

DEALER POINT

Official Publication of the Wisconsin Automobile & Truck Dealers Association | 1928-2016 | Volume 40 Winter 2016



LEADERSHIP FOR THE FUTURE:
JOSHUA JOHNSON,
2016 WATDA CHAIRMAN



The accountants and advisors you've been **LOOKING** for.

Baker Tilly is located right around the corner. And we think it's time we got to know each other.

For starters, we're a full-service accounting and advisory firm with specialists in the dealership industry. Baker Tilly is much more than your everyday audit and tax firm. We quickly apply insights that will work for you and your business, giving you candid advice every step of the way. Just like any good neighbor would do.

Connect with us: bakertilly.com/dealerships
Mike Mader, Partner 800 866 2272
autodealers@bakertilly.com

Now, lets talk about you. Connect with us today to learn more about our proven track record as a Valued Business Advisor.



Baker Tilly refers to Baker Tilly Virchow Krause, LLP, an independently owned and managed member of Baker Tilly International. © 2016 Baker Tilly Virchow Krause, LLP

Candor. Insight. Results.



WATDASI

Forms & Products

Reasons to order Car Coasters from WATDASI Forms

Free Samples • No Set-up Fee • Minimum quantity only 100



ABSORBENT STONE CAR COASTERS

- Fits in most standard size cup holders
- Car coaster is 2.625" in diameter
- Imprint Area: 2.625"
- Printing: Unlimited colors, No set-up, No color charges

Call the people you know and the company you trust.
Call WATDASI Forms at 800-236-7672 or shop online at www.watdasi.com



A publication of the Wisconsin Automobile & Truck Dealers Association focusing on the human side of the membership and trade.

Our Mission:

The Wisconsin Automobile & Truck Dealers Association, an organization of licensed dealers of new and used motor vehicles, is dedicated to advancing the common good of its members, consumers and their communities by promoting professionalism and prosperity through education, advocacy, information and service.

2016 WATDA Officers

William A. Sepic
President

Josh Johnson
Chairman

Bob Clapper
Chairman-Elect

Wayne Gross
Secretary/Treasurer

Editor

Julie Farmer
jfarmer@watda.org

Contributing Writers

Gary Beier
Julie Farmer
Bob Hudson
Chryste Madsen
Susan Miller, CAE
Bill Sepic
Chris Snyder

Art Director

Kristin Mitchell
Kristin Mitchell Design, Inc.

Advertising Sales

Julie Farmer • 608.251.5577
jfarmer@watda.org

Dealer Point is a publication of the Wisconsin Auto & Truck Dealers Association, 150 East Gilman Street, Suite A, Madison, WI 53703-1493. Phone: 608.251.5577. It is published quarterly by WATDA. Printing by Inkworks, Inc., Stoughton, WI 53589. For advertising information, contact Julie Farmer at the WATDA.

Subscriptions included in WATDA membership dues.

Address corrections should be sent to WATDA, P.O. Box 5435 Madison, WI 53705-0354

© Copyright 2016 by the Wisconsin Auto & Truck Dealers Association. Permission to reprint must be secured in advance of publication and credit given to author and WATDA.

DEALER POINT

Official Publication of the Wisconsin Automobile & Truck Dealers Association | 1928-2016 | Volume 40 Winter 2016



FEATURES



**LEADERSHIP FOR THE FUTURE:
JOSHUA JOHNSON,
2016 WATDA CHAIRMAN** 4

DEPARTMENTS

-  WISCO Show 10
-  Rawhide: Help Rawhide Help Troubled Youth 11
-  Center Stage: Awards, Honors, Milestones 12
-  NADA Director's Report 14
-  New Vehicle Sales Trends 15
-  From Around the State 16
-  Legal and Legislative Update 18



- Personal Philanthropy That Lasts, A Donor Advised Fund 21
- Partner Power 22
- 2016 Winter Donors 23

- Leveling the Playing Field:**
- Retail Warranty Reimbursement 8
- Tribute 9
- How Does Your Dealership Compare? 23
- Index to Advertisers 23

Cover photo: Seasons Photography, Rice Lake, WI



LEADERSHIP FOR THE FUTURE: JOSHUA JOHNSON, 2016 WATDA CHAIRMAN

BY CHRYS TE MADSEN

Stepping in to the shoes of the next generation of family dealers can be intimidating. When you're the fifth generation and the business has been around for over 100 years the shoes might feel a bit larger than usual. Yet Joshua Johnson, dealer principal of Don Johnson's Hayward Motors, seemed to handle the transition in 2006 with ease...just as he transitioned to WATDA's Chairman of the Board this past January.

The Johnson family history, as recorded in this article's sidebar, is quite unique. Celebrating their 100th Anniversary last year was a watershed event. How many of us in the industry realized the Johnson name on the Anderson family dealerships in northwestern Wisconsin share the roots of Don and Josh Johnson's family? From selling Studebakers and Maxwells in 1915 to Chevrolets, Buicks and GMC's in 2016, the JP Johnson clan has proven themselves an integral part of Wisconsin's automotive history.



Connie and Don Johnson

Don and Connie Johnson, following an obviously successful blind date, were married six months later in 1972. In addition to being a support system for Don and the long hours dealership life requires, Connie spent many years before their two sons were born and after they began school, as a teacher, retiring from the profession. Connie's family had, and has, their own family business in the Racine area and a hearty work ethic is something she and Don share. Don still works as the Dealer Principal of the Rice Lake location.

In 1977 Don Johnson, along with John Gerber, Harold Johnson's son-in-law, took over operation of the Rice Lake location, growing and expanding the business through the years. In 1992 Don took over as sole owner and acquired a Hayward GM dealership now known as Don Johnson's Hayward Motors.

Josh and his brother, Adam, who is three years younger, hung around and worked at the dealership as they grew up in Rice Lake. Adam seemed to know early on that his bent was more artistic and nature oriented than sitting behind a desk indoors. He traveled to Colorado for his business degree and fell in love with the land as he pursued other ventures. His mother has some beautiful and sentimental jewelry designed and made by this talented son who is currently working as a fly fishing guide.

Josh, on the other hand, seemed to have the family business in his DNA. He loved (and continues to love) the business and our industry. From a very young age he took an interest in learning all he could about effective leadership. What better way to make certain the business continues to succeed than to have an effective successor! "As early as seventh grade," Connie Johnson relates, "Josh developed a strong interest in Student Council. He served on his Student Council for years, even attending the summer camps hosted by Wisconsin Association of School Councils (WASC) each year. In addition, he gave back to the camps by volunteering at them for several years. Don said, "He developed life-long friendships there." Connie interjected, "That was the beginning of his interest in learning about leadership."

We have to interject here that, had it not been for others input, this story would lack much interest and a great many details. As we visited with Josh for this article, we found him to be extremely modest. His accomplishments are indeed many; many more than we can include here.

Following his high school graduation from Rice Lake, Josh chose Boston College for his undergraduate work. He attended school there from 1997-2001. Upon arriving at school he applied to be accepted into the Shaw Leadership House and was chosen. It is quite an honor as only 20 students per year are granted this request. Living in the house offers many opportunities. There are chances to meet talented student leaders and hear top professors, administrators and speakers during weekly house meetings. Life at the house also serves as a steppingstone to other important leadership programs at the college.

Studying abroad also held appeal for Josh and he chose to study business in Copenhagen, supposedly for a year in 1999-2000. Upon arriving in Denmark, however, he found out all of his classes were scheduled on Wednesday. Josh, making the



RICE LAKE CREW Back row: Todd Kane, Tim Kiehl, Aaron Havenor, Eric Bauman
Front Row: Joshua Johnson, Pat Erb, Kelly Thompson, Don Johnson

proverbial lemonade from Danish lemons, bought a eurail pass and before long had visited fifteen new countries – in six months. So what to do when you run out of countries? Of course you opt for a new continent. Josh spent the next six months studying business in Melbourne, Australia.

His educational path led him to employment at General Mills. In this position of consulting and marketing known as category management, he helped redesign stores and product layouts to garner more sales. The company sent him on a journey from Minneapolis to Stevens Point to Cincinnati, Ohio, with the next move set for Bentonville, Arkansas. It was then Josh realized it was time to head back to the family business.

In 2003-2004 Josh worked in the dealership in the F & I department, filling in for an employee who was off on maternity leave. In 2004 he headed back to Babson College for his MBA. Some of his studies revolved around the STEP program – Successful Transgenerational Entrepreneurship Practices. Babson “founded this program in 2005...in collaboration with six academic affiliates in Europe.” In the description of the program the college states, “Families are the dominant form of business organizations worldwide. They play a leading role in the social and economic wealth creation of communities and countries.” What an apt description of our members and industry as a whole.

