A McConkey Auction Group family tradition for more than 60 years.

DAA NORTHWEST

FALL CLASSIC MOOSE SALE

DAA SEATTLE

DAA

NORTHWEST

Wednesday, October 19
2:00 PM - 600 Units

Thursday, October 20
9:00 AM - 2200 Units

Spokane, WA | 509.244.4500
daanw.com

DAA

SEATTLE

Friday, October 14
9:00 AM - 900 Units

Auburn, WA | 253.737.2200
daaseattle.com

Enjoy Authentic Moose Sandwiches in the Lanes at Both Sales!

JOIN US AT DAA NORTHWEST EVERY THURSDAY AT 9:00 AM, AND IN SEATTLE EVERY FRIDAY AT 9:00 AM

All information subject to change without notice.
INSTANT APPROVALS

DealWRITER™

- Fully functional F & I program
- Inventory Management
- Credit report interface
- Blue Book and NADA integration
- Prints all dealer forms

ACH FUNDING

Tools

- Technology based Marketing tools
- Automated Approvals
- Tracking
- Reporting
- Deal status in real time

Dealer Management Solutions

- Website interfaces with credit bureau
- Automated decision module
- Dealer inputs deals directly to website
- Payment via electronic funds transfer
- Date & time of payment

THE RESULTS YOU NEED. THE TOOLS TO MAKE IT HAPPEN.
Get the advance you request from us every day, night, or weekend.
Receive the approval you want anytime, from anywhere. Never lose another deal.
Put our online tools to work for you. Call or logon today.

Servicing Oregon: 503-653-8000
www.lobelfinancial.net | Training ~ Support: 800-871-8051

LOBEL FINANCIAL
COMPETING WITH FRANCHISE DEALERS AND COMING OUT ON TOP

THE ARTICLE Competing with Franchise Dealers and Coming Out on Top in the July issue inadvertently listed the wrong author. It was actually written by Kathy Tafolla of Lobel Financial. Our apologies. ♦

SAFETY WATCH / BY USED CAR NEWS

CHEVY RECALLS IMPALAS FOR AIR BAG ISSUES Damaged Wires Could Disable Passenger Air Bag


The front passenger seat frame may contact and damage the wires of the passenger presence sensor module. If the wires are damaged, the passenger presence sensory system may fail to recognize the passenger seat is occupied, disabling the air bag. Damage may also cause the air bag fuse to short resulting in a loss of all air bags and seat belt pretensions. Both conditions increase the risk of injury during a crash.

GM will notify owners, and dealers will double wrap the wires with anti-abrasion tape and replace damaged wires as necessary, free of charge. GM’s recall campaign number is 36110. ♦

ASSOCIATE MEMBERS

ACCOUNTING SERVICES Delap, CPA Adam Puckett Lake Oswego, OR 97035 503-697-4118
AUTO SERVICES & ACCESSORIES AutoWright Specialist Gary Palaniu 503-519-7725
Auto Detailer Showroom New Mike Barthe P.O. Box 822073 Vancouver, WA 98685 360-882-8162
Auto Detailer Showroom New Mike Barthe P.O. Box 822073 Vancouver, WA 98685 360-882-8162
Northwest Auto Accessories Craig Holland 503-288-5700

DEALER SOFTWARE Frazer Computing Michael Frazer 888-963-5369


OUT-OF-STATE AUCTIONS ADESA Seattle Auto Auction Jason Arccaro 253-735-1600 x 213 DAA Northwest Tzitz Vanvoorhis 509-244-4500 DAA Seattle Dave Blake Auburn 89802 253-737-2200 Manheim Seattle Auto Auction Ray Priest 206-762-1560

OXO

PUBLIC AUCTIONS & AUCTIONEERS

Chevy Recalls Impalas for Air Bag Issues


The front passenger seat frame may contact and damage the wires of the passenger presence sensor module. If the wires are damaged, the passenger presence sensory system may fail to recognize the passenger seat is occupied, disabling the air bag. Damage may also cause the air bag fuse to short resulting in a loss of all air bags and seat belt pretensions. Both conditions increase the risk of injury during a crash.

GM will notify owners, and dealers will double wrap the wires with anti-abrasion tape and replace damaged wires as necessary, free of charge. GM’s recall campaign number is 36110.

---

Competing with Franchise Dealers and Coming Out on Top

The July issue inadvertently listed the wrong author. It was actually written by Kathy Tafolla of Lobel Financial. Our apologies.

---

Ohio Independent Auto Dealers Association
1475 Capitol St. NE • Salem, OR 97301
800-447-0302

National Independent Automobile Dealers Association
WWW.NIADA.COM • WWW.NIADA.TV
2521 BROWNBLVD • ARLINGTON, TX 76006-5203
PHONE (817) 640-3838

Ohio Independent Auto Dealers Association
1475 Capitol St. NE • Salem, OR 97301
800-447-0302

 Vice President
President
Secretary
Treasurer
Chairman of the Board

OADA / OCTOBER 2016

---

Inside

05 Simple Tech Tools with Serious ROI
06 What to Post on Facebook
07 A Way to Cut Costs and Mitigate Risk
08 Finding the Right CRM/ILM Solution
09 Washington Update
10 Reasons You Need a Substantiated Valuation
12 Do You Understand Your Prospects Digitally?

What’s New

The NIADA National BHPP Summit will be held Dec. 6-8 in Dallas, Texas. This year’s theme is “Reaching New Levels of Excellence.” The conference features industry leading speakers covering best practices in various BHPP related topics as well as industry updates and strategies for the upcoming year. For more information contact Diann Flanders at diann@niada.com or (888) 906-8283.
EVERY BUSINESS is in search of a golden ticket – that tactic or tool that requires little time or monetary investment but yields major financial returns.

