

Headlines...

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Jamie Darvish named by *Automotive News* as High-Achieving Under 40 Auto Dealer

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Theft of cash reported in Northern Virginia dealerships

Younger drivers turn to domestic automakers

Position Wanted

For Sale – Hunter DSP 400 Alignment Machine, \$6,800, OBO

Save the Date – August 21, 2012 *Obamacare and Dealers – an experts panel presentation*

OK, so what is it....?

House acts to preserve service advisor overtime exemption...

And passes bill to repeal obsolete insurance cost booklet mandate

A House Appropriations Subcommittee voted last week to require that service advisors, the frontline dealership salespeople in the service department, remain exempt from overtime pay requirements. The action is the first step by backers of the measure to keep the Department of Labor (DOL) from rolling back the longstanding overtime exemption, which it announced it intended to do last year.

NADA has met several times with DOL in recent months to deter efforts to overturn the exemption, arguing that these changes would be disruptive, would expose auto retailers to unnecessary litigation, and were not properly justified by the department.

The Labor Department refused to budge, however, which led NADA to the legislative solutions route. NADA president Bill Underriner contacted his representative in Congress, Rep. Denny Rehberg (R-MT), chairman of the subcommittee that oversees DOL funding, and persuaded him to include language in the department's authorization to prevent it from changing the service advisor exemption. The committee's action would ensure that the law remains consistent with numerous federal court decisions and DOL's 1978 opinion.

“House appropriators clearly recognize that it is counterproductive to alter existing overtime requirements for service advisors and then expect dealers to create more employment opportunities,” Underriner said. “Reversing years of existing practice could force dealers to make potentially costly compensation and staffing changes.”

“Dealers across the country applaud Rep. Rehberg’s leadership. His focus on controlling regulatory costs and eliminating red tape helps give dealers the resources to expand their businesses and hire additional staff,” Underriner added.

DOL is currently prevented from implementing any change, including to the service advisor exemption, due to an identical restriction in the department’s current funding. The FY 2013 Labor, Health and Human Services and Education Appropriations bill with the subcommittee action maintaining the service advisor exemption will now proceed to the full House Appropriations Committee for consideration, where everything is likely to pass.

House passes bill to repeal mandate that dealers distribute collision info

On Monday of this week, the U.S. House of Representatives passed by voice vote an NADA-supported bill that would repeal an obsolete provision regarding insurance cost reporting. The bill repeals a requirement that dealers make available to consumers a National Highway Traffic Safety Administration (NHTSA) booklet entitled “Relative Collision Insurance Cost Information.” Under current law, auto dealers face penalties of \$1,000 per violation if they fail to do so. However, a recent NADA survey of 815 auto dealers revealed that for 96 percent of dealers, no customer had ever asked to see the insurance cost booklet.

NADA is seeking Senators to sponsor a companion bill and is also working to identify and repeal other outdated and irrelevant mandates.

Jamie Darvish named by *Automotive News* as High-Achieving Under 40 Auto Dealer



Jamie Darvish, of DARCARS and a WANADA board member, has been named as an “auto dealer to watch” by *Automotive News* in its inaugural 40-under-40 listing of high-achieving auto dealers. The 40-under-40 reference relates to 40 dealers under the age of 40 across the U.S.

The industry publication chose Jamie from a list of several hundred candidates who were nominated by colleagues. *Automotive News* editors reviewed and validated information provided by the nominators and nominees and selected the “standouts.”

Darvish, 37, is vice president of the DARCARS Automotive Group and was cited by *Automotive News* for his financial acumen in restructuring DARCARS real estate and asset-managed portfolios in the 2008 recession. At the time, DARCARS had large sums in cash, savings, deposits and floorplan loans linked to Chrysler Financial just as the firm began to freeze financing and shut down its lines of credit. Jamie found a group of captive lenders and secured financing to prevent the the 29 year old company from collapsing; and did so without having to lay off any employees. Today, DARCARS employs nearly 2,000 employees at its 21 dealerships in Maryland.

“It was a real awkward situation,” Darvish told *Automotive News*, adding the company “got more nimble,” as a result of the restructuring. Darvish notes that since then, the company has enjoyed off successive banner years and had its most profitable year in 2010.

WANADA congratulates Jamie Darvish on this well-deserved recognition.

WANADA concludes vehicle sales training for 8 dealer reps

Intensive three-day program at association headquarters garners rave reviews

“From new to veteran, this workshop is a huge help.” That was but one of many ringing endorsements from eight new and veteran sales representatives participating in WANADA’s premier sales training program held this week in the association’s Conference Center.



WANADA-trained sales pros: From the left: Eugene Kim, Kia Silver Spring; Max Heckner, Mercedes-Benz of Arlington; (far back) Tony Robertson, Koons Kia; (near back) Dan Donohue, Manassas Chrysler/Dodge/Jeep; Mehdi Behpos, Koons Kia; James Elwen, Koons Kia; Marquia Ray, Sport Chevrolet; Gary Long, Instructor; Kristina Henry, WANADA

Conducted by noted sales trainer Gary Long, *Professional Selling Skills* is a 3-day comprehensive "Road to a Sale" workshop designed to provide salespeople at all experience levels with a solid foundation upon which to build a successful career.

Nationally recognized as one of the premier sales training programs in the auto industry, Long utilized repeated role-playing scenarios to ensure understanding and long-term retention of both interpersonal and consultative selling skills during the workshop. He also taught the sales representatives how to gain early control of the sales process; how to conduct an effective consultation; how to perform a dynamic, value-building product presentation; how to get a commitment to "Write up the Deal;" how to "walk the trade;" the fundamentals of negotiating; along with how to "T/O," proper delivery, and effective customer follow-up.



