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Demolition of Cerritos College Buildings Makes Room for SCCTT

Demolition of outdated Cerritos College buildings began late last month, making way for construction of the state-of-the-art Southland/Cerritos Center for Transportation Technologies (SCCTT). Ground breaking for the new SCCTT complex is scheduled for March or April.

Site will soon feature state-of-the-art technology hub

With site demolition underway, the \$15 million technology education hub moves one step closer to realization. Both GLANCDA and SMCDA have each pledged \$500,000 toward the completion of the center.

The SCCTT is a unique partnership between SMCDA, Cerritos College, and a new \$6



million automotive partners building that will focus on management education for the auto industry.

When completed, the center will play a large role



in filling the ever-changing, highly skilled employment needs of the auto industry.

Highlights of the SCCTT include:

- A state-of-the-art Hybrid and Alternative Fuels Training Center;
- Three manufacturer-sponsored technician apprentice programs; and
- Bachelor's degrees in automotive management for full-time students and working adults through Northwood University's West Coast Program Center.

For more information about the SCCTT, please visit www.scctt.org. ■

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PRESIDENT'S MESSAGE

By Don LaMar,
LaMar Hyundai, Cerritos

I've been in this business most of my life, and after a while, you learn a thing or two. The economy ebbs and flows, and the popularity of vehicle types soon follow. Manufacturers adjust—some better than others. All of them are looking forward, trying to get a handle on the next great technology that will advance their brand in the marketplace. The retail auto industry is mature. We are no doubt facing some consolidation, while dealers are operating more efficiently, adhering to more regulation and becoming more compliant. All of this make us work harder, but our industry is becoming more professional as a dealer body.

We don't know what the next generation of vehicles will hold for our customers, but we *do* know that as franchised new car dealers, we will be there selling and servicing those vehicles. It is our responsibility to ensure that we have the best-prepared employees who are educated to work on alternative fuel vehicles and deal with the complexities of running a business in this environment.

I am proud to be associated with this fine group of dealers who are forward thinking and improvement-oriented, not just within their own stores, but also throughout Southern California and across our industry. Over the last seven years or so, we have been involved with building what will be one of the most comprehensive auto training centers in North America. I am pleased to announce that we will be soon breaking ground on the Southland/Cerritos Center for Transportation Technologies (SCCTT) at the Cerritos College campus, and I would like to have as many of you as possible join us for this special occasion. Once you see what we have been able to accomplish with this public-private partnership, you will be comforted to know that our industry will be strong despite the economy and regardless of the types of products we sell and service.

Sincerely,

Don LaMar



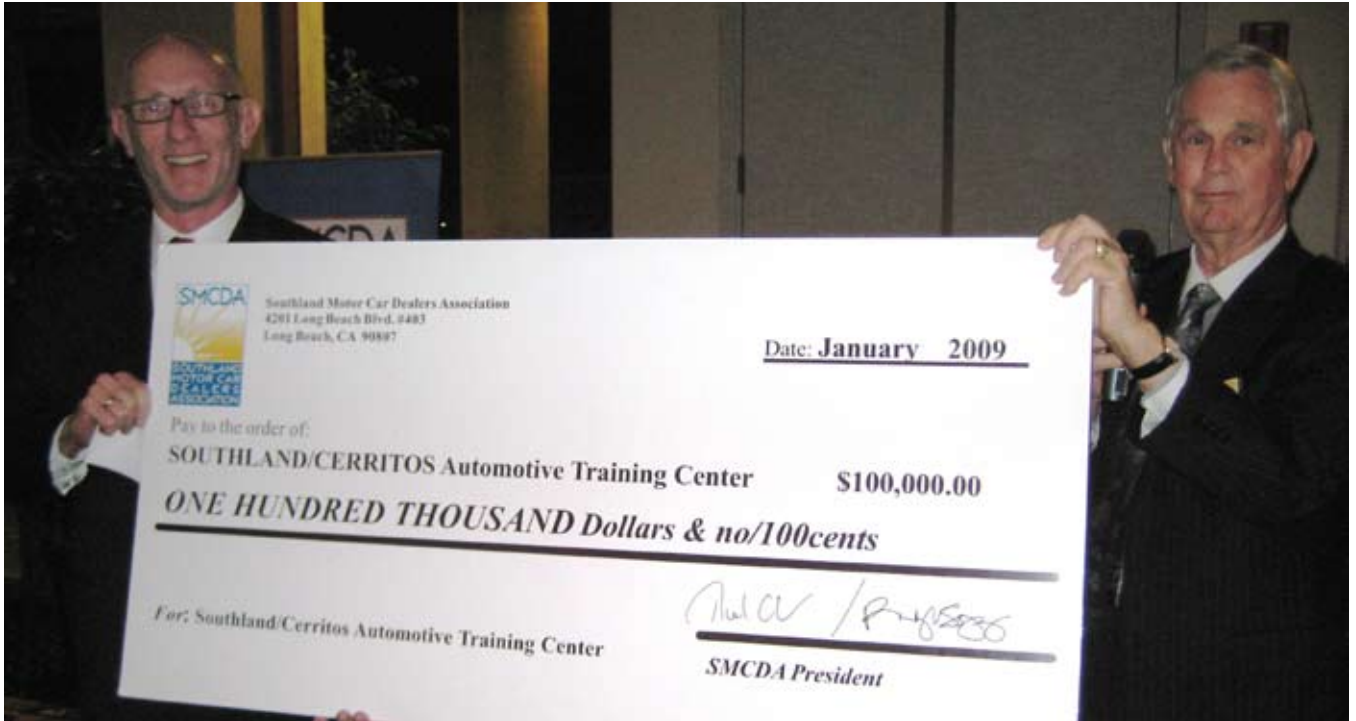
"We don't know what the next generation of vehicles will hold for our customers, but we do know that as franchised new car dealers, we will be there selling and servicing those vehicles."