Enter technology.

Understandably, some technology is easier to use than others. And large scale technology changes to something like your website or DMS could take more time and money than they’re worth. But when you find an easy-to-use technology that’s affordable and has real profit opportunity tied to it, you’ve struck gold!

To help simplify your ROI gold-mining expedition, here are three simple technology tools that can yield fast and impactful bottom line gains.

Video

Video is no longer a way to stand out from other dealerships. Rather, it’s quickly becoming a must-have just to compete. But just because video is becoming a necessity doesn’t mean your video needs to have Spielberg-like quality on a studio film budget.

Take a tool like Covideo, for example. For a manageable monthly subscription, you’ll get a custom video platform and all the equipment you need to quickly film and email vehicle walk-arounds, sales follow ups, service reminders and more. And since Covideo is proven to increase unit sales by 7 percent and showroom shows by 27 percent, it’s a breeze to recoup your monthly investment several times over.

Online Reputation Management

From time to time, you’ll encounter aspects of your business out of your control. For example, a vehicle breaks down despite a solid inspection or a competitor undercuts you on price. But one thing in your control is effort – and that’s all it takes to manage your online reputation management.

A negative review can be severely damaging, but only if it goes ignored. Be sure to respond to online reviews and negative social media mentions quickly, professionally and, most importantly, empathetically. It will go a long way toward showing past and future customers you genuinely care about their satisfaction.

Mobile Technology

According to Autotrader, 43 percent of car buyers use multiple devices to shop for cars. That’s up from 24 percent just two years prior. At this rate, it won’t be long before almost all your website traffic is coming from mobile technology users.

But you already know how important a mobile responsive website is. Where you stand to get a leg up on the competition is integrating this technology into your sales and F&I processes.

For the price of a tablet or two for your dealership, you can begin using mobile apps during both the sales and F&I processes – many of which are free. You’ll quickly begin to see how customers appreciate their preferred shopping method being carried over into their experience on your lot, not to mention the customer satisfaction rewards you’ll reap after the sale.
5 WAYS TO FIGURE OUT WHAT TO POST ON FACEBOOK

Engage Your Customers and Reach Your Goals

ONE OF THE most common challenges for independent dealers is social media. It’s actually a challenge for most companies simply because it’s a medium not well understood.

Not to oversimplify it, but Facebook and other social channels are just another medium to connect with customers. If you think about the “traditional” media such as TV, radio, print, billboards, email and phone, they are all places where customers spend time, and it’s your job (through marketing and advertising) to attract them to your store.

Once a dealer has decided to venture out into Facebookland, the first question that comes up is “What do I post on Facebook to attract more customers?” The answer is a simple one but not so easy to find.

Engagement is king on Facebook. It drives everything. There are two types of Facebook engagement: organic and paid. Organic simply means you did not pay to promote your post. Organic is the best kind of engagement and it’s the hardest to achieve. Solid, original, high-quality content achieves organic reach and engagement. People like, comment and share, which builds more authority with Facebook’s algorithms.

It’s key to pay close attention to what’s working and what’s not. You must learn through data how best to promote (pay for) your content to improve on what’s happening organically.

But what do you do when you hit a brick wall for ideas? These five ways will help you figure out what to post on Facebook to engage customers and reach your goals.

1. It all begins with your why.

If you’ve done the work to determine your true why – why you’re participating in this race, and why your customers choose you over your competitor – the search for what to post on Facebook gets so much easier.

Simon Sinek said, “People don’t buy what you do, they buy why you do it. The goal is not to do business with people who need what you have. The goal is to do business with people who believe what you believe.” Without inspiration, motivation and passion to craft meaningful content, your Facebook page falls flat.

Pro tip: If you’re new to determining your why, take a look at your online reviews. Look and listen for commonalities from what your customers are saying — that will help you know why your customers choose you.

2. Determine what your target customers want to know.

Building relationships with buyers is how business gets done (with or without Facebook, right?). Knowing your customers’ interests and challenges helps you create content for your page that matters to them.

Whether you realize it or not, there’s a story happening in the mind of your customer, and when you actively participate in that narrative in a meaningful way (which Facebook is ideal for), you position your business within your customer’s story… and have a great shot at the sale!

Pro tip: Begin to notice ideal customer experiences within your store and find a way to document them.

3. Identify and develop your resources.

Part of your plan for what to post on Facebook is sitting down and assessing just what it is you have available. Failing to identify and develop your resources makes it even harder to know what to post on Facebook.

Answer these questions:

• Who will produce our content?
• Who’s in charge of our content?
• Who will maintain our content? (Content is a business asset!)
• Examine and describe what forms of content are most comfortable right now (written, images, audio, video).
• What types of content do you want to focus on in the next 12 months?
• What do you need to do to get there?

4. Encourage employee participation.

Most dealers agree they need to A) produce more content and B) connect on a deeper, personalized level with today’s hyper-connected buyers. Shifting your internal processes to engage employees (especially salespeople) in content creation helps with both of these challenges.

When you showcase employees as thought leaders in the automotive industry, the company receives more recognition online. Employees reap the benefit of their voices being broadcast, paving the way for more referrals, leads and sales.

The company looks smarter because its employees look smarter.

5. Don’t make it too complicated.

If you’ve been managing a Facebook page for a business, chances are one or more of these statements apply to you:

• You’re a current or potential customer of that store.
• You possess similar attributes to the customers you’re trying to attract.
• You have empathy for customers’ struggles and feel a connection.

This means you are uniquely positioned to understand your customer (because they’re just like you). You have an idea of what would be valuable to post on Facebook and you need to give it wings.

Try this: Identify four to five Facebook pages you like and what it is about them you admire. Write down your answers.