In 2006, upon completion of his MBA, he bought out his father’s partners in the Hayward store to become the Dealer Principal. While he continued as the Dealer Principal in Hayward he attended the NADA Dealer Academy, finishing in 2007.

How has this journey of academia served Josh in his role as dealer of the Hayward store, executive manager of the family’s Rice Lake dealership and their Cumberland pre-owned and marine location? Initially, as is usually the case, there were some obstacles to overcome. “In 2006,” Josh said, “our stores viewed themselves as competitors. We needed to create a unified organization that had a common mission, common values and shared a common culture.” Each week then and now, the dealership department heads meet to discuss how to make things better. As Josh said, “How to enhance the experience for the team and the guests.” In the dealerships you will see the words “Candor” and “Curiosity” painted on the walls. These meetings encourage both. The meetings are designed for employees to have real conversations, to break down barriers and communicate freely.

How is this working and how valuable has his training been? Especially in a culture where many employees have spent the majority of their working lives with Don, not Josh, at the helm.

First, it is seldom that you find such a close working relationship between father and son. The absolute love and respect each feels for the other is open and evident. Each learning from and teaching the other. This is not lost on the employees. There isn’t room in this article for all of the positive comments from the Johnson’s many employees. Here are some with the employees identified by length of service, which we felt was important to note:

35 YEARS:

“We haven’t had to work for two ‘different’ bosses. Don stepped aside and completely backed Josh. It’s been interesting to watch us long-termers come around – for morale and profitability. We’re more proactive than before and I think it’s better for all of us.”

32 YEARS:

“Don has been an outstanding boss, as has Josh. Josh is just more hands-on, which isn’t bad. It doesn’t matter who the boss is here. We do things the right way and we hit our goals. Both bosses pass the compliments on to the staff around them.”

33 YEARS:

“If it’s clear, it’s easy. The more you get to know both Don and Josh, the better the comfort level and the more buy-in you have. Change is inevitable. Change is fun and can make you younger! It brings out new parts of you. Josh didn’t come in looking to get rid of people. He came in looking to make us better. If you feel better about yourself, you’re of more value to the company.”

12.5 YEARS:

“There are lots of similarities between Don and Josh. Josh has his Dad’s spirit and he’s not trying to reinvent the wheel. While Josh is in charge, Don is always there as a reference. Don made the transition easy. Josh does a good job of putting the right people in the right place. He doesn’t micromanage – he hands us the goal and says figure out how to get there. He’s already figuring out how to get to the next level. He’s great at sharing victories.”

1915 100 2015

DON JOHNSON MOTORS

CELEBRATING A CENTURY OF EXCELLENCE



J.P. Johnson 1926 Oliver Harold Don Josh

[Read about Johnson Motors 100 Year History](#)

MILLENNIALS

As for the millennials in the crowd? One had this to say, "Josh keeps everything current. Flexibility is so important and he sees that. He trusts us to get our work done in the time that we're here. It's so refreshing to work here – I brag about where I work and tell others about the culture that's been created. In the future, other businesses will be stuck in time and we will surpass them."

17 YEARS:

And one of the most poignant conversations we had with an employee of nearly 17 years: "Josh and Don are the ultimate people to work for. They have an open door policy that makes you not afraid to talk to them about anything. My husband came down with liver cancer. They gave me time off to be with him. I lost him and they gave me time off again. I couldn't get moving and finally Josh came to me and gave me a push – just what I needed. I'll be eternally grateful. This feels like family. I never feel like I don't want to come to work."



And speaking of family; along the path to dealership success, Josh also found personal happiness when, in 2008, his path crossed with that of a beautiful young woman named Laura. They met while volunteering at the Boys & Girls Club and began dating sometime later. In 2012, they married. Laura tells of Josh's support as she returned to school a year after their marriage and how she has subsequently realized her dream of opening her own successful business. In 2015 Laura and Josh welcomed their incredible daughter, Piper, who is doted on by parents and grandparents alike...not to mention anyone in the immediate vicinity. When asked about making time for family, Josh just smiled and said, "Business and personal lives blend together. When I'm home, it takes two hands to manage a child." Josh and Laura both said Josh has a great team that allows him to enjoy his personal life and to be a very present Dad. It has been reported that he occasionally does a mean rendition of "Ice Ice Baby" by Vanilla Ice, also.



While our history in Rice Lake dates back to 1935, our automotive roots start much earlier. In 1915, John Peter (JP) Johnson opened a gas station and automobile dealership in Star Prairie, Wisconsin selling Studebakers and Maxwells where he employed his sons Oliver and Joye. After years of working in the business, each decided to follow in their father's footsteps and open dealerships elsewhere throughout the state.

In the late summer of 1935, Oliver relocated his family from Star Prairie to Rice Lake, with hopes of purchasing the town's fledgling Chevrolet dealership, Johnson Chevrolet Company. After several months, Oliver finally achieved his dream and acquired the business. He renamed it Oliver Chevrolet, a moniker it retained for the next 40 years.

Around the same time Oliver was developing Oliver Chevrolet in Rice Lake, Joye was busy building another General Motors dealership sixty miles west in New Richmond. With an emphasis on hard work and customer service, the dealership became a success and, although no longer family-owned, retains the Johnson name today.

In 1936 Oliver acquired the Buick franchise in Rice Lake and successfully operated the Chevrolet, Buick dealership through the Great Depression until the end of World War II, when his sons returned from serving overseas. Following the war, two of Oliver's sons, Harold and John, took over the family business while a third, Dwight, went to work directly for General Motors. Harold and John operated the dealership until 1977 when they sold it to Harold's son, Don, and John's son-in-law, John Gerber, who renamed the business Johnson & Gerber Motors.

Later that year, Don and John built a new facility and moved the dealership to its present location at the intersection of Highway 48 and 53. After the partners acquired Skrupky Olds Cadillac in 1982, Oldsmobile and Cadillac were also added to the new location.

In 1992, after 15 years in the business, John decided to pursue other ventures, selling his shares of Johnson & Gerber Motors back to Don, who renamed the dealership Don Johnson Motors. For the next four years, Don worked on expanding the dealership into Hayward, with the acquisition of Hayward Motors, a Chevrolet, Buick, and Oldsmobile dealer. This location is now known as Don Johnson's Hayward Motors.

In 2003 Oliver's great-grandson, Josh, began working at Don Johnson Motors in Rice Lake. Soon after, the dealership acquired the Pontiac and GMC franchises, adding them to the store's growing

vehicle portfolio. Josh went on to graduate from the National Automobile Dealers Association Dealer Academy and attained Don Johnson's Hayward Motors, making him one of the youngest automobile dealers in the country.

Five years later, Don Johnson Motors bought William G Talbot & Sons in Cumberland. The company chose to consolidate the Chevrolet and Buick operations into their Rice Lake dealership. That same year, Don Johnson Motors & Marine was opened in Cumberland, expanding the company's portfolio beyond automobiles. The Cumberland location proudly offers Berkshire pontoons and Mercury outboard motors in addition to performing automobile and marine service.

The Don Johnson Auto Group is proud to celebrate five generations and 100 years of serving Rice Lake, Hayward, Cumberland, and the surrounding areas. Through the years we've experienced everything from oil embargos to economic depressions and world wars. We recognize that the only reason we've survived those challenging times is because of you, our loyal customers. Today it's more important than ever that we say thank you. We're grateful for the opportunity to earn your business and are committed to your satisfaction every time.

You just have to look at the smile on his face to know the path Josh has taken to his place beside his father in the family business, as Laura's partner in life, and as a father himself to the adorable Piper, has enveloped him in a very satisfying and happy place. The one certainty is: there are other paths out there and Josh's curiosity will certainly lead him and the Johnson family businesses to much more success.

WATDA members can be assured association issues are in good hands again this year with Josh Johnson holding the gavel. The following is his message to our members: "Over the course of the next year, we will continue WATDA's legacy of advancing the common good of our members and the communities they serve through our ongoing education and advocacy efforts. We'll focus on growing membership – and participation – to ensure that the association represents the entire dealer body including automobile, heavy duty truck, motorcycle, and RV

dealers, whether franchised or independent. And we will continue to give back, strengthening our long-standing charitable partnerships with the Foundation and Rawhide, among others. It's going to be a great year and I'm excited and honored to serve on behalf of the dealers."

