



## WESTERN PA'S NADA DIRECTORS' MESSAGE

**BUD SMAIL**

**SEPTEMBER 2011**

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### **The Economy Might be Going Crazy, but Americans Still Need Cars and Trucks**

If you've been paying attention to the news lately you have every reason to be more than a little confused. One day the headlines tell us our economic recovery has hit a rough patch, causing consumers to pull back on "big ticket" purchases like cars and trucks. And the next we're hearing the auto industry is driving our nation's economic revival, as manufacturers ramp up production and dealers start reinvesting in their facilities and hiring more employees.

President Obama is even looking to the auto industry for advice on how to spur hiring in other industries. He recently called Ford CEO Alan Mulally to discuss supply chain disruptions caused by the earthquake and tsunami in Japan and ways to stimulate exports and create jobs. And just when we thought the stock market's roller coaster ride was going to rattle consumer confidence even more, the Commerce Department reported that orders for autos and auto parts jumped 11.5 percent in July, the most in eight years.

In other words, the economy might be sputtering along, but Americans still need cars and trucks to get to work. And with the average age of cars and light trucks at 10.6 years, manufacturer incentives increasing this fall and more available inventory, new-car sales should only increase in the last four months of the year, says NADA Chief Economist Paul Taylor. "When consumers discover that the economy is still growing in the U.S. and Europe, although slowly, consumer confidence will improve," Dr. Taylor says.

Unlike several analysts who reduced their sales forecasts for 2011 as a result of economic conditions, NADA is sticking to its projection of 12.9 million light-vehicle sales nationally by year end, which would put us about 12 percent above the 11.5 million units we sold in 2010. Taylor expects new-vehicle inventory to return to reasonable levels in September, which will provide car shoppers with more choices. "Auto loan rates for new cars will remain attractive this fall as a result of meager economic growth," he said. And depending on what happens on Wall Street, luxury car sales will either increase or decrease in the coming months.

In times of economic uncertainty, it's best to take the longer view. That's what NADA does with its sales forecasts despite the "sky-is-falling" headlines.

### **In legislative and regulatory news ...**

#### **FTC Issues Auto Warranty 'Consumer Alert'**

The Federal Trade Commission recently issued an "Alert" reminding consumers of several issues in connection with automobile warranties. The Alert explains what a warranty is and provides guidelines to consumers about warranty repairs, including a reminder that a consumer is not required to "use the dealer" for warranty repairs. The Alert also provides links for consumers to obtain further information. To read the FTC Consumer Alert, visit

<http://www.nada.org/regulations>.

## Now Playing on NADA-TV ...

- **"AutoFocus with David Hyatt"** — Brad Miller, NADA assistant director of Legal and Regulatory Affairs, discusses the recent changes to Adverse Action Notice Requirements.
- **"Benefits of Indirect Lending"** — NADA and the American Financial Services Association (AFSA) meet in Washington to discuss educating regulators about the indirect financing model and other current issues.

To view these videos, visit the NADA-TV channel on [NADAFrontPage.com](http://NADAFrontPage.com) by clicking on the link in the upper right corner of the home page.

## In other NADA news...

### NADA Calls for Nominees for 'Hiring Our Heroes' Award

The U.S. Chamber of Commerce is seeking nominations for its first annual "Hiring Our Heroes" award from businesses across the country—including new-car dealerships—that are taking active leadership roles in employing U.S. military veterans and their spouses. To apply for the award a dealership must currently employ at least one person who is a veteran. There are five award categories: 1) Veteran and Military Spouse Employment (General Award); 2) Veteran and Military Spouse Employment (Small Business Award); 3) Wounded Warrior Transition Assistance; 4) Providing Employment or Internships for Post 9-11 Veterans; and 5) Women Veteran Employment. Award finalists and winners will be recognized at the Chamber's fourth annual "Hiring our Heroes" event and awards dinner in Washington on Nov. 10. **Nominations are due by noon Friday, Sept. 23.** For more information, visit [www.nada.org](http://www.nada.org) or email [vets@uschamber.com](mailto:vets@uschamber.com).

### Stay Connected with the NADA and ATD Convention on Facebook and Twitter

There are now more ways than ever to "connect" with the 2012 NADA/ATD Convention and Expo, Feb. 3-6 in Las Vegas. **"Like" the convention's Facebook page** and **follow us on Twitter** to receive instant updates on speakers, registration, exhibitors, hotels and more. Plus, stay tuned for NADA's new smart phone app coming this fall, putting the entire convention at your fingertips. And don't forget to check out **MyNADAPlanner**, the tool that allows you to select workshops, note times of franchise meetings, schedule meetings with exhibitors and create a road map for the convention before even leaving your dealership. Convention registration is now open online at [www.nadaconventionandexpo.org](http://www.nadaconventionandexpo.org).