Review your list and discover you’ve just experienced what it’s like to know what to post on Facebook. Those pages you identified are successful for the reasons that attracted you. They are the same or similar to the reasons customers like your page.

Brainstorm with others within and without your organization to come up with a game plan to create content that elicits the same interest, excitement and belonging you feel when you visit those pages on your list.

Pro tip: We all get busy and it’s nice to have one place to refer to our game plan. A content calendar helps you think through what to post on Facebook, gives you the room you need to plan your strategy and allows you to schedule posts into the future to save time.

Fact: figuring out what to post on Facebook is a creative process.

Not everyone is cut out for it, but those who are usually realize it’s fun once you get things in place. Don’t be afraid to test different types of content with your fans. This will build your self-confidence and motivate you to keep going.

The answer to “what to post on Facebook” is simple, but not easy. Do the work, test your ideas and make good use of a content calendar. You’ll soon stop struggling, find the answers and become a Facebook superstar.

Kathi Kruse is an automotive social media marketing expert, blogger, consultant, author, speaker and founder of Kruse Control Inc. Kruse Control coaches, trains & delivers webinars focused on integrating social media and online reputation management into dealership operations.
HOW MUCH RISK ARE YOU WILLING TO TAKE?

A Way to Cut Costs and Mitigate Risk

AFTER YEARS OF declining sales, the automotive industry is once again on the rise.

Fueling much of the resurgence in vehicle sales is the recent growth in subprime automotive financing. So what is fueling the increase in subprime auto loans?

In the wake of the recent economic crisis, increasing numbers of car buyers found themselves saddled with poor credit resulting from job loss, foreclosure, bankruptcy and other financial woes. While still struggling with low credit scores, many of those customers are now moving toward financial recovery. They’ve found new jobs and careers, are earning decent salaries, have wiped the slate clean and are lowering their debts.

Despite that progress, those credit-challenged customers still cannot qualify for traditional auto financing. But they still need vehicles.

To meet that demand, increasing numbers of dealerships and lenders are approving more subprime auto finance, and are going deeper and deeper in the process.

According to a recent report by Experian, “The percentage of auto loans to buyers with the poorest credit ratings is growing faster than the rest of the auto finance market.” Almost 21 percent of open auto loans are held by individuals with subprime and deep subprime credit ratings.

However, with the uptick in auto loans, we are also witnessing one of the largest increases in auto loan delinquency rates on record.

According to Fitch, increased loan originations, higher lender competition and looser underwriting standards in the subprime loan market have caused an influx of higher auto delinquencies.

That’s a problem. Higher delinquencies mean higher rates of default. Which leads to the question: How can you better manage your portfolio and risk for success?

As subprime auto lending continues to gain momentum and loans dive deeper, the associated risks continue to rise. Dealerships and lenders who offer subprime auto financing should be prepared for an increase in delinquencies, defaults, repossessions, collection staff time and resources – all of which come with significant costs that cut into profitability.

BHPH dealers and lenders are now turning to GPS tracking as a smart business strategy that cuts costs and mitigates risk while also encouraging their customers to pay on time and improve their credit.

GPS tracking, in its most effective form, is a system that enables dealerships and lenders to verify customer information faster, ensure more on-time payments and locate vehicles in real time to manage their liability with high-risk vehicle collateral.

The more advanced GPS vehicle tracking and collateral management systems include additional features such as payment reminders and advanced reporting. Those features further reduce business costs while also promoting on-time payments that help customers stay in their vehicles and rebuild their credit.

In a study conducted on Spireon’s GoldStar GPS vehicle tracking, 87 percent of vehicle finance customers saw an increase on their return capital. Further, 77 percent saw a significant improvement of their customers’ credit ratings.

The right type of GPS vehicle tracking can improve business profitability, reduce risk, help maintain CFPB compliance and help customers improve their credit.

David Meyer is executive vice president of sales and client services for Spireon, bringing more than 28 years of vehicle finance and BHPH industry experience his role overseeing the company’s Automotive Solutions Group.
EVERY INDEPENDENT CAR DEALERSHIP NEEDS THE RIGHT CRM/ILM

Finding a CRM/ILM Solution That Fits Your Needs

IT’S 2016 and never has the used car industry faced so much disruption! Over $450 million in venture capital has been invested into new automotive start-ups like Beepi and Carvana. Moreover, GM recently announced they will sell 30,000+ vehicles direct through their pre-owned Lease/Fleet GM Factory Collection, and Millennials are quickly adopting utility models for transportation, weakening America’s long love affair with car ownership.

With the average car buying consumer doing most of their research online, today’s dealership has to be able to pivot quickly and digitally evolve their business model to remain competitive. The digital dealership model is here to stay, and it goes beyond dealerships simply doing a decent business through their website and automotive classified websites.

Face it – the car buying public has already changed, forcing dealerships to become more tech-savvy and socially connected to their customer base to remain relevant. Have you taken the right steps to keep your dealership at the heart of where the action is?

Key to staying relevant is ensuring the car buying customer experience is second to none with the right Customer Relationship Management/Internet Lead Management solution that keeps your dealership top of mind with your clients. CRM software is fast becoming as important to the dealership as Dealership Management Software has always been.

Independent dealers need to be nimble and quick. They need a CRM/ILM solution that fits their needs without slowing them down and tying them to the showroom floor.

Here are some tips to help make sure your dealership has the right CRM/ILM.

Internet Lead Management
Your dealership is being bombarded with 20 or more leads per day from the likes of Autotrader, CarGurus and Cars.com. How do you manage them effectively and ensure they are being worked promptly?