Josh has offered his contact information should members wish to reach out to him. 715-634-4848 | jjohnson@donjohnsonmotors.com

"It's going to be a great year and I'm excited and honored to serve on behalf of the dealers."

Leveling the Playing Field

Retail Warranty Reimbursement

BY JOE JANKOWSKI, MANAGING PARTNER, ARMADA DEALER SOLUTIONS

The factory-dealer relationship is not a partnership of equals. Consequently, franchise laws have been passed in every state in an effort to promote and preserve healthy intra and inter-brand competition. These laws cover a myriad of issues, but laws pertaining to warranty reimbursement are critical to your bottom line and exist in 37 states, with more on the way.

For years most dealers have submitted for annual increases to their warranty labor rate, but have been stuck with an artificially low parts mark-up stipulated in their dealer agreements. Under the Wisconsin franchise law, you are entitled to collect “retail” from your manufacturer for parts used in a warranty claim. No, retail is NOT list price or MSRP; in most cases it is clearly defined in the law. Basically, retail is what your customers pay you for a warranty-like repair. This is a one-time process, and does not need to be repeated, unless you materially change your parts pricing strategy.

This is not to say that the manufacturer will simply lie down and grant you a 100% improvement in your gross. First of all, the laws mandate a submission, and detail what is required of the dealer, but that’s just the beginning. All manufacturers employ professionals who are experts at analyzing warranty reimbursement rate submissions. The purpose of their analysis is to pay out as little as possible.

Several things need to be considered in order to ensure the best possible result:

Thorough understanding of the law – Rest assured certain manufacturers will read the statute differently from you. Sometimes the positions they take are rather shocking, including those that will simply refuse to follow the law, or others that will attempt to include non-warranty-like repairs in a deliberate attempt to lower your mark-up.

Following the manufacturer’s protocol – It’s critical to understand the factory’s guidelines for the inclusion or exclusion of various aspects of the submission; each of them has different rules, and they typically won’t disclose them to you. If you can determine what they are, you should follow them within reason; do not be combative, or send up “legal signals” out of the gate.

Optimization – Absolutely key to this process is achieving the best possible result, and that can only be done through the proper selection of your submission sample – this is something that should not be left to chance or inferior technologies. Missing your mark-up by even a few points can cost you thousands every year, perpetually. Do yourself a favor, and explore this aspect with some attention to detail – it will be worth it to you in the long run.

Warranty Auditors – Beyond technology, however, is the need for a thorough audit process. Your declaration will be scrutinized by factory auditors that know every nook and cranny of countering retail warranty submissions, and you should have someone familiar with their techniques, in order to refute their sometimes questionable positions. Here again, it is better to get along with these folks, and in many cases, this is not a problem; however, without naming any manufacturers, some are extremely difficult.

Factory Responses – In many cases your approval will not be smooth, and the manufacturer may rebut your calculations, or in some instances, summarily reject your submission. Responding in the proper manner is critically important, since it could be the difference between achieving a substantial increase in your warranty parts gross, or obtaining nothing at all. There are many dealers that have submitted two, three or four times over the course of a year or two, costing themselves multiple six figures in lost profit.

The bottom line is that you have an extraordinary opportunity to receive a fair reimbursement for the parts utilized in the warranty work you perform. If this process is approached in a judicious and professional manner, you can substantially increase your warranty parts gross profit. There are many pitfalls for the uninformed, but tremendous upside for those that perform the submission process properly.

For more information, contact Mike Kilchenstein, Director of Sales at Armada Dealer Solutions: 410-975-0115 or mikek@dealeruplift.com. Armada has performed over 1,400 successful retail warranty parts submissions to 24 manufacturers in 37 states. ●

Tribute

Gene Wittenberger

Gene Wittenberger, former Chevrolet and Chrysler dealer in Hartford, passed away October 21, 2015, at the age of 88. The family owned the dealership since 1928; Gene joined his father in business in 1948, managing the school bus portion of the dealership that was started in 1942. He was very active in the WI School Bus Association, serving the board for over twenty years, including two years as President. Gene was also very active in Hartford community civic organizations. His son Calvin also worked in the dealership with his father until they sold the business in 1991. ●



The Protective Vehicle Protection Plan is a service contract designed for today's rapidly evolving vehicles, backed by a provider with over 50 years of helping dealers maintain their stellar reputations.



Contact Protective's Wisconsin representative,
Matt Keller at 866 477 1434
or visit protectiveassetprotection.com

Endorsed by Wisconsin Automobile & Truck Dealers Association
for Vehicle Service Contracts, Credit Insurance, and GAP.



**Wisconsin Automobile & Truck
Dealers Association**
An Endorsed Service

Vehicle Protection Plans | GAP Coverage | Credit Insurance | Limited Warranty Products
Dealer Participation Programs | F&I Training | Advanced F&I Technology

Lifetime Engine Warranty, Limited Warranty, Vehicle Service Contracts (VSCs) and GAP are backed by Lyndon Property Insurance Company in all states except NY. In NY VSCs are backed by Old Republic Insurance Company. GAP, Lifetime Engine Warranty and Limited Warranty are not available in NY. Credit Insurance is backed by Protective Life Insurance Company in all states except NY, where it is backed by Protective Life and Annuity Insurance Company.



Retail Warranty Reimbursement



Wisconsin Automobile & Truck Dealers Association

Endorsed Partner

We have helped
over 130 WI
Dealers achieve
Retail Warranty
Reimbursement

For your
no obligation
projection
CONTACT US

mikek@dealeruplift.com • 410-975-0115



WISCO Show

BY JOHN HACKMAN



WISCO exists with the sole purpose of saving our members money on their purchases. Dealership owners know that the more their managers purchase from WISCO the more their dealership saves money. I have

been asked by owners, "John how do I get my managers to purchase more from WISCO?" My first response to them is send them to the WISCO Show, and better yet, if possible attend with them. What better way to see what WISCO offers than the WISCO Show? One of our biggest challenges in saving our membership money on their purchases is educating them on all the products and programs we have available. The annual show is an excellent way to do just that. The 45th annual WISCO Show will be held on Saturday April 9, 2016 at the Kalahari Resort and Waterpark in Wisconsin Dells. Attendees will see our vendors' product offerings, new products, and will be able to take advantage of money saving specials. Many of our suppliers, including our major equipment manufacturers, have developed "WISCO Show Specials" on

their products. Often these specials yield the year's best pricing available anywhere on these products. This should be of particular interest for items seen at the NADA Show in Las Vegas. Look to your Co-op to save money on these items.

There will be up to 80 vendor booths to browse at the WISCO Show which runs 9:00-4:30 on Saturday. Door prizes will be given out throughout the day. Saturday night will start with a cocktail reception followed by a dinner and dance. We are very excited to have back Boogie and The Yo-Yo'z as our entertainment. The combination of their great musical talents and unending energy always proves to be highly entertaining and a big hit with our attendees. The WISCO Show is, and always has been, free for our members. The only expense for attendees is the cost of their room if they stay overnight. You can register with WISCO for the show and also make your hotel reservation online. Go to wisco.com and click on the WISCO Show tab and enter the requested information.

The show weekend is a good blend of business and fun for our members and their spouses, especially at such an excellent venue as the Kalahari. We hope to see you along with your managers at this year's show. WISCO has reserved a block of rooms at the Kalahari with a special group show rate of \$139 for a standard room (your choice of either a hut room or desert room) or \$169 for a Lodge Suite. All rooms include waterpark passes to the Kalahari indoor waterpark. Phone number for reservations is 877-253-5466. Refer to the WISCO Show block of rooms. If you register for the room online you will automatically receive these rates. Another option is WISCO also has a block of rooms at the Ramada Inn (1/2 mile from the convention center) with a rate of \$99. Phone number for the Ramada is 800-845-2251. Refer to the WISCO block of rooms to get this rate. Plan now to attend. You can save your dealership money and have an enjoyable weekend with your fellow WISCO members.

Also, our annual meeting and golf outing will be held on Tuesday June 28th at the Lake Arrowhead Country Club. Information will be sent out as it gets closer but keep the date open and plan to attend. ●

MGE Offers Electric Vehicle Charging Resource for Dealerships



Prospective car buyers don't typically ask where to fuel or how much it costs, unless the buyer is interested in an electric vehicle (EV).

As EVs become more main stream, customers may rely more on sales staff to answer questions about vehicle charging.

