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March/April 2008

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Southland Motor Car Dealers Association Contributes \$100K to Cerritos College



SMCDA President Terry Schailer, of Schailer's Nissan, stands next to a very happy Cerritos College Board of Trustee President Bob Arthur. College Foundation Director Steve Richardson and Technology Division Dean Randy Peebles graciously accept the \$100,000 check earmarked to build the Southland Cerritos Center for Transportation Technologies.

During its 76th annual dinner and installation on January 24, the Southland Motor Car Dealers Association presented Cerritos College with a \$100,000 check earmarked to build the Southland Cerritos Center for Transportation Technologies. The check is the fourth installment of a \$500,000 commit-

ment that SMCDA made to the college. The SCCTT will be a \$15 million state-of-the-art training facility that will advance the education levels of dealership employees and future technicians across the Southern California region.

For more information, please visit www.scctt.org.



The Southlander is an official publication of



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Todd Leutheuser at (562) 595-4326.

Message from the President

As a fairly recent transplant to California, I can say without question that the car business here is different than it is in Arizona. I'm not necessarily talking about the competition, factory relations, or the day-to-day business operations as much as I am about the political climate. The political and legal environment here is hotter than a black dashboard in a Phoenix summer.

That said, the value of your association is important and acts as a collective voice for our industry. I'm impressed with how the metro associations work with our state association in communicating with our elected officials. The SMCDA-PAC has been involved in most of the local elections, creating relationships with our elected officials while they are still young in their careers. These relationships are the last line of defense our industry has when it comes to legislation or regulations that effect how we conduct our businesses.

CMCDA is hosting Dealer Day on March 25 in Sacramento, and I urge you to attend. It's a day away from the store—you learn the process, our legislators learn about our issues and we both come away with a better understanding of each other.

Politics are important, but they're not top of mind when we're thinking about how to increase sales, cut costs, and stay compliant. So this spring, SMCDA will be offering a series of seminars and events that will help you in your day-to-day business operations. In April we will have Receptionist and Sexual Harassment training, and in May we are bringing in NADA's Lifeline to Profits workshop. The Lifeline to Profits workshop is an intensive two-day workshop that has received accolades from dealers across the country. We strongly suggest that you and your GM attend this event. Take a look at the attached brochure for more information.

SMCDA's education programs are on track with Cerritos College and Northwood University. You can help promote education and these programs by attending our annual golf tournament on July 21. Please save the date, and I look forward to seeing you soon.

Sincerely,

Terry Schaier
SMCDA President



Terry Schaier
Schaier's Nissan



Incoming Officers Installed at Annual Dinner

Terry Schaier of Schaier's Nissan of Long Beach Takes the Helm at SMCDA

Terry Schaier was installed as the SMCDA president at the association's 76th Annual Dinner on January 24. Terry was installed with fellow board members: Vice President Don LaMar of Moothart Chrysler-Jeep; Secretary/Treasurer Greg Timmons of Timmons VW/Subaru; Immediate Past President John Dinsmore, of Penske Toyota; and Directors Randy Sopp, of Sopp Chevrolet; John Peterson Jr., of Cormier Chevrolet; and Ron Charron, of Blvd. Buick.



At SMCDA's 76th Annual Dinner on January 24, incoming SMCDA President Terry Schaier, of Schaier's Nissan, receives the gavel from past SMCDA President John Dinsmore, of Penske Toyota.

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Randy Sopp Receives Dealer Excellence Award

Northwood University annually awards several dealers from around the world who have made, and are making significant efforts to further the cause of education for the improvement of business and society.

Randy Sopp, of Sopp Chevrolet, was awarded Northwood's Auto Marketing Dealer Excellence Award this year at the NADA 2008 Convention in San Francisco.

Randy Sopp fulfills a tradition of educational support that began in 1922 when his grandfather opened a dealership in Bell, California. Through Randy's efforts and guidance, Cerritos College partnered with Northwood University to offer its unique auto-

motive marketing/management major in California. He has also provided funding to Northwood in order to ensure the program's success.

At the dealership, Randy encourages employees to attend college by bringing the college to the dealership through a unique partnership. Cerritos College regularly holds one or two classes at the dealership where employees and nearby residents are encouraged to advance their

education. He also supports numerous auto technicians with their educational endeavors. He is consistently willing to financially support an employee with funding for personal and professional growth.

"It is the fun of the business, and it is the future of our business," explained Sopp about his educational initiatives.

"Here in California with our bilingual populations, watching someone who may not believe in himself expand his horizons and become something better, gives me great pride and keeps me doing what I do."

Randy has served as chairman for the South East Rio Vista YMCA (SER YMCA) for 17 years and annually chairs the SER YMCA's golf tournament. He has served as president of the Friends of Bell Foundation, as president of SMCDA, as president of the City of Bell Chamber of Commerce, and he is active in the Huntington Park Kiwanis Club. In 2007, he received the Time Magazine Quality Dealer Award.

Randy's dedication to education for careers in the automotive industry has rightfully earned him the Northwood University Dealer Education Award. Congratulations, Randy!