If you’re relying on old school pen and paper, your store is in trouble. Customers expect prompt follow ups to Internet leads. By reaching out to you online, they expect to interact with your dealership online throughout the entire sales process. Make sure your dealership has an integrated CRM/ILM solution that allows the sales manager to distribute and track leads while enabling the sales team to follow up immediately from their smartphones via text, video, social media or email.

Develop Sales Team Work Plans
How do your sales reps know when they need to follow up with a customer? How do you quickly onboard new hires? Make everyone more productive with a CRM solution that focuses on the 10 things you really need to allow you to schedule reminders for follow up emails, texts, or calls. Avoid bells and whistles that aren’t used daily and add cost to the solution. Stay connected to previous “sold” customers with annual birthday greetings, trade in incentives, and tailored drip marketing communications to keep a digital heartbeat with them alive.

Mobile and Social CRM
Dealers who use a mobile CRM typically increase Fresh-Ups by 20–25 percent. Mobile sales tools allow your sales team to run deals from their phones no matter where they are. They are never out of touch with prospects, which keeps them productive and always on.

Make sure your CRM has key mobile features that accelerate the momentum of the deal with seamless data entry like an in-app Driver’s License Scanner to add contacts or a VIN scanner to appraise trade-in vehicles. The mobile CRM must also offer offline capabilities for when you have no cellular or Wi-Fi reception as well as social media integration for services like Facebook and Pinterest.

Record and Manage All Opportunities
How many “lost” customers do you have who made the trek to the lot but were never seen again because your sales rep didn’t follow up? Think about how many thousands of dollars are left on the table each month simply because a sales rep didn’t capture Fresh-Ups contact information correctly.

What will it take to move one more opportunity to a closed deal by the end of the month? Take control of your opportunities and manage your sales cycle with a sleek, streamlined manager dashboard in your CRM that strips out the noise and focuses you on the immediate actions needed to close deals.

Some of you already understand these things and have moved forward with purchasing a CRM platform for your dealership. Others are dragging their feet because they are not yet convinced of the return on investment, or are put off by the cost and complexity of the franchise-centric CRM solutions on the market today.

On the ROI front, a 2014 Salesforce.com Customer Relationship Survey conducted by Confromit Inc. showed a CRM system can drive a 32 percent increase in sales, a 40 percent increase in productivity, and a 32 percent improvement in win rate. On the cost and complexity front, independent dealers need a simple, mobile, intuitive CRM that allows them to connect with their prospects any way the customer wants to engage, manage opportunities on the fly without requiring an advanced computer science degree to figure out, and enjoy the benefits of a CRM solution without bankrupting the store in the process.

Beware of the heavy, “every feature imaginable” CRM/ILM systems built especially for the large franchise dealerships now being price reduced and sold to independents as an afterthought. These are complex systems with tons of features that easily overwhelm the smaller stores, and take a big chunk out of your wallet every month.

Believe it or not many of these franchise dealer CRM/ILM systems cost upwards of $1,000 per month, leaving a huge hole in the dealership’s pocket! If your sales people cannot easily ramp on these expensive systems without extensive training or they refuse to use it at all because they have to change their entire sales rhythm to use the tool, then that will be your money quickly going down the drain. Independent dealerships need a quick, painless and lightweight CRM/ILM solution that delivers the essential features on a mobile platform at a price point that makes sense that their sales team will actually use.

Savvy GMs and sales managers already realize this and purchase software specifically designed for the independent dealership space. Remember, if your dealership is going to stay competitive in today’s “all things connected” used car market, you need tools that complement your store’s selling motion and are easy for your sales team to embrace. As the dealership’s model continues its digital shift, the CRM/ILM system will become even more critical in reaching and retaining the car buying consumer.

Zach Klempf is CEO of Selly Automotive, a CRM/ILM dealership software company focused on the used car market. For more information, visit www.sellyautomotive.com.

Mobile sales tools allow your sales team to run deals from their phones no matter where they are.

Zach Klempf is CEO of Selly Automotive, a CRM/ILM dealership software company focused on the used car market. For more information, visit www.sellyautomotive.com.
Here's a rundown of some of the latest governmental issues and activity affecting the used car industry from NIADA senior vice president of legal and government affairs Shaun Petersen and NIADA lobbyist Santé Esposito of Key Advocates.

**REGULATORY REPORT**

**Federal Trade Commission**

The FTC has warned dealers about misrepresenting the scope of Volkswagen’s settlement with the FTC regarding buybacks of VW and Audi diesel vehicles that were equipped with devices designed to cheat emissions tests.

The terms of the settlements between VW and the FTC, other government agencies and private owners can be found at www.ftc.gov.

The FTC has also published a blog, available at https://www.ftc.gov/news-events/blogs/business-blog/2016/08/dealers-vw-owners-deserve-straight-story, explaining dealers’ expectations concerning the settlement and buyback opportunities.

**Department of Labor**

Enforcement for misclassifying employees: DOL settled an enforcement action against a plastering company for paying workers as independent contractors as opposed to employees.

The workers, hired as independent contractors, did work only for the company and provided no services to any other business. In addition, the company supplied all of the materials and paid hourly rates set by company staff.

The company was found to have violated the overtime pay requirements and was required to pay $365,291 in back wages.

**Consumer Financial Protection Bureau**

The CFPB settled an enforcement action against First National Bank of Omaha related to ancillary products associated with credit cards.

For a decade, the bank offered debt cancellation products with its credit cards, which the bank promoted as providing a monthly payment to the cardholder’s account in the event of certain hardships like involuntary unemployment, hospitalization or disability. Cardholders were charged a monthly fee.

The bank also offered credit monitoring products to monitor cardholders’ credit for potential identity theft or fraud and to provide consumers with copies of their credit reports.

