealer Academy's new 4½-day parts managers course (Sept. 21-25 in McLean, VA). ■



Details of the 'Junk Fax Prevention Act' Requirements

On July 9, 2005, Congress enacted the Junk Fax Prevention Act of 2005 (JFPA), which amends the fax advertising provisions of the Telephone Consumer Protection Act (TCPA).

The JFPA preserves the established business relationship as an appropriate basis to send fax advertisements to businesses and consumers.

However, it also imposes a new "opt-out" notice requirement,

requires senders to honor opt-out requests, and restricts sending fax ads to fax numbers that the recipient has voluntarily provided.

Below is a summary of several key provisions of the Federal Communications Commission's (FCC's) final rule implementing the JFPA, which takes effect August 1, 2006. We have included sample opt-out notice templates to assist you in developing your opt-out notice.

You may not use a telephone fax machine, computer, or other device to send an advertisement to any fax machine unless you have: 1) an established business relationship with the recipient, or 2) obtained prior express permission from the recipient to send the fax ad.

An advertisement is broadly defined to include "any material advertising the commercial availability or quality of any property, goods or services..."

An established business relationship is defined as "a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a business or residential subscriber with or without an exchange of consideration." It may be formed through an inquiry, application, purchase, or transaction. An inquiry or application must involve a product or service offered by the sender.

If an established business relationship does not exist, you must have the recipient's prior express permission before sending a fax ad to the recipient. It may be given orally or in writing. It also may be expressed through electronic means, such as e-mail, fax or the Internet. Regardless of the format, prior express permission must include the fax number to which ads may be sent.

Although the JFPA does not impose any record-keeping requirements, because the burden of proof rests on the sender to demonstrate that prior express permission was granted, you should take steps to promptly document that you received such permission.

You now must include on the first page of the fax ad a clear and conspicuous notice containing:

A statement that the recipient may opt-out of

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- receiving future fax ads from you; and
- (i) A contact phone number and fax number for the recipient to transmit the opt-out request; and
- (ii) A cost-free mechanism to transmit the opt-out (or “do-not-fax”) request; and
- (iii) A statement that you must comply with an opt-out request within 30 days of the request.

The phone number, fax number, and cost-free mechanism must be available for the recipient to make an opt-out request 24 hours per day, 7 days per week.

You must comply with opt-out requests within the “shortest reasonable time.” As stated in the notice, this may not exceed 30 days from the date such request is made and must be sooner if you are capable of doing so.

Cost-free mechanisms to opt-out of fax ads include a website address, e-mail address, toll-free phone number, or toll-free fax number. A local phone number is considered toll-free if the recipient would not incur long distance or other charges when calling it.

For example, if you use a toll-free phone number, you satisfy both the phone number and the cost-free mechanism disclosure requirements (you still must provide a fax number). This approach is reflected in Sample 1 below. If neither the phone number nor the fax number that you use are toll-free and you send fax ads to recipients outside of your local calling area, you

also must include a cost-free mechanism such as an e-mail address. This approach is reflected in Sample 2 below.

The opt-out notice must be “apparent to a reasonable consumer.” It must be separate from the ad and placed at either the top or bottom of the first page of the ad. It must be distinguishable from the advertising material through the use of bolding, italics, different font, etc.

If the fax ad is sent with a cover page, the FCC encourages you to include the notice on the cover page as well.

Sample 1 – Using Toll-Free Phone Number as Cost-Free Mechanism

“If you no longer wish to receive fax advertisements from, please call [dealership toll-free phone number for this purpose] or send a fax to [dealership fax number for this purpose] and provide the following information so we can process your request: your name, the name of your company (if applicable), your fax number(s), and that you do not wish to receive fax advertisements from [name of dealership]. We must process your request within 30 days.”

Sample 2 – Using E-Mail as Cost-Free Mechanism

“If you no longer wish to receive fax advertisements from [name of dealership], please call [dealership phone number for this purpose] or send a fax to [dealership fax number for this purpose] or send an e-mail to [dealership e-mail address for this purpose] and provide the following information so we can process your request: your name, the name of your company (if applicable), your fax number(s), and that you do not wish to receive fax advertisements from [name of dealership]. We must process your request within 30 days.” ■

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Company-Specific Do-Not-Call Responsibilities

We have received reports of dealers being sued for violating the Federal Communications Commission's (FCC's) and the Federal Trade Commission's (FTC's) Company-Specific Do-Not-Call (DNC) rules. To help protect dealers against these lawsuits, we provide the following recap of the Company-Specific DNC rules:

Both the FCC and the FTC administer and enforce similar Company-Specific DNC rules. The FCC rules apply to intrastate and interstate telephone solicitations, whereas the FTC rules are limited to interstate telephone solicitations.

"The Telephone Consumer Protection Act authorizes private lawsuits...with damages up to \$500 per violation."

In addition to agency

enforcement, the Telephone Consumer Protection Act authorizes private lawsuits in state court, if permitted by the state, with damages of up to \$500 per violation (which may be tripled if the violation is knowing or willful).

The Company-Specific DNC rules predate, and are entirely separate from, the National DNC Registry rules that took effect in October 2003. Dealers must comply with both sets of rules, requiring dealerships to:

- 1) Not initiate a telephone solicitation to any consumer who has asked the dealership not to call him or her;
- 2) Develop a Company-Specific DNC List to record such requests and the time they were made;
- 3) Develop a written policy for maintaining the Company-Specific DNC List and train personnel engaged in any aspect of telemarketing on the dealership's Company-Specific DNC procedures; and
- 4) Ensure that, during any telephone solicitation, the caller identifies:
 - (i) himself or herself,
 - (ii) the name of the dealership, and
 - (iii) the address or telephone number where the dealership may be contacted (which may not be a 900 number or other number for which the consumer would incur charges).

Dealerships must honor a Company-Specific DNC request regardless of whether the consumer has registered his or her phone number on the National DNC List or whether an established business relationship exists with the consumer (in fact, a Company-Specific DNC request terminates an established business relationship). The request

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Continued from page 9

must be honored even if the consumer continues to do business with the dealership. The dealership's written Company-Specific DNC policy must be "available upon demand." There is no requirement that the dealership send the consumer written confirmation that he or she has been placed on its Company-Specific DNC List.

Dealerships are reminded of the need to transmit their Caller ID information when conducting telephone solicitations. The phone number may be any number associated with the dealership that allows the consumer to identify it. This includes the number assigned by its carrier, the specific number from which its sales representative placed a call, the number of a party that made the telephone solicitation on its behalf, or its customer service number. The number must permit an individual to make a DNC request during regular business hours (9 a.m. – 5 p.m., Monday through Friday). The dealership (or a person placing a telephone solicitation on its behalf) must be able to record DNC requests at this number. Therefore, if

the person answering calls at this number is not the same person who made the telephone solicitation, or if the dealership is using an automated system to answer calls, the dealership nevertheless must ensure that its Company-Specific DNC responsibilities are satisfied.

Keep in mind that your state law may be more restrictive.

For additional information, see NADA's A Dealer Guide to Federal Telemarketing Restrictions, which was mailed to all NADA members in September 2003 (note: this publication does not address subsequent telemarketing developments, such as the enactment of the CAN-SPAM Act of 2003 and the Junk Fax Prevention Act of 2005).

The foregoing is offered for informational purposes only and is not intended as legal advice. Consult an attorney familiar with telemarketing law and your operations for advice on the legal sufficiency of your telemarketing procedures. ■

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