MGE can help. We created a website for dealerships – mge.com/dealers – so sales personnel can easily share information about:

- Public station access and locations
- Public station and home charging costs
- Charging with green power

Visit the site to download and print informational sheets for customers or view the information on a mobile device or computer. Customers can also watch short videos on a variety of EV topics.

MGE owns 27 public charging stations in Dane County so we have information on station location, cost and access. The site also has information on electric rates so MGE customers can estimate how much they will pay to charge at home. Other utilities in Wisconsin also publish electric rates on their websites.

If you have questions on electric vehicle charging or the website, please call MGE at 608-252-7007. ●

Your support makes a difference in young lives like Alex

Help Rawhide Help Troubled Youth

I want to make my Mom proud.



Alex – Rawhide's Student of the Month

My name is Alexzander (Alex). I am 16 years old, and I've been at Rawhide for almost four months.

The most important lesson I have learned at Rawhide is to take responsibility for my mistakes and learn from them – to move forward and not backward.

Pops (my house father) has been a huge help to me. He has been strict and not let things slide with me. He has helped me learn to be responsible in a patient, fatherly way. Ma (my house mother) is very nice. She listens to me and helps me figure things out when I am confused. I have really connected with both of them, and I thank them for their help.

My favorite things to do are BMX biking, football, and art projects. In school, Art is my favorite class because it lets me use my imagination, and I can create anything! The things I enjoy about Rawhide are the staff and school.

When I leave Rawhide, I plan to enter an educational program called GPS. It is a program where you go to school for two hours, work for 6 hours and you get paid! My goal is to get my high school diploma and make my mom proud.

~ Alexander



Your car, truck, boat, or cash donations will support Rawhide's life-changing programs that equip at-risk youth and families in YOUR Wisconsin community to lead healthy, responsible lives.

Also, you can ask your customers to donate their old cars instead of trading them in. Either way, we need your help.

83%
of proceeds directly
fund programs
THAT CHANGE LIVES
just like Alex.

Call 1-800-729-4433 today.
Rawhide.org/WATDA

GIVE YOUR EMPLOYEES A REASON TO SMILE

A healthy smile is a powerful thing. It can transform a mood, shift a mindset, change a life. Help your employees protect theirs with Delta Dental, the nation's leading dental benefits provider. With more than 50 years of experience, we have the tools, oral health resources, and industry expertise to be your partner in wellness. DeltaDentalWI.com



of Wisconsin

SMILE POWER™



CenterStage

AWARDS, HONORS, MILESTONES

Safro Toyota, Brookfield, occupied their new dealership in early October; next door to the former location that was built back in the '70s and is slated to be demolished. The new approximate 82,000-square-foot-building includes 28,000 square feet of shopping space; customers never have to leave the inside of the building-they drive in their car for service and pick it up where they dropped if off. There are four doors for entry and fifty bays for techs to work on the cars; with speed being the goal-oil changes take between 30 and 45 minutes. With the expansion, Toyota has increased the inventory allocation for the store, giving customers a better selection.

.....
Manitowoc's Maritime Ford Lincoln recently celebrated a grand opening of the completion of a major remodeling project. Additions include a new car wash, dedicated delivery area, revamped parts department and expanded collision repair center to accommodate aluminum body vehicles.

.....
Russ Darrow Group opened a new building for their **Wauwatosa** Kia dealership. A new state-of-the-art facility, the Kia Gallery allows for a twelve vehicle display on the showroom floor; a 28 stall service department and an eight vehicle service drive. Other features include a café, children's play area and a boutique with Kia logo apparel. The previous building will be razed in spring and a new body shop will be constructed on the site.

.....
Acura of Brookfield will be getting a major makeover after nearly thirty years in business. Plans include addition of approximately 10,000 square feet that will include a new showroom, service reception area, upgraded customer lounges, and administrative offices. The project is slated to begin in spring and expected to be finished by year end.

The **Windsor** location of **Wisconsin Kenworth**, near the intersection of I90-94 and Hwy 19, broke ground in late August on a new 75,750 square foot facility, just north of the current building. The new facility will include energy efficient lighting and geothermal heating and cooling systems, 27 bays for rapid-assessment service solutions and service for Compressed Natural Gas (CNG) powered units. The current shop will remain to serve as a centralized location for rebuilding traded trucks and body shop work. The parent company, CSM Companies employs approximately 850 people with 22 locations including Milwaukee, Green Bay, Menomonie, Wausau and LaCrosse, Wisconsin; plus locations in Michigan, Nebraska and Texas; Dedicated Fleet Service, Premier Leasing and CSM Financial, LLC.

.....
Van Horn Automotive Group in **Plymouth**, has begun construction of a new, twelve acre Van Horn Truck Center. The new dealership will feature new Chevrolet and Ram trucks and vans along with all other makes and models of used trucks, vans and SUV's; an off-road test rack, pre-weighted trailers for demonstrating towing characteristics and a dedicated up-fit facility for the installation of accessories, bed liners, commercial truck bodies and commercial van up-fits. ●

Please submit your awards, honors and milestones to: jfarmer@watda.org

The Russ Darrow Group Celebrates Its 50th Anniversary

In 1965, Lyndon Baines Johnson was president, NASA launched the Gemini 3, the United States' first two-person crew into earth's orbit, a Dodge Coronet V8 had a base price of \$2,675, and Russ Darrow opened his first dealership in West Bend.

It all began five years earlier when a 20-year-old Russ Darrow visited Heiser Ford to buy a new car – a Ford Falcon! A sophomore at the University of Wisconsin at the time, he was struggling to find the right career path when the salesman at Heiser Ford asked him, “Why don't you jump on board and sell cars?”

He took him up on it and never looked back. He spent five years at Heiser Ford before buying his own dealership in West Bend and with that, at age 25, Russ Darrow became the youngest Chrysler-Plymouth dealer in the country.

Darrow grew the company continuously year after year, adding more dealerships, more cities, more franchises, and more sales to loyal customers. Today the Russ Darrow Automotive Group owns and operates dealerships in Milwaukee, Appleton, Green Bay, Greenfield, Madison, Waukesha, Wauwatosa, and West Bend representing Chrysler, Jeep, Dodge, Ram, Toyota, Scion, Honda, Nissan, Kia, Mazda, and Mitsubishi. With over 1,000 employees, the company also operates a nationwide fleet and leasing business and has its own in-house financing company.

“When I opened my first dealership, my dream came true, but I never thought I would have a 50-year experience like this,” Darrow said.

He attributes his longevity in the business to putting customers as the number one priority and to his employees from sales to service to administrative. “Our company is not about one person, but about the entire team, everyone doing their jobs so we can be successful,” he said. “That attitude resonates more today than ever before. It's what keeps the Russ Darrow Automotive Group moving ahead as an industry leader.”

There were some bumps in the road. The oil crisis of 1979 brought a recession to the U.S. as gas prices and interest rates soared. As Americans demanded more fuel-efficient cars, the Big 3 automakers were hit hard, especially Chrysler, and dealerships struggled for sales. However, through Russ Darrow's aggressive merchandising and maximizing productivity, the Russ Darrow Group continued to flourish and was able to survive without any employee layoffs. Because of his success, he was tapped as chairman of the Chrysler Plymouth National Dealer Council.

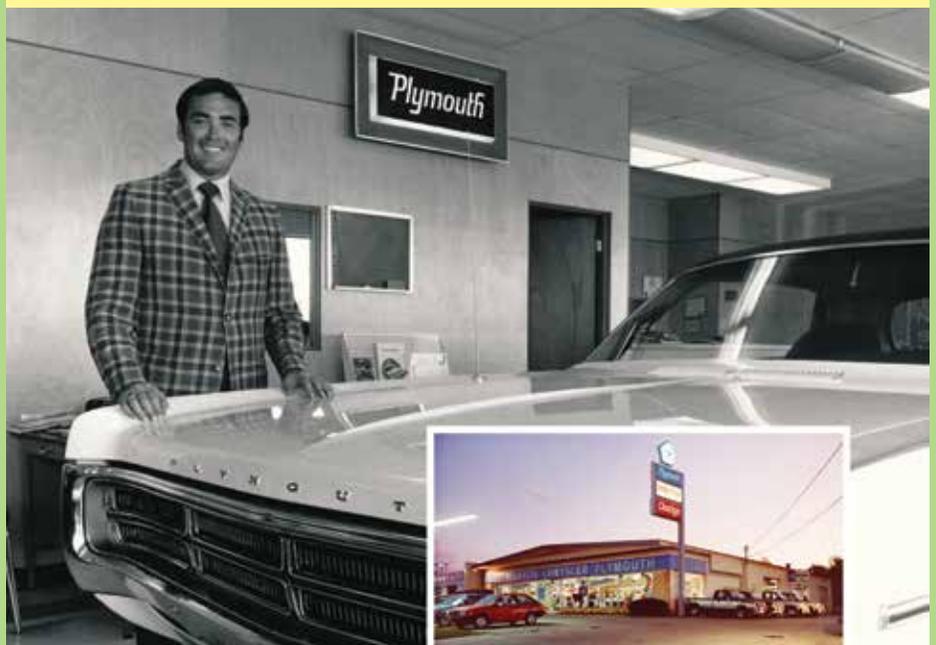
When the Great Recession between 2007-2009 brought a massive downturn in auto sales, the Russ Darrow Group focused on increasing efficiencies and cutting costs while boosting marketing efforts. By January 2009 Russ Darrow was back on television after an absence of several years, offering a used vehicle for \$1 with any new vehicle purchase. That resulted in the best sales results in more than a year.