The CFPB alleged the bank engaged in unfair billing practices and deceptively marketed the debt cancellation add-on products to consumers.

The bureau claimed the bank forced consumers to listen to sales pitches about debt cancellation products by implying they had to stay on the phone while their cards were activated, when that was not the case. It said the bank led some consumers to believe they would not have to pay for the debt cancellation products or they were eligible for the product when that was not the case.

The CFPB also claimed the bank made cancellation difficult and billed for services that were not provided.

The bank is required to refund $27.75 million to 257,000 customers and pay a $4.5 million penalty.

**DEPARTMENT OF JUSTICE**

Dealer pleads guilty: Timothy Williams, owner of Lindsey Street Motors in Norman, Okla., and finance manager Stephen Butz pleaded to bank fraud.

Court records say Williams entered into a floorplan assistance agreement with the Bank of Union on behalf of Lindsey Street Motors, then he and Butz then sold collateralized vehicles out of trust without the bank’s knowledge or permission.

Williams and Butz obtained duplicate vehicle titles, which they provided to buyers, without notifying the bank of the vehicle sales or repaying on the floor line. Both men admitted their conduct caused a loss of $550,000 to $1.5 million.

The defendants face up to 30 years in prison, a $1 million fine and up to five years of supervised probation. They will also be ordered to pay restitution.

Repossession settlement: DOJ settled with HSBC Finance Corporation over allegations the company violated the Servicemembers Civil Relief Act by repossessing 75 cars owned by protected servicemembers without obtaining the necessary court orders.

DOJ claimed HSBC conducted repossessions without court orders even when it had evidence in its own records suggesting a borrower could be a protected servicemember.

HSBC will pay up to $11,000 per repossession and repair the credit of all affected servicemembers.

**LEGISLATIVE REPORT**

**Return from Recess**

Congress returned from its annual summer recess after Labor Day and began work on the fiscal year 2017 appropriations bills, arguably the most important legislation. At press time, however, those bills were considered unlikely to pass before FY ’17 began on Oct. 1.

As in most prior years, Congress will have to pass a short-term continuing resolution to keep funding flowing to federal agencies. CRs usually provide funding at current levels. The big question was how long the CR will be.

Some were pushing for a short CR through December with the hope Congress can complete some or all of the individual agency funding bills during the post-election lame duck session – perhaps packaged together in a series of “mini-bus” bills.

Others wanted to extend the CR into the spring to give the new administration a chance to get settled in and establish its funding priorities. Still others suggested a yearlong CR.

Congress is expected to meet in a lame duck session after the November elections, but until the results are known and it is clear which party will control the White House and the Senate, it is difficult to speculate on what might be accomplished during that short session.

Any legislation not signed into law by the time the 114th Congress concludes in late December is dead.

**H.R. 5485 Financial Services and General Government Appropriations Act, 2017**

This bill is among the FY 2017 appropriations bills still pending after passing the House in July.

As previously reported, the bill includes provisions to curb the CFPB’s authority – among them, a provision that the CFPB would be funded through the annual congressional appropriations process rather than through transfers from the Federal Reserve as currently provided by Dodd-Frank in order to make the bureau more accountable.

It would also require the CFPB to report quarterly to various House committees about funding, obligations made during the previous quarter and actions taken to achieve its goals, objectives and performance measures. And it would change the bureau’s leadership from a single director to a five-member board appointed by the President.

Another provision would require the CFPB to further study of pre-dispute arbitration agreements before issuing any regulations on that issue. After conducting a controversial study, the bureau in May proposed a rule that would prohibit arbitration agreements that bar consumers from filing or participating in class action lawsuits and would require the lender to submit arbitration records to the CFPB.

None of those provisions were included in the Senate’s version of the bill.
I grew up in dealerships. My parents owned a Honda, Suzuki and Harley-Davidson motorcycle dealership, and were among the first in the country to start selling Honda cars. They grew the automobile dealership into Honda, Buick and a line of motorhomes.

Fast forward a few years... I have been a consultant in the motorcycle and automotive industries, first working with my dad in the consulting firm he built, then on my own when he got back into retail by buying three Harley-Davidson dealerships. Dad was a master at analyzing the numbers and advising dealers on the actions needed to be more efficient and make more money. In short, he was a dealer advocate, helping them combat “the swirl.”

I have spent the last three years studying with the American Society of Appraisers and the National Association of Certified Valuation Analysts to get accredited as a business appraiser.

After years of assisting with dealership transitions, I have seen several reasons a dealer needs a substantiated valuation of their dealership. I have broken the reasons down to the good, the bad, and the ugly.

**THE GOOD**

**Reasons You Need A Substantiated Valuation**

**Retirement:** Do you plan to retire someday? How? A retirement plan and/or a succession plan require an appraisal – a base valuation so you can see where you are and plan how you want to accomplish your plan.

**Transition:** Do you have a son, daughter or protégée you want to see successfully transfer in? A valuation serves as a foundation from which to construct that transition plan.

**Expansion:** Are you having so much success you are looking for more? What could a capital infusion do to your expansion plans? Providing a well-supported valuation to investors helps them understand how well you have succeeded so far, and that the risk of backing you is well justified moving forward.

**Sales:** Maybe it is time to move into something else and you are starting to consider selling your dealership. A valuation provides you a way to plan for a sale, as well as a third-party appraisal you can use to work with a broker in setting your price, and with a potential buyer in negotiating your price.

**THE BAD**

We don’t always have control over everything that affects our businesses and sometimes we have to be reactive instead of proactive. Unfortunately, you, your friends and/or fellow dealers have gone through divorces, lawsuits or court proceedings that required a business appraisal. Sometimes a downturn in the economy causes the bank to require extra financials and assurance their risk is mitigated before they will extend your line of credit.