### IT Committee Highlights Importance of Online Reputation Management

NADA's Information Technology Committee has shed some light on the importance of monitoring social media sites for comments about dealerships' services and how to monitor these sites without overwhelming dealership staff. The committee gathered information on several online reputation management vendors and summarized the important features each provides. To learn more, **visit NADA's Technology page** and look under "Online Reputation Management Vendors."

### NADA U Launches Drive to Help Members Sign In and Sign Up

Not all NADA and ATD members have activated their free NADA University accounts to access membership benefits like *Driven* management guides, online courses and MarketINSIGHT webinars. So NADA U is initiating a campaign to help members sign in, sign up all your employees and take a quick personal tour. The effort includes a calling campaign, direct mail and a new how-to video. NADA U also is offering a special incentive: members who call 800.557.6232 to participate in a telephone demo will receive a NADA online course of their choice free (a \$199 value).

### 20 Group Sees Uptick in Requests for In-Dealership Consulting

NADA 20 Group reports an increase in dealer requests for in-dealership consulting, with many dealers targeting specific areas of operations, such as sales training and service and parts sales. Dealers who've taken advantage of this 20 group service report marked improvement in their operations. "There's nothing as effective as having an expert come to your dealership, examine your operations and talk to your people," says Dave Allen, senior director of NADA 20 Group. For more information, call Allen at 703.821.7214 or Diane Carnovsky, 20 Group sales manager, at 703.749.4744.

## **Seats Available in Five Remaining Academy Classes of 2011**

There are only five more Academy classes starting in 2011. They are:

- Dealer Candidate Academy (starts Sept. 12 and Oct. 3)
- General Dealership Management (Sept. 19 and Oct. 17)
- ATD Truck Dealer Academy (Sept. 26)

Individual Academy classes (e.g., Financial, Parts, Service and Variable Parts 1 & 2) are also open to department managers, who may attend a week of classes even if they don't have a student in the Academy program. Visit [www.NADA.org/nadauniversity/academy](http://www.NADA.org/nadauniversity/academy) to download the schedule and applications for all programs, or call 800.557.6232, ext. 2 for more information.

## **NADA U Examines Fixed Ops in Fall Webinars**

NADA U is turning its attention to service and parts operations in several Webinars planned for September and October. Call 800.557.6232 to learn more and register for these new webinars:

-- **Sept. 7 at 1 p.m., EDT:** "Increase \$10,000 Per Month Per Advisor Immediately," presented by Jeff Cowan, NADA U partner and president, Jeff Cowan's Pro Talk, Inc.

-- **Sept. 21 at 1 p.m., EDT:** "Implementing the Four Essentials to 100% Absorption," presented by Don Reed, NADA U partner and CEO, DealerPro Training Solutions

-- **Oct. 19 at 1 p.m., EDT:** "Performing a Monthly Parts Inventory Reconciliation," presented by Chris Bavis, NADA-ATD Academy instructor.

## **NADA 20 Groups for Fixed Ops Managers Meeting this Fall; Controllers/CFO Groups Now Forming**

NADA 20 Groups for Fixed Ops Managers focus on service, parts, and body shops issues. Dedicated fixed operations professionals from similar volume, non-competing dealerships use their combined experience, the best-in-class financial composite and knowledgeable consultants to tackle the issues that are most important to fixed operations. Here are the upcoming meetings. Call Diane Carnovsky, 20 Group sales manager, at 703.749.4744 to reserve a spot.

Chrysler: Nov. 13-15 (Chicago)

Ford: Jan. 11-13 (Scottsdale)

GM: Sept. 14-16 (Orlando), Nov. 16-18 (Indianapolis)

Mercedes: Nov. 16-18 (San Antonio)

Nissan: Nov. 9-11 (Las Vegas)

Toyota: Dec. 14-16 (Las Vegas)

All Import: Nov. 9-11 (New Orleans)

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Help NADA communicate with you faster and more efficiently. Go to [www.nada.org](http://www.nada.org) Member Update page (under member services) and give us your email address. Also, if you don't already receive NADA HEADLINES, a free daily email summary of the latest automotive news from major U.S. publications, sign up at [www.nada.org](http://www.nada.org) (go to Newsroom then industry news)

If you have any questions or concerns or ideas that you feel should be passed on to NADA – please give me a call. I can be reached at 724.838.7444 Fax 724.830.8025 or [cbsmail@smailauto.com](mailto:cbsmail@smailauto.com) with any suggestions that you may have.

NADA will continue to work in these challenging times for the best interest of all dealers, and will make every effort to keep you informed as events unfold.

Thank you for staying involved with your association.