Dealers Present \$100k Donation to Cerritos College Auto Tech Center

SMCDA's 77th Annual Dinner, held Thursday, January 15, featured the installation of Don LaMar as SMCDA president, along with the 2009 SMCDA board of directors. SMCDA presented Cerritos College with a \$100,000 donation

toward the completion of the Southland/Cerritos Center for Transportation Technologies. Pictured below are SMCDA President Don LaMar (right) with Cerritos College's Acting President/ Superintendent Bill Farmer. ■



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Los Angeles Times



What Sells New Vehicles?

Safety sells cars. The National Highway Traffic Safety Administration (NHTSA) confirms it. In the majority of its recent consumer research, safety typically places in the top three or four important purchase criteria for auto consumers—right



along with price, styling, and performance.

Today's vehicles are a lot safer than they were 25 years ago, when the government issued the first of more than 50 vehicle safety standards. These standards are credited with reducing

traffic fatalities by more than 30 percent.

Additional safety and performance improvements, combined with increased seatbelt use, fewer drunk-driving deaths, and improved highway design, have reduced traffic deaths even more. To help put vehicle safety in perspective—and to help you point out and explain the safety features and benefits of the vehicles you sell—let's list those features that are required by federal law.


Don't be shy about explaining these required standard safety features to your customers. Believe it or not, the list will be news to many. All new cars must be equipped with:

- Safety belts or airbags
- Head restraints
- Energy-absorbing steering columns
- Shatterproof laminated glass
- Dual braking systems
- High-mounted brake lights
- Tougher bumpers
- Improved roof and door strength
- More interior padding
- Safer fuel systems and gas tanks
- Better instruments, controls, warning devices, lighting, windshield wipers, defoggers, and rear-view mirrors

But remember—safety isn't your only strong selling point. Vehicles are more fuel-efficient than ever, and dealers across the country are offering a variety of incentives and competitive financing options. There are many reasons that this is the time for consumers to buy new vehicles, and NADA has outlined these reasons in its "Buy Now" advertising campaign. NADA has created a series of advertisements for TV/cable, radio, and newspapers, and is offering them to

media outlets nationwide. The audio and video public service announcements and print ads are all available for download at www.nada.org/buynowads.

Portions of this article are adapted from *A Dealer Guide to Selling Vehicle Safety (SL37)*, which can be ordered online at www.nada.org/mecatalog or by calling NADA at 800-252-NADA, ext. 2. For more information on NADA's "Buy Now" campaign, visit www.nada.org/buynowads. ■



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NADA Compensation Survey Arriving Soon

SMCDA has contracted with NADA to survey Southland dealerships to determine current levels of compensation for management and non-management employees. This compensation survey has become a useful tool for members.

Keep an eye out for the new compensation survey that will be mailed to your dealership in January 2009. To be counted, surveys must be postmarked for delivery to NADA no later than March 31, 2009.

