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Are automaker dealer image programs worth it?

NADA launches special study to find out

The National Automobile Dealers Association (NADA) has launched an independent study to look at the cost effectiveness of automaker image programs that require new-car dealers collectively to invest billions of dollars each year in facility upgrades.

NADA Chairman Stephen Wade says paying for image programs can severely strain dealer balance sheets and in some cases even cause the dealer to give up the business rather than commit to such a large investment.

NADA has undertaken this fact-based, objective study to uncover both the both positive and negative aspects that drive return on investment (ROI) so that dealers are in a better position to make informed and factual decisions on facility investments.

"The perception today is that the decisions made by dealers on facility investments are often based on opinions, pressure and personalities, which is no way to guide significant spending," Wade said. "We want to find out the truth so these important decisions can be based on facts, not perceptions."

Surprisingly, little evidence on ROI to either manufacturers or dealers exists. Factory programs are typically justified on qualitative grounds such as, "the store image must support the brand," or "customers expect all our stores to offer a similar look and feel," he said. Solid economic arguments such as, "updated stores sell X more cars for every \$1 million invested" or "CSI scores soar when a facility is upgraded," are generally absent.

"By moving the facilities debate away from opinion and conjecture and more towards facts and data, we expect the findings of the study to be extremely valuable to dealers and manufacturers alike," Wade added.

The study will be performed by industry consultant Glenn Mercer and is expected to be completed by late November. Mercer is a former partner with McKinsey & Company's automotive practice. For more information, contact Jake Kelderman at WANADA, jak@wanada.org, (202)237-7200.

WANADA's ADEI Presents

Leasing 101: A JM&A primer session for vehicle sales associates on the benefits of leasing
September 28, 2011, WANADA headquarters (seats limited to the first 18 who register)

New vehicle leasing is an option every sales representative needs to be up to speed on and have “at the ready” to present to the customer who will “take the car today” when they hear about how leasing, as opposed to purchasing, can make it happen for them. The “Leasing 101” training workshop, presented by the Automobile Dealers Education Institute and JM&A, provides vehicle sales associates with the information they need to fully understand leasing as well as how to present leasing as an option (and benefit) to the customer. The target audience for this class will be finance managers, sales managers, and select sales consultants.

Ty Courtney, of JM&A Group, who specializes in vehicle lease training, will present the day-long seminar. Mr. Courtney received his law degree from the University of South Carolina and after spending 25 years of his career in the legal profession and politics, changed to an automotive career where he held sales manager, finance manager and finance director positions. In 2006, Ty became a JM&A Group trainer where he has been able to share his considerable automotive and legal experiences with dealers throughout the country.



Ty Courtney, Esq.
Presenter

The topics covered in the Leasing 101 class include:

- Background of Leasing & Lease Terminology
- Pros & Cons of Leasing
- Normal Wear & Tear vs. Excess Wear & Tear
- Benefits of Leasing
- The 100% Rule
- Common Leasing Questions and Objections
- How to Calculate a Lease
- Leasing Role-Plays

For more information, please contact Kristina Henry at kh@wanada.org or 202-237-7200, or click [here](#) to register online, by downloading the form and faxing to (202) 237-9090.

October 15, 2011 is new date for employer disclosure of “creditable” Rx health coverage to insured employees

WANADA members are advised that they are obliged to inform Medicare eligible employees *sooner than usual* that the prescription drugs offered through the company health insurance program, or a self-insured plan, are “creditable.” This means that the health coverage offered to the employee by the dealership, through the insurance carrier, is at least as good as Medicare Part D.

The target date for that notification to Medicare eligible employees is October 15, 2011 and arises from the fact that the annual Medicare Part D enrollment period has been moved to October 15 through December 7 from the previous November 15 through December 31 period.

WANADA member employers insured through WANADA's Insurance Agency will receive a notice about this changed time frame from their respective insurance carriers, to include a model notice form as well. To have a look at the model click [here](#).