None of these are pleasant circumstances, and having had a recent valuation can sometimes fill the need. Even if an updated valuation is required, it takes less time, effort and expense than having to start from scratch.

**THE UGLY**

I call them the 4 D’s, and I’m sorry, they really are ugly:

- **Death**
- **Disease**
- **Disability**
- **Disaster**

You can, of course, imagine that if any of these things happened, you (or those close to you) will have to scramble to keep everything going as best as possible. There are things you can do ahead of time that make it easier on everyone – most importantly, having a will and a succession plan in place. Both use a dealership valuation to establish base values and a foundation from which to plan.

Having a valuation done annually or even bi-annually before one of the ugly D’s strike will save you and your loved ones a lot of hassle. Let them focus on the things that really matter during those tough times.

Somehow squeeze some planning and organization into your hectic life to be prepared. Hopefully, none of the ugly D’s will touch your life, and you can put your dealership valuation to use for some of the good reasons!
What goes into a dealership valuation?
Any appraisal must answer the question: Value to whom and for what purpose? Value to an investor who wants to continue the business? Value to a developer who wants someone to move the business out of that location, scrape the lot and build a hotel?
A valuator not only assesses the performance of your dealership, but also the environment (local, national and even international if it has an effect on your dealership). They analyze the risks that affect your dealership, what benefits are most likely in the future, and then determine a value after applying the research and analysis.

There are three methods of doing a valuation: market, income and asset. You are familiar with the market method used in real estate appraisals. Appraisers look at comparable properties in the neighborhood and use these “comps” heavily in deriving a value.

Income approach looks at a benefit stream such as free cash flow, EBITDA or seller’s discretionary cash flow. They quantify the risk in a discount or capitalization rate, and apply that to future benefit streams. This is the most complicated, but also the method most relied upon by the IRS, financial institutions and the courts.

The asset approach typically applies to asset-heavy businesses or a business that will no longer be a going concern. Basically, all the assets are appraised and added up. This method can apply to your dealership’s new unit inventory. When someone says “a multiple of earnings plus inventory,” they are including all three methods in one phrase (perhaps without realizing it) – earnings (income method), multiple (income method and market method) and inventory (asset method).

Depending on the availability and quality of information, appraisals can take anywhere from a couple weeks to a couple months. Honestly, I understand there is never a convenient time to get a valuation done. No dealer wakes up in the morning and says “Hey, I think I’ll get a valuation today!” Most of my engagements arise from an urgency or outside requirement. I get it. But the valuations I have done for proactive reasons are more valuable and less stressful for the dealers.

I am not saying, “Drop what you are doing and pick up the phone now!” But I do encourage you: weave a valuation into your next strategy planning session, or start thinking a bit about where all your hard work is going.

From growing up in dealerships, I know when I walk into a dealership it is not just a nice building with inventory and staff. This is an owner’s blood, sweat and tears over many years. This is someone’s dream and they made it happen. When you can, find out its value to help you chart your course to maximize that value into the future.

Laura Lemco is a business consultant focused on helping improve dealership operations and providing financial analysis and business valuations. Call Laura at (303) 994-6919 for a free, confidential consultation. Learn more at www.DealershipValuations.com.

COX NAMES PRESIDENT FOR MEDIA SOLUTIONS GROUP

>> Includes Autotrader, Kelley Blue Book and Dealer.com

COX AUTOMOTIVE ANNOUNCED Brian Geitner has been named president of the company’s Media Solutions Group.
Geitner will oversee the company’s Autotrader, Kelley Blue Book and Dealer.com business divisions and brands, leading the integration of Cox Automotive’s platforms. He began his new role Aug. 15, reporting directly to Mark O’Neil, chief operating officer of Cox Automotive.

Geitner succeeds Jared Rowe, who is departing the company for a new opportunity outside of the automotive industry.

Since 2015, Geitner has served as president of Financial Solutions Group at Cox Automotive responsible for the advancement of NextGear Capital. Geitner joined Cox Automotive in 2012 as chief executive officer of Dealer Services Corp.
**ONLINE MARKETING / BY TODD FRIEDMAN**

**DO YOU **UNDERSTAND YOUR PROSPECTS **DIGITUALLY? **

**Micro-Moments in the Journey of Online Shopping**

**IN 2011, GOOGLE** published an article about how to win the customer in the digital age. Google identified the most important “moment” as the “zero moment.”

When someone is searching for information, you as a company or brand must be there at that exact moment with pertinent information if you want to win the customer to your product.

Fast forward to 2016. A lot has changed in five years.

Mobile engagement has surpassed desktop/laptop engagement. If you have a service center, what do you typically see? Many people have their faces buried in their phones.

Because of the increase in mobile shopping and research, the customer acquisition process takes longer. Consumers shop when they have a few minutes of spare time. They rarely sit down for hours at night doing their research anymore.

Additionally, NADA statistics say people are visiting fewer and fewer dealers for purchasing. It is now more crucial than ever to win that customer to your store!

Google’s “zero moment of truth” from 2011 has morphed into what they now call “micro-moments.” There are five distinct micro-moments Google has identified as points along the path to purchase, and if you want to win the prospect, you must be there, you must be quick, and you must be relevant in each of those moments.

**The 5 Micro-Moments in the Journey of a Vehicle Shopper**

1) **What kind of vehicle should I buy?**

   Fact: 60 percent of car shoppers enter the market with no idea what they want to buy.

   Their process begins by talking with their friends and family, reading blogs, and watching video online. This helps them figure out what they want.

2) **Is this vehicle really right for me?**

   Soon after, shoppers need to take a step back and re-evaluate their initial decision. Some people will quickly decide a sporty sedan with excellent handling and performance is perfect, until they realize they need something to carry the whole family.