Northwood University President Keith Pretty presents Randy Sopp with the Dealer Excellence Award.

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Lt. Gov. Garamendi Visits Cerritos College

Official's Visit Highlights Automotive Workforce Training Programs

Lieutenant Governor and Chair of the Economic Development Commission of California John Garamendi visited Cerritos College January 23 to discuss issues around future workforce training.

Garamendi was provided tours of career technical education programs including nursing, pharmacy, auto technology, woodworking, metal and welding, and child development programs. Garamendi's tour was also accompanied by Construction Trades

"I'm most impressed. We must try to replicate this model."

Johnson. As Garamendi actively interacted with students in each classroom, he emphasized that their skills are demanded in future workforce.

A panel discussion following the

tour was joined by specialists in each area. Cerritos College and its partners were represented by Director of Economic Development Jose Anaya, Associate Professor of Mathematics and Director of Teacher TRAC Sue Parsons, Nursing Department Chair Dr. Charlene Fobi, Business and Technology Division Dean Dr. Randy Peebles, Southeast Regional ROP Superintendent Gil Montano and Southland Motor Car Dealers Association Executive Director Todd Leutheuser. Commissioners of Economic Development Commission Hector Barreto and Demos Vardiabasis also joined the panel.

The panel acknowledged Cerritos College's critical role in career technical education such as automotive technology, health occupations and teacher training and the unique partnerships the college has with



Don LaMar, of Moothart Chrysler-Jeep, stands with California Lieutenant Governor John Garamendi and Cerritos College Foundation Executive Director Steve Richardson.

businesses, regional occupational programs and high schools. The discussion included the challenges in career technical education and the need for an integrated educational system across different levels of education.

"I'm most impressed," said Garamendi at the conclusion of the event. "I've been to several campuses in the last few months, and this is one of the most impressive colleges that I have seen thus far. We must try to replicate this model."

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Students Win Auto Tech Competition

California High School Students Score Big in the SMCDA-Sponsored, County-Wide Contest

Students to represent SMCDA in National Automotive Technician Competition at the New York Auto Show. Seniors Gab Ulloa and Jason Scatamacchia beat out six other high schools from the Southland area in the SMCDA/GLANCDAsponsored competition at Cerritos College in January. The Southland students will be working on a Chevrolet HHR during a two-day contest in New York over spring break. The competition will be tough as the students will be competing against 35 of the best teams in the country. We wish them the best of luck and hope their success will lead them to a career at a new car dealership.



The winning team: California High School winning students Gabriel Ulloa and Jason Scatamacchia stand with their instructor Bill Buttinelli and SMCDA Executive Director, Todd Leutheuser as they are awarded MATCO tool boxes.



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Sales: Recommending and Presenting the Product to the Customer

The more you know about your product line, the better prepared you'll be to make a recommendation. You need to know all of the features and benefits of each vehicle in order to determine which one best fits your customer's needs.

When you make your recommendation, you should base it on priorities the customer has already identified for you. Using a low-key approach, explain to the customer how the recommended vehicle will satisfy the needs you have discussed.

Remember that your recommendation is not the final word. The customer may recognize other needs that this vehicle cannot meet. While the customer may not say anything outright, you may sense discomfort. Don't panic. Simply ask if there is something you may have overlooked, and if so, what it is about the car that presents a problem. Then reassess the customer's requirements and suggest an appropriate alternative. Ask the

customer for permission to show the vehicle.

Your product presentation is your opportunity to tell the customer about the features and benefits of the vehicle you've recommended. To give a good presentation, you must know the product thoroughly and be able to translate technical information into layman's terms. Moreover, you must know the competition and be able to describe differences between your product and theirs.

To learn about your own product, study your manufacturer's product materials. To learn about the competition, study automotive product publications. Pay close attention to performance ratings and make a point of knowing the areas where your vehicle excels. Consider visiting the competition yourself to learn firsthand what those vehicles' strong points are.

Here are a few suggestions for your presentation:

1. Sell value and benefits. Show how well this vehicle meets your customer's express needs. Explain fully any "hidden" design features that contribute to comfort, dependability or safety. Describe warranty coverage and any further benefits your dealership may provide.

2. Keep the customer involved. Encourage your customer to ask questions, comment, and react. Make him or her part of the process.

3. Be flexible. Keep adjusting your presentation to your customer. If a particular part of the presentation excites him or her, stay with it and elaborate. If the customer seems bored, move on or try to involve him or her more fully.

This article is excerpted from A Dealer Guide to a Winning Sales System (SL36). The publication can be ordered online at www.nada.org/mecatalog or by calling NADA at 800-252-NADA, ext. 2.

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Upcoming SMCDA Events

March 25 CMCDA Dealer Day,
Sacramento

April 9-10 Receptionist Training

April 24 Sexual Harassment
Training

May 13-15 NADA Lifeline to Profits
Program

July 21 SMCDA Golf Tournament

Kelly's Korner | The Magic of a Change of Face

By Jan Kelly, president of Kelly Enterprises

Many dealerships are downsizing personnel, and in some cases, they are eliminating the F&I position or changing the job into an administrative position. I advocate having a change of face, someone other than the sales consultant, to complete the F&I presentation with the customer.