Tens of thousands of dealerships in dozens of state and metro associations participate in this survey and the resulting data provides valuable information on a local, state, regional and national basis.

Remember, the greater the number of survey participants, the more credible the information will be for you and other Southland members. The results of the survey will be tabulated by NADA and mailed to members in summer 2009. ■



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Managing the Credit Crisis

New-car dealers are all too aware of the current economic challenges. The bursting of the credit bubble, combined with a period of record high gas prices and an expected recession, has sent sales on a steep decline. Consumer purchasing power, enhanced in a low-interest-rate

other variable and fixed expenses incurred in running the dealership.

Consider How to Improve Sales Efficiency for Lower Traffic. The average dealer spends over \$600 per car sold on advertising currently, according to NADA Data 2008. With TV and radio ads being sidelined by DVRs and satellite radio, and newspaper readership declining, strongly consider ways to better mine the dealership's database of customers for revenue generation,

Driving traffic to your website, developing Internet leads, and communicating with your existing customers will be the most cost-effective way to market your dealership.

credit environment, has been significantly reduced, along with dealers' access to some financing for customer purchases and leases. At the same time, dealers' flooring and other borrowing costs have increased. There are ramifications for your business, but you also have the opportunity to take positive steps. Below are two examples of steps you can take to manage the crisis.

Reduce Flooring Expenses and Improve Inventory Management. With flooring expenses higher due to higher interest rates, many dealers may not be able to afford to maintain a multi-month supply of new-car inventory. You need to review your flooring interest expense and understand the maximum days' supply that makes economic sense for both new and used inventory. If it costs \$400 per month to floor a particular vehicle, for example, and the expected gross margin upon sale is \$800, then the vehicle needs to be sold in 60 days to break even on the flooring expense alone. This, of course, does not take into account the

reducing dependence on expensive conquest sales—especially since there will be fewer of them over the next few years.

Any marketing investments the dealership makes in the near future should probably be in the business development staff, the dealership's own website, and a customer relationship management (CRM) solution. Driving traffic to your website, developing Internet leads, and communicating with your existing customers will be the most cost-effective way to market your dealership in the future.

This article is adapted from The Credit Crisis: Implications and Opportunities (BM37), which can be ordered online at www.nada.org/mecatalog or by calling 800-252-NADA, ext. 2. Attendees at the 2009 NADA Convention in New Orleans can also attend 'The Credit Crisis: Implications and Opportunities for Your Business., offered Jan. 24, 25, and 26 at the Ernest N. Morial Convention Center. ■

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Introducing New SMCDA President Don LaMar

Don LaMar's first connection with the auto-sales business began in 1951, when he eloped with his high school sweetheart Shirley Moothart. Shirley's father, Guy Moothart, and his uncle, Harold Raymond, were awarded a



Chrysler Plymouth franchise the following year on the corner of Long Beach Boulevard and Rosecrans Avenue. But franchise laws weren't what they are today, and after a few years Guy

In 1963, Don LaMar single-handedly sold 628 cars for Chrysler.

Moothart found himself competing heavily with another Dodge Plymouth

dealer down the street. He needed a strong salesman to help secure business, and he looked no further than his son-in-law, Don.

In 1962, Don got out of the construction business and starting selling cars. By the end of 1963,

he had single-handedly sold 628 cars for Chrysler.

"Selling cars was simple", he recalled.

"I learned to ask for the business working for the Fiber Board Corporation. I would visit business owners and ask them if they or any of their employees needed a car. It was that easy."

Finding a taste for the business, Don became the GM in 1964 and bought the store in 1973. In 1989, Don moved the dealership to the Cerritos Auto Square, and in 1991 he became the largest Chrysler dealer in the country.

Don played a big part in the first auto industry bailout in the 1970s when he spent several weeks in Washington lobbying on behalf of Chrysler for the government loan. While there, Don put his sales skills to use again when he personally met with every member of congress from California.

Just last month, Don sold the Chrysler-Jeep store to Kent Browning, and he is now a single-point Hyundai dealer that operates under the name LaMar Hyundai.