   So what can your store do to be there, be quick, and be relevant in these first two micro-moments? While it is easy to be there and be quick through the use of media like display targeting and video pre-roll as a means of branding your store, being relevant can be tricky. It is the next three moments where you have the most possibilities and the most power.

3) **Is this vehicle really within my budget?**

   You have a fantastic opportunity to shine in how you target prospects and the information you offer to them. Search ads pertaining to finance offers, or how easy your financing options are, should be part of your strategy.

   Are you offering prospects the exact information they are looking for? Would you even know if you are?

   Can they easily find information on your website? Rule of thumb: If your 90 year old grandmother can’t easily find information, you need to have a conversation with your website vendor (or a website optimization specialist).

4) **Where should I purchase the vehicle?**

   Now they need a place to buy. Are you presenting what makes your store unique over your competition? Do you have a presence on social media?

   What about catering to those who search on mobile? If a consumer is searching for information regarding your store on mobile, they may be in your showroom or visit. In fact, Google found 33 percent of shoppers who used their mobile devices during the purchasing journey located or called a dealer from their mobile device (does your sales staff know how to handle phone prospects regardless of where they are in their buying process?).

   Are you targeting the best search terms? Local focused searches including the phrase “near me” are up 80 percent in search year over year. And yes, your online reputation will come into play.

   Side note: If your store scores less than a 4.0 rating on Google, you’re either unaware of how important reputation is or have some serious process and procedure issues that need to be resolved immediately.

5) **Am I getting a good deal on this vehicle?**

   Once again, prospects will turn to their mobile devices to ensure they are getting a deal, and this is where the phenomenon of “showrooming” comes into play. You’ve seen it before – a salesperson is going back and forth with a prospect, they come to an agreement, the salesperson excuses himself or herself to speak with management. As soon as the salesperson leaves, that prospect reaches into their pocket, grabs their phone and begins to search.

   What shows up if they search for the same vehicle or similar offers? Does your store show up in their search results? Does your competition? Would a prospect at a competing dealer see your store show up in search while showrooming? Do you even know?

   Simply put, if you don’t understand the prospect and how they shop in the new digital age, you can be sure that those who do will see the uptick in business. Consumers are well aware of who has the lowest prices or who will beat anyone’s prices or whatever catch phrases and tactics have gone unchanged for decades.

   If you really want to win prospects to your store, change up your strategy. Instead of focusing on price, focus on the value of being helpful throughout the process, especially in the digital sphere.

Todd Friedman is an automotive digital marketing consulting and optimization specialist at Altura Digital Solutions. He can be reached at todd@alturadigital.com.
OREGON INDEPENDENT AUTO DEALERS ASSOCIATION

Your only nationally recognized association since 1948. OIADA, here to help, support, educate and promote quality dealers in Oregon.

Here are the great benefits of OIADA membership:

- Oregon Dealer News is delivered to our dealers monthly, filled with quality up to date business articles.
- Included in each Dealer News Magazine is 30 minutes towards continued education, free to OIADA members, which now means returning eight answer sheets a year. This is a savings of $75 annually.
- OIADA Auction Punch Card: Our valued auction houses in Oregon, Washington and California are offering $50 savings on your buy and sell fees, a value of $1,100.
- OIADA offers members discounts on all meetings, educational programs and conventions, with an annual savings of over $200.
- OIADA members receive a discount on most forms, a savings of up to $100 or more annually.
- Quarterly regional dinner meetings, an outreach to bring programs, education and conversation to all areas within Oregon.
- Annual convention will host a variety of programs including eight or more hours of continued education. Quality Dealer of the Year Awards and Banquet. At a savings of $100 for OIADA members.
- Opportunities for OIADA members to be awarded Oregon’s Quality Dealer of the Year and to compete for the National Quality Dealer of the Year at our national convention.
- National education opportunities, becoming a Certified Master Dealer and more.
- National access to Dealers 20 Groups.
- OIADA has on contract a lobbyist to bring forth interests and to protect our dealers at the state level.
- OIADA hosts a required certified 8-hour Pre-License Class. Upon completion dealers will receive the DMV required 8-hour certificate.
- Title and registration classes, savings of $35 for OIADA members.
- Help and support with your issues is just a phone call away.
- Automatic membership with NIADA and the NIADA Used Car Dealer Magazine.
- Access to NIADA’s annual convention.
- Opportunities for scholarships, both state and national.
- NIADA offers OIADA members a wide variety of discounts to members, from education to everyday business expenses.

Contact OIADA at 503-362-6839 to start your enrollment for all these great opportunities as a member of OIADA.

<table>
<thead>
<tr>
<th>Annual Savings</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$1100 Auction Punch Card</td>
<td>$1000</td>
</tr>
<tr>
<td>$ 100   Forms</td>
<td>$ 75 Education</td>
</tr>
<tr>
<td>$ 100 OIADA Convention</td>
<td>$ 50 Driven to Learn &amp; Regional Meetings</td>
</tr>
<tr>
<td>$ 1425 Bottom Line Savings</td>
<td></td>
</tr>
</tbody>
</table>

$325 Cost of Membership ~ OIADA helping you succeed.

www.oiada.com

OIADA FORMS STORE

YOU CAN EASILY ATTAIN FORMS NEEDED FOR EVERYDAY BUSINESS

Don’t let yourself run out of the forms you need to do business every day. OIADA has four ways for you to get forms:

1. You can order forms any time of the day online at OIADA.com. All you need is an email address.

2. You can stop by one of three locations within the Oregon auction houses during auction day.

3. You can pick up forms at the OIADA office, located at 1475 Capitol Street NE in Salem.

4. You can call the OIADA Office Monday-Friday. We will ship your order that day. In most cases, it will be delivered to you overnight by UPS.