The Russ Darrow Group continues to generate a healthy revenue with 2015 sales of over \$500 million in new and used cars, fleet units, service, parts, finance, and insurance. WardsAuto lists the Russ Darrow Group as number 96 in their national MegaDealer 100.

The Darrow business is a family business and all the Darrow children have been involved at some time with sales, marketing, and other capacities. Today, son Mike Darrow is president and COO of the company, while Russ Darrow remains actively involved as chairman and CEO.

In April 2015, Russ Darrow was inducted into the Wisconsin Business Hall of Fame. The Hall of Fame, now 25 years old, recognizes businessmen and women who have influenced Wisconsin's economy and made a difference through business innovation, skillful management, and civic commitments. ●

“When I opened my first dealership, my dream came true, but I never thought I would have a 50-year experience like this.”





NADA Director's Report

BY BOB HUDSON



It has been no secret that though government regulations are necessary, many have adversely affected the dealership businesses. In the course of a year, NADA leaders and industry allies have the opportunity to meet with elected officials and federal regulators to discuss mutual concerns. However, every once in a while a meeting illustrates how poorly some of our regulators understand our business.

On Tuesday, January 19, the Federal Trade Commission (FTC) held a one-day workshop in Washington, D.C., on the topic of auto distribution and the state laws that regulate it. Unfortunately – but expectedly – many of the FTC speakers, as well as the supposedly neutral academics and economists which the Commission invited to participate, brought preconceived attitudes that were hostile toward the franchise system—and counterproductive to the dialogue. The panel quickly revealed an imbalanced agenda which, then, resulted in an exceedingly imbalanced discussion.

Still, that did not deter NADA and those speaking on behalf of our franchise system. That said, the dealer representatives who were permitted to speak—like NADA President Peter Welch—were very well prepared and ready to openly engage with the FTC. They all presented informed, credible, and effective counter arguments to every point raised by the FTC and its manufacturer invitees.

Notably, Paul Norman, a partner at Boardman & Clark in Madison, WI, and Maryann Keller, the managing partner at Maryann Keller & Associates, cited **empirical evidence** showing that intra-brand competition significantly *lowers* new-car prices. Their valuable input rebutted claims that a direct-sales model would benefit consumers. Norman and Keller also explained the importance of franchise laws to the preservation of intra-brand competition.

Our fellow Wisconsinite, Norman, stated that “anyone who doesn’t believe that intra-brand competition forces retail car prices to be lower has not spent much time studying the car industry.” Norman is also one of the foremost experts on the constitutionality of state franchise laws. He emphatically

stated that “what [franchise] laws are aimed at ensuring is that competition among independent dealerships is not completely eliminated through vertical integration of the distribution of a brand. Given the competitiveness of auto retailing, it would seem that the laws have been effective in that regard.”

The process now moves to the written comment stage. As 2015 NADA Chairman Bill Fox has said, NADA will be preparing and submitting a comprehensive set of comments, and will continue to work closely with ATAEs, dealer lawyers, dealer accountants, and other third parties to ensure that the record is both balanced and reflective of the reality of the automobile retail industry.

If one thing has become clear, it is that we must continue to defend against the harmful mythology that plagues our industry. The FTC seeks to add another government intervention to our already overburdened business. While regulators may have good intentions, they cannot enact ‘good’ rules unless they are informed and willing to listen. Moreover, harmful effects not only reach our fellow dealers but our customers too. Rest assured that NADA is poised to defend its dealers nationwide and the integrity of the franchise system. ●



Buckle up with Boardman & Clark

We're here to protect your business

Dealerships can face many legal obstacles on the road to success. With over 100 years of combined experience, Boardman & Clark's auto franchise attorneys have the knowledge to help you avoid bumps in the road and protect you when problems arise.



boardmanclark.com

NORMAN STATED THAT “anyone who doesn’t believe that intra-brand competition forces retail car prices to be lower has not spent much time studying the car industry.”

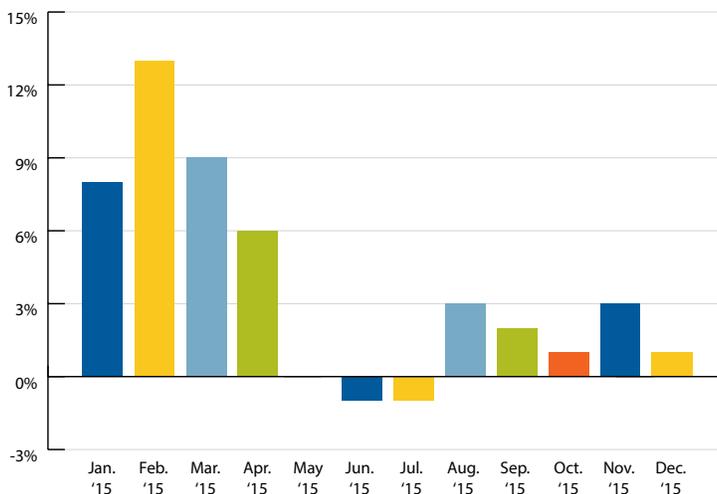


New Vehicle Sales Trends

Wisconsin New Vehicle Trends: December 2015

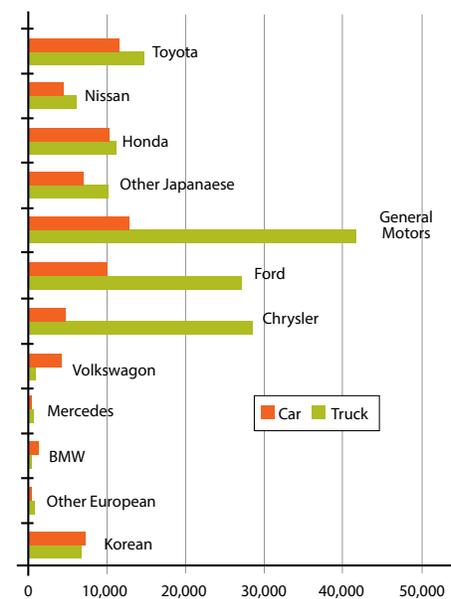
	Previous Two Months			Year to Date			Year to Date Market Share		
	11/14	11/15	% change	'14 YTD	'15 YTD	% change	'14 YTD	'15 YTD	change
Industry Total	34,240	35,387	3.3%	222,598	227,740	2.3%	100.0%	100.0%	0.0%
Car	11,552	10,489	-9.2%	84,589	76,775	-9.2%	38.0%	33.7%	-4.3%
Truck	22,688	24,898	9.7%	138,009	150,965	9.4%	62.0%	66.3%	4.3%
Japanese	11,835	12,049	1.8%	76,237	76,988	1.0%	34.3%	33.7%	-0.6%
Toyota	4,042	4,191	3.7%	27,444	26,761	-2.5%	12.3%	11.7%	-0.6%
Honda	3,470	3,290	-5.2%	21,807	21,584	-1.0%	9.8%	9.5%	-0.3%
Nissan	1,618	1,568	-3.1%	10,402	11,015	5.9%	4.7%	4.8%	0.1%
Other	2,705	3,000	10.9%	16,584	17,628	6.3%	7.5%	7.7%	0.2%
Domestic	18,541	19,596	5.7%	120,553	125,455	4.1%	54.2%	55.1%	0.9%
General Motors	7,969	8,787	10.3%	50,230	54,721	8.9%	22.6%	24.0%	1.4%
Ford	5,598	5,911	5.6%	36,771	37,354	1.6%	16.5%	16.4%	-0.1%
Chrysler	4,974	4,898	-1.5%	33,552	33,380	-0.5%	15.1%	14.7%	-0.4%
European	1,851	1,758	-5.0%	11,324	10,902	-3.7%	5.1%	4.8%	-0.3%
Volkswagen	920	809	-12.1%	5,920	5,733	-3.2%	2.7%	2.5%	-0.2%
BMW	381	356	-6.6%	2,180	2,048	-6.1%	1.0%	0.9%	-0.1%
Mercedes	296	263	-11.1%	1,605	1,517	-5.5%	0.7%	0.7%	0.0%
Other	254	330	29.9%	1,619	1,604	-0.9%	0.7%	0.7%	0.0%
Korean	2,013	1,984	-1.4%	14,484	14,395	-0.6%	6.5%	6.3%	-0.2%
Other	2,013	1,984	-1.4%	14,484	14,395	-0.6%	6.5%	6.3%	-0.2%

