



the southlander

july/august 2008



head of the class



Albert de la Cruz began in the pilot class of the Southeast ROP Auto Careers Institute (ACI) in fall of 2005. At that time, he was a senior at John Glenn High School in Norwalk, and he was unsure of his future.

But once he became involved in ACI, de la Cruz discovered that he could make a career—a lucrative one—in the automotive industry. He soon applied and was accepted to Cal Poly Pomona. Later, though, de la Cruz found that he could not afford to attend Cal Poly, and so upon his high school graduation, he decided to postpone attending a four-year school and instead enrolled in the Chrysler program at Cerritos College. He started the program immediately and soon found employment at the Don-A-Vee Chrysler-Jeep dealership in Placentia. He was earning and learning at the same time.

On May 10, de la Cruz received an associate's degree from Cerritos College. He's the first graduate of the ACI program to achieve an associate's degree and the first in his immediate family to graduate from college.

In addition to his position at Don-A-Vee, de

la Cruz works part-time for Cerritos College in an outreach capacity. He accompanies Southeast ROP Coordinator Carmen Lizarraga and Cerritos College Auto Instructor Israel Andrade to career fairs at middle and high schools.

Albert de la Cruz is following his dream and can't believe he's getting paid to do something that he loves.

De la Cruz is following his dream and can't believe he's getting paid to do something that he loves. His immediate plans are to enroll at Northwood University to earn his bachelor's degree in business administration and specialize in automotive dealership operation.

The Southeast ROP and the Cerritos College Automotive Technology Department both celebrate de la Cruz' achievement as the first ACI program graduate to receive an associate's degree. This year, there are 25 high school seniors graduating from the ACI program (see story on page 7), and 14 of them will be enrolling in one of the four corporate programs at Cerritos College. ■

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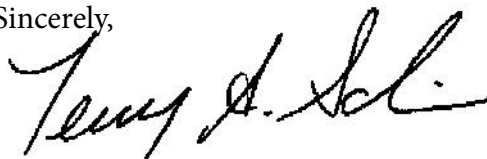
By Terry Shaier, Shaier's Nissan

Things are a little tough in the car business right now. Our store is selling a few cars, but the profits aren't where we would like them to be. So we trim our budgets, roll up our sleeves and work harder. In the mean time, the political climate isn't getting any easier.

We have new environmental performance stickers to learn about, Federal Red Flag Rules to comply with, the possibility of losing arbitration as a means to resolve disputes with our customers, and the withdrawal of the document fee increase bill late last month, and these are just a few of the issues we are facing today. The last two I mention are a little personal to those of us in the Southland. The CNCDA-sponsored document fee increase bill was withdrawn after our own Senator Alan Lowenthal, who is the chair of the Senate Transportation Committee, indicated he would vote against any fee increase. It seems funny that it's okay for him to increase taxes or fees on business and the general public, but when our industry is trying to get some relief from increased regulatory and compliance costs, we are thwarted. At the Federal level, Congresswoman Linda Sanchez, Democrat from Cerritos, has authored legislation to prohibit mandatory binding arbitration in automotive sales contracts. This legislation will do little to help anyone but the trial attorneys, as frivolous lawsuits are sure to increase if this bill passes. We are actively engaged with our politicians, but we continue to need your support and willingness to take every opportunity to build the case for sensible legislation.

It's not all bad news in our industry right now, though. Browse this issue of the Southlander, and you can see that our education efforts are maturing, we recently welcomed Matt Browning of Browning Auto Group as a new board member, and our annual golf tournament is upon us. We car dealers are optimistic people, and we will always fight the good fight with a smile on our face. Remember to stay positive with your customers, both internally and externally. They will all feed off of your energy and enthusiasm. ■

Sincerely,




"Remember to stay positive with your customers both internally and externally. They will all feed off of your energy and enthusiasm."



Scholarship Golf Tournament Funds Auto Industry Future

It's right around the corner! SMCDA will host its annual golf tournament Monday, July 21 at the SeaCliff Country Club in Huntington Beach. If you aren't able to make it as a player this year, you are more than welcome to join everyone at dinner in the clubhouse at 6 p.m.

SMCDA heartily thanks the many sponsors who make this event a success and help provide much-needed funds for a worthwhile cause.

Golfer registration and more information is available at www.smcd.org. ■



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Matt Browning, Browning Auto Group, Joins SMCDA Board

In June, the SMCDA Board of Directors voted and brought in 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 joins the board with enthusiasm and an understanding of what the association does for the car dealers. While Matt's 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 at a Toyota dealership for a year. There, he learned how a powerful the Internet could be. The Sunnyvale store reports 50 percent of its sales from online transactions. E-commerce is where his current passion for the industry lies. Now, at Browning Auto Group, Matt has increased the number of web site