Don’t be caught without a Secure Odometer Form or Secure Power of Attorney. These forms are DMV forms and each has a registered number assigned to the dealer who purchased them, so don’t lend yours out and do not borrow from your neighboring dealer.

When you purchase these forms, it’s a good idea to pull them out of the packet and slip a reminder near the bottom to call OIADA and order more. You can even add the phone number (503-362-6839) on the note. Did you know that our members get a discount on most state forms? OIADA members save an average of $100 or more every year.

Don’t be caught without a Secure Odometer Form or Secure Power of Attorney. These forms are DMV forms and each has a registered number assigned to the dealer who purchased them, so don’t lend yours out and do not borrow from your neighboring dealer.

When you purchase these forms, it’s a good idea to pull them out of the packet and slip a reminder near the bottom to call OIADA and order more. You can even add the phone number (503-362-6839) on the note.

Did you know that our members get a discount on most state forms? OIADA members save an average of $100 or more every year.

www.oiada.com
MANHEIM SEATTLE NAMED BEST OF KENT

MANHEIM SEATTLE won the City of Kent “Best of Kent” award for the fifth consecutive year, qualifying the auto auction for the Kent Business Hall of Fame. The distinguished award is presented to local businesses that continue to display innovative growth, a sharp focus on community relations and customer feedback acknowledging they are conducting business with a world class company.

“Manheim Seattle Auto Auction is a direct reflection of our customers and our employees,” said general manager Ray Priest. “The value we share doesn’t just drive revenue but it also makes a difference in those around us through our community efforts.”

Manheim Seattle places its primary focus on the needs of employees, strategic customers and the surrounding community. The auction is particularly recognized for its community involvement, which include support of the following organizations:

• **Auburn Youth Resources.** This organization provides shelter for thousands of homeless and abandoned children in South King and North Pierce County. They also provide other valuable services to children in the area, including school backpacks and supplies, as well as substance abuse prevention, outpatient chemical abuse treatment and counseling. In 2015, Manheim Seattle donated over $15,000 from a silent charity auction in conjunction with area auto dealers and franchises to help support Auburn Youth Resources.

• **White Center Food Bank.** Each year, Manheim Seattle collaborates with dealers throughout the Seattle metro area, including Bellevue and Tacoma, to help fight hunger in the local community. So far this year, the auction has raised over $1,500 as well as hundreds of pounds of nonperishable food items.

• **Kent Fire and Rescue.** In May, Manheim Seattle participated in a teddy bear drive to support Kent Fire and Rescue, who uses the bears to comfort young victims. With over 100 unique donors, including employees, clients and auctioneers, the auction’s employees delivered 1,030 teddy bears to the fire department.

Manheim Seattle’s efforts often bring together communities by involving employees, families, dealers, automobile franchises and other local influencers to support these organizations.

OIADA CONTINUING EDUCATION PROGRAM / READ & RESPOND AND CERTIFY BELOW

>> Complete this test and certify below that you have read the articles for October 2016.

**“5 WAYS TO FIGURE OUT WHAT TO POST ON FACEBOOK”**

**True/False:** On Facebook, engagement is king and drives everything.

**True/False:** Employee engagement is not important.

**“THE GOOD, THE BAD, AND THE UGLY”**

What is a good reason for a substantiated valuation of your dealership?

a) **Retirement.**

b) **Expansion.**

c) **Transition.**

d) All of the above.

**True/False:** There are three methods of doing a valuation: market, income and asset.

Which of the following is one of the four ugly D’s listed?

a) **Duty.**

b) **Disability.**

c) **Detonation.**

**“DO YOU UNDERSTAND YOUR PROSPECTS DIGITALLY?”**

**True/False:** Because of the increase in mobile shopping and research, the customer acquisition process takes longer.

**True/False:** Your online reputation and Google rating are unimportant.

I certify to OIADA that I have personally read these articles in The Oregon Dealer News Magazine for October 2016.

STOP!! Before you sign and send this form, make sure you have answered and completed all the quiz questions to receive Continued Education Credits.

My Name __________________________

Dealership Name ______________________

Dealership # __________________________

Dealer License Expiration Date: (Month) __________

(Year) __________ Signed: __________________

Date ___________

FAX TO: 503-364-7331

MAIL TO OIADA, 1475 Capitol St NE, Salem, Oregon 97301

www.oia.com
WE DON’T DO BALLPARKS

The vAuto way is simple: Every used car decision is made with data-driven precision. This year, the 7,500+ Provision® dealers who rely on our industry-leading insights and exclusive Live Market View will continue to soar above the national averages in inventory turns and profitability. Thriving despite ever-thinner margins and more cars on the market.

Starting with your pricing, you’ll see how precision pulls shoppers into your inventory, moves it faster and makes more total gross. You’ll see how precision results in better decisions, less guesswork and fewer aged cars. And you’ll see why Provision has proven time and again to be the only way the best dealers want to work.

vAuto.com/noballparks | 888-362-5783
SERVICE.
DEDICATION.
ALWAYS.

We offer sales three days week to fit your hectic schedule.

**Portland**
Tuesdays at 1 p.m.  
Thursdays at 9 a.m.  
Jacket Sale October 27

**Eugene**
Wednesdays at 9:30 a.m.  
Jacket Sale October 26  
Specialty Sales  
October 12 and 26

**UVA - Booksheets**
Tuesdays at 12 p.m.

**ADESA Portland**
23585 NE Sandy Blvd.  
Portland, OR 97060  
503-492-9200

**ADESA Northwest**
90485 Auction Way  
Eugene, OR 97402  
541-689-3901