Instructor Gary Long (L) with Eugene Kim of Kia of Silver Spring

“I feel everyone on our sales team could benefit by this,” said Eugene Kim of Kia of Silver Spring. “After this I feel ready to go!” said Dan Donohue of Manassas Chrysler/Dodge/Jeep.

“Programs like this make dealership professionals better at what they do and that’s the business WANADA needs to be in,” said ADEI director Jake Kelderman. “Our auto dealer institute offers an array of staff development and training programs and Gary Long’s professional selling proved to be a real bell ringer,” he said.

Exclusive WANADA Seminar! The used and wholesale market in the Mid-Atlantic Region, August 8, 2012

WANADA and ADESA have scheduled a one-hour presentation by Tom Kontos, ADESA executive vice president for customer strategies and analytics, on the future of the used and wholesale market in the mid-Atlantic region at Noon on August 8, 2012 at the ADESA auction in Dulles, VA.



Tom Kontos, EVP for customer strategies, ADESA

This one-time and exclusive presentation to dealer used car operators by the highly regarded Tom Kontos will focus on the *unique* characteristics of the Washington Metro market and provide dealer attendees with effective strategies for maximizing exposure and sale of wholesale inventory utilizing the WANADA/ADESA online Vehicle Trading Network (VTN).

This special report and analysis is going to be extremely valuable to dealer principals and their used inventory managers and all WANADA members are encouraged to attend and enjoy lunch, compliments of ADESA.

For more information and to register, please contact WANADA’s Billy Painter at 202-237-7200; bp@wanada.org or ADESA’s Rick Gayle at 703-283-4793; rgayle@openlane.com

Thefts of cash reported in Northern Virginia dealerships

WANADA dealer members are asked to contact association headquarters if they have experienced any thefts at their stores in recent weeks. Reports are in from several dealerships in the Northern Virginia area wherein thieves appeared to target known locations of petty cash and other valuables in selected dealerships, suggesting inside information was utilized.

WANADA will pass information we accumulate to local authorities as they pursue their investigations. Contact Jake Kelderman with anything to report at 202-237-7200 or jak@wanada.org.

Younger drivers turn to domestic automakers

Automotive marketing typically focuses on reaching the person who will buy a new car. But, new research from CNW Marketing suggests focusing on who will become the primary driver of the vehicle is likely just as important. Often as not, however, they are different people.

A key metric is age. For example, the average age of the typical Mercedes buyer is nearly five years older than the average age of the typical Mercedes primary driver.

Why? In many cases, a vehicle is acquired and financed jointly by husband and wife. But for a majority of vehicles purchased, the first signer on the contract is the one who is figured into the age demographics even if the car is being driven by a spouse, son, daughter, or other household member.

CNW says the average age of the primary driver of a new car or truck has risen approximately 1.5 years since 2000. This has not been the case for GM, Ford and Chrysler. Ford, for example, has seen a 16 percent drop since 2005 in the age of the primary driver of its cars, to 45.2 years.

The average age of the typical Chrysler car driver has fallen nearly 3 percent, to 49.6 years over the same time span, and represents the first time below age 50 since 1995. Conversely, the average age of the primary Toyota car driver is up 9 percent, to 54.7 years of age and the age of the typical Honda car driver is up 12.2 percent, to 55 years.

CNW notes that Hyundai has also seen the age of its primary driver increase, but this is likely by design, as Hyundai seeks higher demographic consumers in order to round out its lineup with more expensive and upscale models. CNW's latest tabulation shows primary drivers of Hyundai cars are now 42.4 years of age, up 15 percent from 36.7 years in 2005.

The market information company also reports that Cadillac has, for the first time in many years, reduced its primary driver age below that of Mercedes. Correspondingly, the age of the primary driver for both VW and Audi has fallen nearly 8 percent, to below 50.

CNW says that while age is hardly the most important metric when it comes to marketing strategy, it does provide a hint of who is being attracted to a particular brand.

| Median age of primary driver by company (combination of all brands for each) | |
|------------------------------------------------------------------------------|------|
| Kia | 36.7 |
| Mazda | 39.4 |
| Subaru | 41.5 |
| Hyundai | 43.1 |
| Nissan | 43.9 |
| Mini | 45.9 |
| BMW | 48.6 |
| Porsche | 49.2 |
| VW/Audi | 49.3 |
| Mitsubishi | 49.3 |
| Chrysler | 49.6 |
| Toyota | 51.3 |
| Ford | 53.1 |
| Honda | 54 |
| GM | 55 |
| Volvo | 55.9 |
| Land Rover | 58.3 |
| Jaguar | 58.6 |
| Mercedes-Benz | 59.6 |

Position Wanted

An experienced dealership management professional seeks a general manager position in the metropolitan area. For further information, please contact John O'Donnell at WANADA headquarters, 202-237-7200.

For Sale – Hunter DSP 400 Alignment Machine, \$6,800, OBO

One Owner, Passport Nissan
Includes Hunter Software: WinAlign Version 6.1

Rack Included

Call **202-670-0855** for more information *or* to purchase

Save the Date! – August 21, 2012

A Special WANADA Member Seminar

Obamacare, Post-Supreme Court Decision: *What does it mean for auto dealers?*

Panelists:

Richard Morris, CPA, MST – Councilor, Buchanen & Mitchell

Rodger Bayne, VP – GBS

Tammy Killion, Esquire – Groom Law Group

The Pooks Hill Marriott

Bethesda, MD

9 am – 12 pm

(More information to follow – Stay tuned.)

OK, so what is it....?

What do you call a clairvoyant midget who just escaped from prison?

Answer: *A small medium at large*