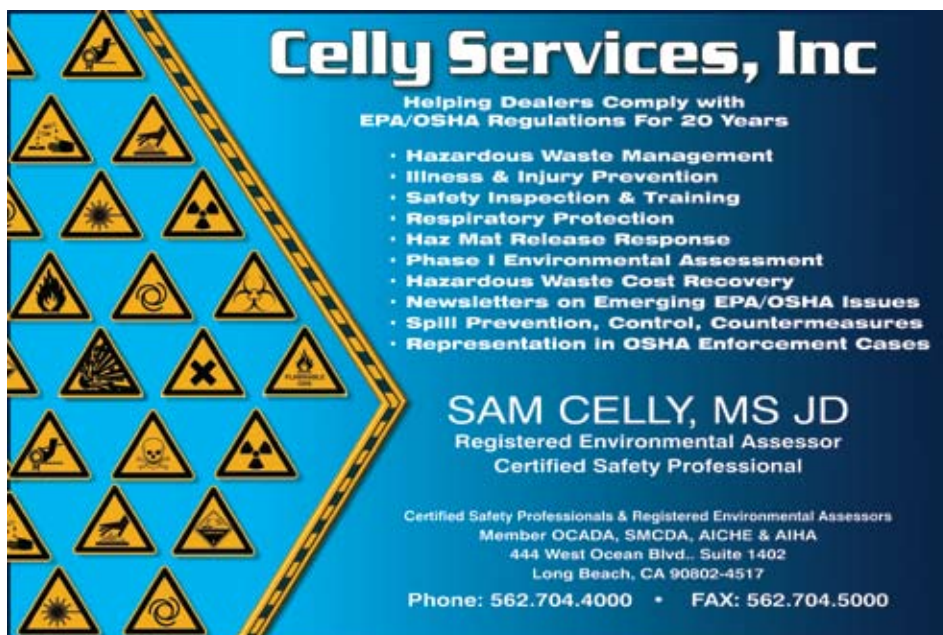
Matt Browning joins the SMCDA board with enthusiasm and an understanding of what the association does for car dealers.

sales to 20 percent, up from just seven percent when he took it over a little more than a year ago.

Browning has been married to Shaari, his wife, for two and a half years. Matt and Shaari met while attending Emory University in Atlanta. He

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.

An avid golfer with some impressive titles under his belt, Matt hopes to get down to a handicap of one in a year's time (work permitting). In the meantime, he divides his workweek between the dealerships in Cerritos and a couple of days at the Victorville locations. ■



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The Accelerator Delivers Weekly Updates and More

In April, SMCDA began providing its members with a weekly electronic newsletter that provides information on upcoming events, links to local and national news stories and downloadable sales data through the all-new L.A. Times/Cars.com Southland Auto Outlook.

To subscribe to *The Accelerator*, please visit www.smcdca.org and click on “subscribe to our newsletter.” ■



NADA Dealer Attitude Survey Now Conducted Exclusively Online

NADA's annual Dealer Attitude Survey (DAS) is now going to be collected and managed exclusively on line. Under the new system, NADA will no longer mail paper surveys to dealers. The move to online-only will significantly speed up survey processing time and allow NADA Industry Relations to report the results of face-to-face DAS meetings with manufacturers back to the dealers who completed the survey. NADA has designed a new full-service DAS web-

site at www.nadasurvey.com to facilitate the move to online-only.

As always, the Dealer Attitude Survey remains completely confidential. Manufacturers never see a dealer's individual responses. The NADA Dealer Attitude Survey is now open and will remain open through August 7. Feel free to contact NADA Industry Relations at industryrelations@nada.org or (703) 821-7010 if you have any questions. ■



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Northwood University Celebrates First West Coast Graduation

Northwood University celebrated its first West Coast graduates on Tuesday, June 24 at Northwood Graduation Cerritos College.

Eight graduates of the bachelor's degree program, which combines course credits from Cerritos College and Northwood University, were recognized for their achievement.

Cerritos College Board President Bob Arthur addressed the graduates and commended them for their achievements. Northwood University Dean Rhonda Anderson and Cerritos College President Dr. Noelia Vela also attended the event, along with program faculty, administration, and students' families.

The graduates included Saidia Chadhri, Stephanie Fischer, Jim Moore, Hussein Sulaiman, Rose Vasquez, and Anggie Zelaya. Each of the graduates expressed a deep sense of personal accomplishment through finishing the program.

"Earning this degree has been the toughest goal that I have undertaken," explained Moore. "It required volumes of time that left little spare time for leisure activities, but it set a sense of accomplishment that is unequalled."

Vasquez mentioned the sacrifices she made to attend classes. "This last year was very hard, but I kept the momentum and finished all my classes.

All the courses I took this past year have prepared and excited me to advance my career."

And now that she has finished a bachelor's degree, Zelaya shared that her goal is to complete



the GMAT test and enroll in a masters degree program.

Someday, she wants to start her own sales training venture and would like to join a fortune 500 company in California to broaden her management experience and sharpen her skills.

SMCDA congratulates the 2008 graduating class at Northwood University's West Coast campus. ■

Northwood University graduates celebrate with dealer Randy Sopp of Sopp Chevrolet.