3 Month % Change – and view annual trend
Compares most recent 90 days vs. same 90 day period from last year



©2016 Reg-Trak, Inc. | (877) 335-2525 | scott@reg-trak.com

YTD Registrations by Vehicle Type



October Trend Report from Scott Quimby



From Around **the** State

Timber Ford of Hayward's Give Back 2015 community program raised \$21,000 for local groups such as the Salvation Army, the Northwoods Humane Society, LCO Boys and Girls Club, Fishing Has No Boundaries, Hayward Community Food Shelf and the Senior Resource Center. The money was raised through Timber Ford sales during the year; each car purchased came with a \$50 donation to the organization of the buyer's choice, from a list of twelve local charities. The monies are presented at an event hosted at the dealership that includes music, refreshments, and what looks like a lot of fun!



Timber Ford owners Curtis and Amy Beilke present checks to various local charities as they hosted Give Back 2015 in their dealership.



© 2016 Wipfli LLP

i NEED TO GET MORE MILEAGE OUT OF MY DEALERSHIP.

When your business isn't hitting on all cylinders, let Wipfli Dealership Consultants run a diagnostic. They're trained experts at providing accurate and actionable insights into your company's process, people and profitability. Their power of focus can put you back on the road to success.

WIPFLI^{LLP}
CPAs and Consultants

Kevin Cherney
kcherney@wipfli.com
608.274.1980

wipfli.com

The Foundation of WATDA presented grants to match dealer donations from **Toycen Motors and Bloomer Ford**, to the Bloomer/New Auburn Food Pantry Kid's Weekend Meals program. Also receiving a grant to match their donation was the **Ubersox Auto Group** for the Moving Platteville Outdoors Rountree Branch Trail project.

A-F Motors, Adams-Friendship "Season of Giving" promotion, based on December sales of new cars, netted \$1,640 for local charities. Customers could choose from five local charities to receive a donation in their name as well as receive a gift certificate from a local business for themselves. Donations were given to the Humane Society, Food Pantry, Faith in Action, Angel Tree and Energy Assistance.

Bergstrom Automotive dealerships participated to raise money for Make-A-Wish Wisconsin, donating \$229,000 to help grant wishes of local children that are battling life-threatening medical conditions. The Drive the Dream campaign, where \$5 is donated for every test drive taken, as well as for each new fan on Facebook and followers on Instagram and Twitter, is one of the largest fundraisers for Make-A-Wish.



Van Horn Automotive Group hosted two Sign & Drive events, each raising \$1,000 for the Pigeon River Elementary School (above) and the Plymouth Soccer Club (below). ●



Keller
Planners | Architects | Builders
www.kellerbuilds.com

*Your Dealership
Design and
Construction Experts*

Planner ✓ **Architect** ✓ **Builder** ✓ **Interior Designer** ✓



Legal and Legislative Update

BY CHRIS SNYDER

Crosshairs

By the time this issue of *Dealer Point* is published the Wisconsin Legislature will be winding up the legislative session and getting set to enter the election phase of their calendar. The Presidential election will be well on its way to Super Tuesday and we will be that much closer to knowing which candidates are going to be serious candidates. There will be political rallies, solicitations for contributions and requests for your support.

It will be interesting to see what effect, if any, the recent law changes regarding state campaign contribution laws will have on fundraising efforts and/or the messages being communicated to voters via candidates and their supportive and opposing political advocacy groups. Regardless of the money raised and spent, candidates still need votes to win an election and WATDA urges everyone who finds themselves in a situation where they are talking to a candidate to let them know how current laws and policies are affecting you. After all they are seeking your support and they need your vote because they want to represent you before the governing body for which they seek election.

To that end, here's some things to keep in mind about the Wisconsin motor vehicle dealership industry. Wisconsin dealers employ over 25,000 employees statewide; pay out close to \$1 billion dollars in payroll and generate approximately 16% of the state's total retail sales activity (those figures are all conservative estimates taken from 2014 BLS, Census Bureau, Center for Automotive Research, for NADA). In 2015, the motor vehicle retail industry experienced one of its' best years for sales performance despite constantly under regulatory scrutiny from both state and federal regulators.

Department of Agriculture Trade and Consumer Protection (DATCP)

I used to have a constitutional law professor that had a saying, "OK, let's do this again, only this time with feeling!" DATCP has general regulatory authority over consumer credit transactions. Their main focus with dealers over the past 24 plus months has been their crusade against direct mailer prize offerings. WATDA has published warnings and instruction on compliance in this area on numerous occasions. Frankly, it's to the point where the best advice is to "Just stop doing them!" Apparently DATCP has enjoyed their recent interaction with dealers so much they are reviewing another area of regulatory authority, the No-Call list, to see how well the dealers are complying with the law.



A quick thumbnail review of compliance is, if your dealership places phone calls with the purpose of selling someone a new product or service, you need to be registered with the state (substantial registration fee required) and then numbers being called need to be cross-checked against the list. There is an exception for current customers, however the Wisconsin law is completely void of any common sense when defining what a current customer is (basically, you have to have an ongoing contract).

To the best of our knowledge No-call violations have not been a problem with our members, but the fact that it is a regulated area has been brought to our attention by DATCP.

Dealers are Popular with Federal Regulatory Agencies

Consumer Finance Protection Bureau

For some time now WATDA and NADA have worked toward passing legislation that would bring some accountability to the Consumer Finance Protection Bureau (CFPB), since the Bureau's inception through the Dodd-Frank Act in 2010. As a refresher, the dealers were provided an exemption from CFPB regulation under Dodd-Frank. However, proponents of Dodd-Frank and the Administration (White House) fought to include the dealers under their newly-formed unaccountable watchdog agency.



Since 2010 the CFPB has made several backdoor attempts to control dealer indirect lending practices by strong-arming settlements totaling hundreds of millions of dollars with lenders doing business with dealers, where the dealers are allowed to earn finance reserve. In the eyes of the CFPB, if the dealers are allowed to assess a discretionary markup on the interest rate being charged to a customer, then they (dealers) will engage in discriminatory practices.

On November 18, 2015 the U.S. House of Representatives passed H.R. 1737 on a vote of 332-96 (Reforming CFPB Indirect Auto Financing Guidance Act). The passage of that bill by such an overwhelming margin is indicative of the frustration the House has with the Consumer Finance Protection Bureau's continual disregard and aloof attitude to constant requests by members of Congress for the CFPB to share their data and methodology used by the agency to draw the conclusions they were using as leverage to extract the settlements.

In a nutshell, H.R. 1737 expunges guidance published by the CFPB in March of 2013 where they stated that allowing dealers discretion in setting final interest rates for loans, and allowing dealers to keep a portion of the interest rate may constitute disparate impact and violate the Equal Credit Opportunity Act (ECOA). Further, it would require the CFPB to follow traditional channels of rulemaking (publishing notice of proposed rules, sharing information used to justify the rule and providing for public comment prior to issuing a new rule), before taking actions.

While this is a great victory for the dealers, the battle is only a third of the way there. NADA is currently working to garner support for a companion bill in the U.S. Senate; if they are successful getting that bill passed the President still has to sign it. As mentioned above, the current administration lobbied to have the dealers fall under the purview of the CFPB.

For those who would like to read more about the CFPB's assault on the indirect auto finance industry, go to: <http://financialservices.house.gov/news/documentsingle.aspx?DocumentID=400194>

There are two very comprehensive reports laying out the questionable practices the CFPB has implemented in their attempt to prove something that just doesn't exist.