Questions? Contact Martha Kowalski at mk@wanada.org or (202) 237-7200.

Kevin Reilly, Alexandria Hyundai, appointed vice chairman of VA Motor Vehicle Dealer Board

Governor Bob McDonnell has appointed Kevin Reilly of Alexandria Hyundai *vice chairman* of the Virginia Motor Vehicle Dealer Board. Reilly joins Lynn Hooper, an independent dealer, as the other vice-chairman.

Reilly is one of eight new and independent auto dealer principals on the MVDB, which advises the Virginia Department of Motor Vehicles on dealership business practices in the context of state law. As reported here earlier, other Northern Virginia new car dealers serving on MVDB are Chip Lindsay, Lindsay Automotive and Thomas Moorhead, Sterling BMW.

NLRB proposal to shorten time frame for union elections raises concerns

Businesses whose employees are, or could be, organized by unions should be mindful of a proposed rulemaking by the National Labor Relations Board (NLRB) that will have the effect of limiting employer time frames to respond to union organizing efforts.

For the past thirty years the NLRB has informally imposed a waiting time between a petition for a union election and the election itself of six weeks, or forty two days, largely because of the "snail mail" means of communications used at that time. It is now proposing that in light of modern communication technologies, e-mail and texting, this be reduced to 21 days, or cut in half.

The proposal, advocated by big labor, was listed as one of the ten most harmful regulations proposed by the Obama administration in a memo sent by House Majority Leader Eric Cantor (R-VA) to House Republicans this week. Rep. Cantor and House Republicans plan to move on legislation this fall to block the proposed rule.

"The hope is to move forward with a proposal that will rein in the NLRB, and protect employers' right to free speech and workers' ability to make a fully-informed decision in a union election," Cantor said in his memo.

The NLRB should have the proposed rule ready for board action before the end of the year. To approve it, the board will require a quorum of three members due to a 2010 Supreme Court decision that said two NLRB members alone lack legal authority to issue rulings.

Currently, the labor board has only three members and one of those, Craig Becker, has a term ending when Congress adjourns for the year, likely in December. Republicans have pledged to oppose the confirmation of any new NLRB member until the board drops the proposal.

Poet Mattie Stepanek's reflections on 9/11 when it happened ten years ago...

One way to get a handle on something that defies getting a handle on, like 9/11 is through poetry. That is what world renowned child author and inspiration Mattie Stepanek did immediately after the horrific terrorist attacks on the U.S. happened in 2001. Mattie, who was the National Goodwill Ambassador for the Muscular Dystrophy Association (MDA) before he died with the disease in 2004, was 11 when he penned his reflections on 9/11 that appear below. Mattie Stepanek and the Heartsongs Gala for MDA, in his memory, where WANADA and its CEO Gerard Murphy were honored in 2009, has a special place in the Washington Area New Automobile Dealer organization, as it does with millions worldwide whom he inspired as a bestselling (child) author and beacon of hope.

FOR OUR WORLD

We need to stop.
 Just stop.
 Stop for a moment...
 Before anybody
 Says or does anything
 That may hurt anyone else.
 We need to be silent.
 Just silent.
 Silent for a moment...
 Before we forever lose
 The blessing of songs
 That grow in our hearts.
 We need to notice.
 Just notice.
 Notice for a moment...
 Before the future slips away
 Into ashes and dust of humility.
 Stop, be silent, and notice...
 In so many ways, we are the same.
 Our differences are unique treasures.
 We have, we are, a mosaic of gifts
 To nurture, to offer, to accept.
 We need to be.
 Just be.
 Be for a moment...
 Kind and gentle, innocent and trusting,
 Like children and lambs,
 Never judging or vengeful
 Like the judging and vengeful.
 And now, let us pray,
 Differently, yet together,
 Before there is no earth, no life,
 No chance for peace.

--Mattie Stepanek, poet 9/11, 2001