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SMCDA Presents \$250 Scholarships to High School Auto Tech Students

Thirty-two graduating high school students from the South East Regional Occupational Program (SEROP) each received \$250 tool scholarships from the Southland Motor Car Dealers Association on Thursday, June 12 at Cerritos College.

The students have the option of trading their scholarships for up to \$500 in MATCO tools through MATCO's student discount program. There is a catch, however. The students are required to be enrolled in one of the four automotive tech programs held at Cerritos College.

"We already have commitments from a dozen students who want to pursue a career in our industry," said SMCDA Executive Director Todd Leutheuser.

"Thanks to all of our dealers and affiliate members, students dreams are becoming a reality."

The high school program is offered to high school juniors and seniors on the Cerritos College campus. Scholarship recipients are a dedicated group as most have completed up to four semesters of automotive education by attending after-school classes from 4-6 p.m. Monday through Thursday. ■



High school juniors and seniors attending auto classes at Cerritos College throughout the South East Regional Occupational Program received \$250 tool scholarships from SMCDA on June 12.

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Do You Want to Make More Money? Sell Accessories!

By Jan. R. Kelly, Kelly Enterprises

The big question is, “Are you making all the money you want?” Most would reply, “Well, we could always do better.” If that is the case, then broaden your view.

The same customers, who grind you on the price, are the same ones who don’t purchase accessories. In short, you are losing business

“In the auto retail world, much of what we do is relationship selling.”

because the parts department is not demonstrating accessories.

How about trying something new? First, if the parts department becomes a partner with the sales and finance, it would sell more items. Some of you provide customers a discount card at the point of delivery and the cards are valid just that day. How many actually use the card? How many go elsewhere to buy the extra items, taking their money with them?

In order to sell additional items, customers

must see them. You must demonstrate your products. In the auto retail world, much of what we do is relationship selling. The relationship built between the sales person and the customer should have such strong ties, that when the sales person recommends an item, the customer says, “Okay.”

Many of our sales take time. Customers may have already visited your parts department. But, there is a huge difference between visiting a department and seeing a demonstration.

After making a selection of accessories, give your customers options for payment. Remember 35 percent of nothing is nothing, 25 percent of something is positive revenue. When you evaluate your current process, ask yourself if you are maximizing your opportunities?

Excerpted from RV Executive Today, April 2008 issue. Jan Kelly, president of Kelly Enterprises, is a sales trainer and consultant. Visit her online at www.JLKelly.com. ■

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Save Money by Evaluating and Recovering Costs

Revising a few routine business practices can save you a bundle.

Today's economic climate may be the most challenging we have seen in recent history. With this in mind, following are several cost-saving tips that—in good times or bad—are sound business advice:

Ensure that you are maximizing your Hazardous Waste Cost Recovery. The hazardous waste (used oil, waste antifreeze, etc.) that you generate as a result of servicing your customers' vehicles is your responsibility. As a result, you purchase tanks or drums to store this waste, you pay employees to manage this waste, you get permits from local agencies to store this waste, and you pay haulers to dispose of this waste. All of this cost can be recovered in a Hazardous Waste Cost Recovery Program. There are ways to maximize your cost recovery by streamlining your current program to recover costs through charge backs.

Evaluate your cost for disposal of customer's waste. Many hazardous waste haulers are paying dealerships for used oil (up to 10 or 11 cents per

gallon), while picking up waste anti-freeze and oil and gas filters for free. How can a hauler afford to do this? Because there is an after-market for used oil.

Haulers clean it and reformulate into products like asphalt and grease.

Eliminate unnecessary vendors that provide services you can do yourself. First aid kits are a necessity at your dealership. What may come as a surprise is that there are only *eight* required items you need to stock in your first aid kit. If you are paying a vendor to re-stock your first aid kits, they may be overstocking it and charging you more than you need.



Continued on page 10

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Save Money by Evaluating and Recovering Costs

Continued from page 9

Participate in the California Integrated Waste Management Board (CIWMB) Used Oil Recycling Program. Have you noticed that each time you

Using cost-saving tools during an economic downturn can help you weather the dry spell while strengthening your operations.

purchase new oil you are charged a 16-cents-per-gallon tax? You can recover this money by applying and participating in the CIWMB Used Oil Recycling Program. Once it is accepted into the program, a dealership need simply offer its facility as a disposal site for the public. If you follow the guidelines of the program, you will receive quarterly checks from CIWMB for the 16-cents-

per-gallon levy on your used oil.

Using cost-saving tools such as these during an economic downturn can help you weather the dry spell while strengthening your business operations. Use the challenges of this period as an opportunity to improve your business practices by cutting out wasteful spending and recapturing costs where possible.

Brent J. Hoberg is the Southwest district manager for KPA, a national provider of environmental health and safety compliance and loss control consulting services. KPA works with a variety of clients in a variety of industries to provide specialized expertise to help businesses comply with regulatory compliance and loss control. For more information about the cost-saving ideas mentioned in this article, contact Brent at brent@kpaonline.com or at (714) 236-0182. ■

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