Federal Trade Commission

While dealers were able to temporarily stun the CFPB, there is a new sheriff in town ready and willing to weigh in on dealership operations. The Federal Trade Commission (FTC) has made a point of making dealers throughout the country aware that they have legitimate regulatory authority over many dealership practices. Since 2011 they have taken more than 25 separate actions against dealers for deceptive practices (most advertising). WATDA personnel attended a meeting of the National Association of Motor Vehicle Boards and Commissions (a group of state motor vehicle regulators like our DMV): at that meeting the FTC provided a presentation on recent actions taken against dealers for advertising practices and they encouraged the state regulators present to utilize the FTC and their resources to help crack down on deceptive ads by dealers in their states.



On January 4, 2016 the FTC announced that they will be conducting a survey where they plan on interviewing dealership customers regarding vehicle price negotiations, trade-ins, financing, sales of additional products, dealership follow-ups and reviewing purchase contracts and finance agreements. For more details on the survey, process and an opportunity to weigh in go to: <https://www.ftc.gov/news-events/blogs/business-blog/2016/01/ftc-plans-study-car-buying-financing>

In another FTC action, they held a "workshop" on January 19, 2016, that consisted of four panel discussions and two keynote pontifications. WATDA personnel attended the workshop. The

panel discussions topics were: **1: state regulation of dealer networks, 2: warranty reimbursement, 3: direct distribution, and 4: future trends.** The first keynote speech laid out how antiquated the franchised system is and what we could expect to hear from the day's panelists and the second keynote speech was about how anticapitalistic any type of franchised system is. These are not new attacks on the motor vehicle franchise laws and/or system. However, when the U.S government's regulatory agency charged with regulating business competition provides a forum for various entities who have issues with the way the system works one can reasonably expect the result to be some sort of action or no less than publicly stated conclusion.

To the credit of the FTC, the panelists consisted of proponents representing the views for the dealers and manufacturers.



The main take away from the first panel, State Regulation of Dealer Networks, was that every state in the country has seen fit or necessary to regulate the automotive retail business. Dealers justify the laws due to unequal bargaining power with the manufacturer; the preservation of equal playing field among competitors; preservation of intra- and inter-brand competition (good for consumers) and protecting due process for their return on investment (termination, succession rights). Manufacturers claimed that all dealers are mega-rich and there no longer is a disparity in negotiating power (in other words, dealers can afford lawyers if they feel we aren't treating them according to our contract); current laws provide dealers with an evergreen right to operate (too difficult to terminate); and laws restrict how manufacturers communicate with their customers (meaning the dealer's customers – but that is a different debate).



Panel two, Warranty Reimbursement, provided some of the most spirited debate (of course it did, it deals with real money). The discussion was an excellent illustration of why warranty reimbursement statutes are necessary and contentious. The manufacturers believe that warranty reimbursement rates should be discounted compared to customer pay rates. An overwhelming number of states provide for warranty reimbursement rates equal to customer pay rates. This may be biased, but the dealer representatives on the panel made a very strong case for the need for customer pay rates, due to the manufacturer imposed expenses consisting of but not limited to, stocking a minimum number of loaner vehicles; special tools; diagnostic equipment and technician training; meanwhile the manufacturers cannot guarantee a minimum amount of repair business. It was further pointed out that after the sale of a vehicle, the manufacturer does everything within their power to limit any further expense tied to any given vehicle.



The third panel, Direct Distribution, was a regurgitation of the same old Tesla arguments, "they're different, they're special, they don't have or want dealers, dealers don't know how to sell their products, dealers won't dedicate themselves to selling their products correctly and frankly state franchise laws are stupid." There were a lot of comparisons between buying a vehicle and buying a cell phone, a computer, furniture, razors and blades. However, dealer panelists were quick to point out the many disparities between purchasing a motor vehicle and other consumer products; the consumer protections dealerships provide when manufacturers go belly up, the value of having a

“However, one silent but very apparent message made at the workshop is that motor vehicle franchise laws are a beautiful work of pseudo-regulatory art.”

local business owner for the community and regulators. There were no clear winners on this panel, but what was clear: this debate is far from over and from time to time it appeared that this topic may have been the driver for the workshop.

4 The last panel discussed Future Trends, autonomous vehicles, vehicle sharing arrangements, some more direct sales advocacy and some day-dreaming of buying, operating and servicing my automobile all by cellphone. The visionary panelists did their best to portray dealerships as mausoleums filled with artifacts from an era gone by and speculated that vehicle ownership will soon be a thing of the past. The dealer panelists were the parental voice of reason (funny how smart my dad got from the time I was 18-25 years old), explaining that whatever type of vehicle sales are necessary to satisfy and protect the public going forward, it will be best served by your local dealers.

It is very possible that the FTC held this workshop for the purpose of getting a better understanding of where the industry is today and what issues are lying ahead that will have

an impact that will require a different regulatory makeup. However, the FTC does not oversee state franchise laws and the fact that every state has franchise laws is proof that they are necessary. Another observation is that the FTC seemed a bit overwhelmed with the notion that they are a regulatory agency whose purpose it is to oversee and ensure competition and fair trade between suppliers and merchants; merchants and buyers; weighing the effects of a changing marketplace where suppliers are merchants; successful highly regarded high tech companies enter the marketplace not willing to comply with the current regulatory structure and consumers demand utmost convenience regardless of consequences.

However, one silent but very apparent message made at the workshop is that motor vehicle franchise laws are a beautiful work of pseudo-regulatory art. They regulate the manufacturer/dealer, dealer/consumer and the manufacturer/consumer relationship, all while fostering strong market competition, consumer protections, local economic protections via government oversight exercised on a case-by-case basis that allows for flexibility and market fluctuations. ●

CVR
FOR FAST, SECURE, CERTIFIED VEHICLE REGISTRATION IN WISCONSIN
CVR IS THE CLEAR CHOICE

TRUSTED **INTEGRATED** **INVESTED**

CVR's electronic registration and titling solution offers:

- > A fast, accurate, automated process to register and title vehicles
- > Almost 20 years serving Wisconsin dealers
- > Official endorsement by WATDA
- > Convenient transaction types available to help you streamline the customer experience
- > Secure, certified integration with your Dealer Management System (DMS)
- > Included training and technical support
- > A trusted NMVTIS and ATC partnership

Find out how we can make a difference in your business. **800.386.1746**
cvrweb.com

© Copyright 2015 CVR. All Rights Reserved

Steering your dealership in the right direction

Schenck's Dealership team understands your industry and the issues that concern you most.

WE HELP OUR CLIENTS WITH:

- ▶ Sales tax analysis and review
- ▶ Cost segregation studies
- ▶ LIFO
- ▶ Buying and selling dealerships
- ▶ Creating pay plans
- ▶ Payroll services
- ▶ Human resources consulting
- ▶ Benchmarking against franchised dealerships
- ▶ Office procedure review

To learn more about our services, contact Jason Kiehnau at 800-676-0829, or visit schencksc.com.

WATDA MEMBER

Automotive | Heavy-Duty Truck
Recreational | Implement

Personal Philanthropy That Lasts,

A Donor Advised Fund

BY GARY BEIER, VICE PRESIDENT - FOUNDATION OF WATDA

Mr. Jay was a successful business leader and a well-known philanthropist in his community. He always had room for one more request, despite the pressures of the economy, family demands and the day-to-day challenges at his company.

As one would expect, these pressures overwhelmed him from time-to-time. Instead of throwing in the towel, our Mr. Jay initiated some long-range thinking about how he could continue being the go-to guy in his philanthropic activities, without passing a financial burden on for others in his family to shoulder when he was no longer able to do so. These thoughts lead our Mr. Jay to start some serious research about how he might be able to ensure that his and his family's charitable efforts could be sustained indefinitely.

One day he was surfing the Internet and came across a website that contained detailed information on Donor Advised Funds. He was surprised to learn that this method of philanthropy has been in existence for many decades. He learned that donor advised funds are an excellent and cost-effective alternative to creating a personal trust or family foundation. This option has the potential to save donors thousands of dollars in start up and management fees. Some of these savings can be annual, leaving more of the fund's annual earnings for the intended charitable purposes. He also discovered that the donor and/or selected representatives or family members are able to participate with the sponsoring foundation on an ongoing basis to determine the annual recipients of the distributions from the fund.