While many senior managers are concerned about customer satisfaction, they sometimes overlook the fatigue level of the sales personnel when mapping out new business models.

It often takes all the energy a person can muster to complete all the steps to a sale. By the time he acquires the customer's approval, the sales representative is mentally exhausted. When anyone becomes fatigued, fear becomes an obstacle. The sales consultant may fear any additional items or products will jeopardize the sale. When in reality, F&I products and services help ensure long-term satisfaction with the purchase. Fear halts presentations. Fear presents excuses. And fear costs the dealership productivity and profitability.

Dealerships need sales personnel to

focus on prospecting, setting appointments, greeting, interviewing, presenting the appropriate products, demonstrating products, and completing the write-up process and closing deals. If this list sounds like a lot, it is. It takes discipline to do this every day.

Good sales people are often not good with documentation. That is why the best process brings in a different person to complete the F&I process.

A change of face in the deal brings in new energy and a new focus for both the customer and the dealership. Often the customer and the sales person have become friends and the sales person has bought the customer's point of view of how she cannot spend any more money. Yet, the same customer is back later with an attorney asking why the service agreement was not explained to her when she purchased the vehicle, and who is going to pay for the transmission that needs to be replaced?

A different person should make the presentation about all the extras. The customer will then be in a position to make an informed choice about what protection plan(s) she wants and how

she is going to pay for them.

Professional F&I presenters are detail-oriented, in addition to possessing good communications skills. They realize that the deal is not complete until all the paperwork is in and the money is collected. F&I professionals also track the trade paperwork to ensure timely receipt of the title to the trade.

If the job sounds administrative, some of it is. Regardless of the administrative duties, professional F&I people focus on the customer who is in front of them. They understand that at that moment no one is more important. They have learned that if customers have a positive experience during the F&I process, they will refer their family and friends to the dealership.

F&I is a keystone in building customer retention. I strongly recommend that each of you take the time to evaluate your business model and retain the change of face platform in delivering the F&I message to your customers.

Jan Kelly is president of Kelly Enterprises. Visit the company online at www.JLKelly.com.

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Using a Business Development Center in Special Finance

If you don't already have one in place, you may want to establish a business development center (BDC) when you enter special finance. The BDC takes incoming calls off the showroom floor and channels them to phone specialists focused solely on making appointments. The purpose of

as the BDC grows. Unlike salespeople, BDC staffers are usually salaried employees, and earn only a small commission. While salaries vary, a BDC employee typically earns about \$600-\$700 a week, and an additional commission of \$1,000-\$2,000 a month based on his or her sales numbers.

The purpose of the BDC is to market to a wide audience, increase showroom visits, and encourage repeat business.

When hiring phone specialists for your BDC, you'll need to offer a competitive salary to attract dedicated professionals.

the BDC is to market to a wide audience, increase showroom visits, and encourage repeat business. During a promotion, a dealership can receive 50 to 60 calls a day, and just as many e-mails.

While having qualified specialists in place is important to business development, success hinges on who you place in charge of your BDC. Whether you hire a business development manager or train one of your existing managers, the person leading your BDC must be organized, persistent, and have advanced computer skills. Most importantly, he or she must be a "people-person."

At the heart of the BDC is the call center. A dealer building a new BDC will probably start with just one or two employees working the phones, but he can add more staffers to the call center

The BDC call center is the hub of the

dealership's communication network. Customers will call with questions about promotions. They will call to ask what vehicles they can afford with their credit. They will call with questions about buying versus leasing.

It's easy to turn these callers into walk-in customers. They want answers to their questions. Answer them as best you can, but offer these callers a chance to learn more by setting an appointment. For example, say someone calls with a question about a \$10,000 used vehicle. Ask when she is looking to buy a vehicle. Ask if she is interested in financing. Offer her a chance to drive today at a low rate by setting an appointment with the special finance manager. It will get her attention, and often, it will bring her to the dealership.

This article is excerpted from the study guide for NADA Management Education's newest video, Creating a Special Finance Operation: Doing it Right (VT20), which can be ordered online at www.nada.org.

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"With the current state of the economy, now is the time to evaluate your retirement plan to be sure you are getting the most for your money."

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the right retirement plan that completes your employee benefits package should not cost you an arm and a leg. With the current state of the economy, now is the time to evaluate your retirement plan to be sure you are getting the most for your money.

NADART prides itself on its low fees and the fact its plans are devoid of the "hidden fees" many other retirement providers charge. These hidden fees are often in the form of asset-based fees—fees based on account balances—and may be difficult to see and have a major impact on participant balances over time.

NADART's free booklet titled Understanding and Comparing 401(k) Plan Fees can help employers learn the basics about retirement plan fees. If you currently offer a retirement plan, visit NADART online at www.retirement.nadart.org, and we'll provide you with a free cost comparison between your current provider and NADART. Contact a NADART representative today at (800) 462-3278, ext. 7151 or nadart401k@nada.org, and see why your association has chosen NADART as its retirement provider.

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