Don and Shirley have four children, Debra, Laurie, Donna and Jay. Both Laurie and Jay work in the dealership, while Debra lives in Connecticut and Donna lives in Orange County with her family. ■

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Kelly's Korner: Local Lenders are the Key

By Jan. R. Kelly, Kelly Enterprises

I have been in contact with many in the lending arena and they all agree local lenders are the key to a strong bottom line. Developing a relationship with someone who knows you, likes you, and trusts you are critical in the current times.

You have heard the old saying "cash is king." Well, if the dealership has a lot of cash as many do, if they make a large deposit in a local lending institution the lender is more likely to open up a relationship that is consist of either wholesale or retail lending.

Local banks and local credit unions have money to lend; they need a reason to do business with you. Bank deposits represents a huge reason. Invite the local lenders to your dealership for a lender open house day. Lenders like personal attention and recognition. Get close with the local lending community, and maintain that relationship, it is the key to your very survival! ■

Kelly Enterprises' Web Seminar Schedule

F&I 101: Effective F&I Customer Interviews
January 28, 2009: 9:00 – 10:00 am PST

Overcoming Mechanical Protection Objections
January 28, 2009: 10:30 – 11:30 am PST

F&I 101: Setting the Stage for the F&I Presentation
January 29, 2009: 9:00 – 10:00 am PST

Overcoming Aftermarket Items Objections
January 29, 2009: 10:30 – 11:30 am PST

F&I 101: Effective F&I Presentation
January 30, 2009: 9:00 – 10:00 am PST

To register, or for more information, please visit www.jlkelly.com/webseminars.asp

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First Aid or Recordable Injury?

By Sam Celly, Celly Services, Inc.

The Workers Compensation (W/C) premium paid by your dealership depends upon payroll, work function of the employee and the X-Mod. The X-Mod is computed upon the severity and frequency of injuries reported. Some dealerships have entered into programs with their insurance company where the first \$250 expense for the treatment is paid by the dealership, i.e., a deductible. While this financial agreement may be acceptable, it does not relieve the dealership from recording the injury that later will reflect in their premiums. The California Department of Insurance released a memo on this matter some time ago notifying employers of their obligations. We seriously recommend that you discuss the matter of *which injuries need to be reported and which are exempt* with your W/C insurance company. Some general guidelines between recordable injuries and first aid are as follows. Injuries requiring any of the following treatments are almost always recordable:

- Treatment of infection
- Application of antiseptics during the second or subsequent visit to medical personnel
- Treatment of second or third degree burn(s)
- Application of sutures (stitches)
- Application of butterfly adhesive dressing(s) or steri strip(s) in lieu of sutures
- Removal of foreign bodies embedded in eye
- Removal of foreign bodies from wound; if procedure is complicated because of depth of embedment, size, or location
- Use of prescription medications (except a single dose administered on first visit for minor injury or discomfort)
- Use of hot or cold soaking therapy during

Discuss the matter of which injuries need to be reported with your workers' compensation insurance company.

the second or subsequent visit to medical personnel

- Cutting away dead skin (surgical debridement)
- Application of heat therapy during second or subsequent visit to medical personnel
- Use of whirlpool bath therapy during second or subsequent visit to medical personnel
- Positive x-ray diagnosis (fractures, broken

Continued on next page

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First Aid or Recordable Injury?

- bones, etc.)
- Admission to a hospital or equivalent medical facility for treatment.

The following are generally considered first aid treatment if the employee does not lose consciousness, have restriction of work or motion, or transfer to another job:

- Application of antiseptics during first visit to medical personnel
- Treatment of first degree burn(s)
- Application of bandage(s) during any visit to medical personnel
- Use of elastic bandage(s) during first visit to medical personnel
- Removal of foreign bodies not embedded in eye if only irrigation is required
- Removal of foreign bodies from wound; if procedure is uncomplicated, and is, for example, by tweezers or other simple technique
- Use of nonprescription medications and administration of single dose of prescription medication on first visit for minor injury or discomfort
- Soaking therapy on initial visit to medical personnel or removal of bandages by soaking
- Application of hot or cold compress(es) during first visit to medical personnel
- Application of ointments to abrasions to prevent drying or cracking
- Application of heat therapy during first visit to medical personnel
- Use of whirlpool bath therapy during first visit to medical personnel
- Negative x-ray diagnosis
- Observation of injury during visit to medical personnel.

Since 1987, Sam has been helping automobile dealers comply with EPA & OSHA regulations in California, Nevada, Arizona, Hawaii, & Idaho. Please send comments or questions to sam@cellyservices.com. ■

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