The biggest advantage to donors and their families is that all of the business issues associated with operation of the donor advised funds are handled by the sponsoring foundation. This includes investment, accounting, audit, marketing/promotion and distribution according to the donor's wishes. These funds

are usually pooled with others just like them to create a stronger investment package producing greater earning potential for each of the individual funds. Most important, all of this is accomplished under the specific guidelines of the Internal Revenue Service to ensure maximum benefit to donors and recipients.

The Foundation of the Wisconsin Automobile & Truck Dealers Association has maintained this type of program for more than a decade. The Foundation of WATDA currently holds two

such funds for specified distribution and two more that support its general operations. Collectively, these funds have provided thousands of dollars in scholarships and general support over the last ten years and will continue to do so, well into the future, while preserving and growing their principal base.

There is a wide range of options available to donors who wish to set up a donor advised fund with us. A donor advised fund might be initiated through cash gifts, multi-year pledges, securities transfer, real property gifts, trusts, or bequests.

Like any other charitable support, the gifts you make to create a donor advised fund could be tax deductible. It is always best to check with your personal financial advisor to determine the extent of tax credit and what gifting method best suits your individual financial needs.

The biggest personal benefit to you is that you can ensure that your favorite charity or charities will be supported for many years to come and your generosity will always be remembered. The Donor Advised Fund has the potential to be a true and lasting reflection of what you do and what you stand for in your community and your industry as well.

To find out more, call the development office today 414-520-7870 or email me at gbeier@watda.org. ●

“The biggest advantage to donors and their families is that all of the business issues associated with operation of the donor advised funds are handled by the sponsoring foundation.”



Partner Power

BY GARY BEIER, VICE PRESIDENT - FOUNDATION OF WATDA

That's a quick definition of what the Business and Education Partnerships that we have developed over the 24-year history of the Foundation bring to the table. It might do best to give you the full definition.

Business and Education Partners are corporations and other non-profit organizations that share a common interest in the work of the Foundation and the transportation industry in Wisconsin as a whole.

Our Business and Education Partners represent a wide array of products and services that include banking, finance, statewide education, manufacturing, marketing and community services.

These partners have provided \$986,000 in project funds and \$3.9 million of in-kind student support over the history of our Foundation.

Our Business and Education Partners have been instrumental in a lot of dynamic projects that have served thousands in industry, education and communities all over Wisconsin:

- The opening of the world-class Horizon training center in Kenosha;
- Over 20,000 credit hours of professional training for Wisconsin's transportation teachers;
- Professional tools for over 1,700 future technicians;
- Career exploration events that have reached over 40,000 participants in the past 10 years;
- Operation of the state's \$3 million dollar training vehicle pool for AYES schools and technical colleges;
- High-tech education for students attending one-third of our high-schools;
- Industry certification at all of Wisconsin's Technical Colleges;
- A tax savings of \$400,000 worth of training equipment for the AYES school districts.

The collective result, a level of quality that is hard to match – anywhere! Our students know it, our customers appreciate it, and the nation's transportation industry looks to Wisconsin because of the good work our Business and Education Partners have helped you and this Foundation to accomplish.

Many of these Business and Education Partners have been on board with us for over a decade. It is more than just a contribution; it is a vote of confidence in the value of what this Foundation provides to our industry and the educational institutions that drive our workforce. It is Partner Power on the highest level. ●



Platinum Star \$1 million and above:

Snap-on Industrial

Gold Star \$100,000 to \$999,999:

Automobile Dealers Association of Mega Milwaukee – ADAMM, BMO Harris Bank, Manheim Milwaukee Auto Auction, the Wisconsin Automobile & Truck Dealers Association – WATDA

Silver Star \$50,000 to \$99,000:

Wisconsin Department of Public Instruction, the M&I Foundation, Zurich

Bronze Star Up to \$49,999:

The Baird Foundation, Forest County Potawatomi Foundation, Grainger Industrial Supply, Moore Oil Company, Wisconsin Masonic Foundation, the Milwaukee Area Workforce Funding Alliance, Claremont S. Jackman Foundation, Wells Vehicle Electronics

THESE
PARTNERS
HAVE
PROVIDED

\$986,000
IN PROJECT FUNDS

\$3.9 million
OF IN-KIND STUDENT SUPPORT OVER
THE HISTORY OF OUR FOUNDATION

Winter 2016 Donors



John & Cindy Amato
Auto Dealers Assoc. of Mega Milwaukee – ADAMM
Baird Private Asset Management
Robert W. Baird Foundation, Inc.
Gary & Kathy Beier
Cottage Motors
Peter & Aliece Dorsch
Emil Ewald Family Foundation
Fox Valley Technical College
Gateway Technical College

Greater Milwaukee Foundation – Pike Fund
Greg Hobbs
Claremont S. Jackman Foundation
Kolosso Toyota
Luther Automotive Group
John J. Luy
Manheim Metro Milwaukee Auto Auction
Mike Markwardt
Miller Motor Sales, Inc.

Tim & Joy Neuville
Mark & Patti Olynyk & Family
Todd Reardon
John & Paul Schlagenhaut
Michael & Ellen Schlossmann
Mike Shannon Automotive Foundation
Smart Motors, Inc.
Dan Stenbroten
Wis. Auto Collision Technicians Assoc., Ltd. – WACTAL
Gary & LuAnn Williams
Patrick Witt

How Does Your Dealership Compare?

NADA's Dealership Operations conducts the annual Dealership Workforce Study providing data dealers can use to fine-tune employee compensation and benefits, promote retention and stay ahead of the demographic curve. Participants receive comparative statistics for their own car or truck dealerships.

About the NADA Dealership Workforce Study

Conducted annually since 2012, the NADA Dealership Workforce Study is the only authoritative and comprehensive examination of car and truck dealership compensation, benefits, turnover and retention, hours of operation and work schedules.

NADA and ATD members participate by completing a questionnaire and uploading payroll data. In return, they receive two complimentary reports: A "Custom Report" (*Compensation, Benefits, Retention: How Your Dealership Compares*) showing how their own dealerships stack up to comparable dealerships in the region, the nation, the state and the brand—plus a "Trends Report" (*Automotive Retail: National & Regional Trends in Compensation, Benefits & Retention*), which is an overall analysis with data for each U.S. region and the country as a whole. Participation is free.

Dealer group and 20 Group comparison reports are available for purchase by eligible participants.

Non-participants may purchase the annual *Automotive Retail: National & Regional Trends in Compensation, Benefits & Retention*.

Highlights of the 2015 Study

- Employee compensation and productivity at new-car dealerships increased across all job positions in 2014.
- In 2014, the median weekly income for all employees at new-car dealerships increased 5.1 percent to \$1,026. On average, dealership employees earned nearly 29 percent more than employees in the private-sector workforce, according to a comparison of dealership salaries and 2014 fourth-quarter median weekly earnings of all U.S. employees, as compiled by the U.S. Bureau of Labor Statistics.
- The average weekly earnings across all truck dealership positions was \$1,217—an increase of 3.4 percent compared to last year's study.
- Car dealership employee turnover was 39 percent, compared to 44 percent total turnover in the private sector, as estimated by the U.S. Bureau of Labor Statistics.
- Car sales consultant, the only key position to exceed the national private-sector average, was the highest turnover position at 72 percent annually (non-luxury turnover was 80 percent, luxury turnover was 48 percent). Female sales consultant turnover was 90 percent. Truck sales consultant turnover was 17 percent.
- Millennials were 48 percent of all dealership new hires and 31 percent of the total dealership workforce; turnover among millennials was 54 percent.
- Women were 18.5 percent of dealership employees; 8 percent of women were employed in key positions, 91 percent in office and admin support.

www.nadaworkforcestudy.com ●

Index to Advertisers

Armada	9	Delta Dental	11	Sullivan Design Build	BC
Baker Tilly	IFC	Keller	17	WATDASI Services—Forms	IFC
Boardman & Clark LLP Law Firm	14	Protective	9	Wipfli LLP	16
CVR	20	Schenck Business Solutions	20	WISCO	10



PRST STD
U.S. Postage
PAID
Permit No. 1
Madison, WI

NEXT ISSUE: The Politics of Politics: 2016 ELECTIONS



SINCE 1969 Sullivan designBUILD has specialized in planning, design, and general contracting for new and remodeled automotive/ truck dealerships.

Give us a call. We want to meet you, talk about your ideas and show you how we're the best choice to help you reach your goals, big or small.



Rock County Honda's new facility



TRUST. PRIDE. DRIVE. PASSION.

1314 Emil St | Madison, WI 53713
608.257.2289 | sullivan.designbuild.com