

SouthWestern Flash

January 2012, Vol. 10, No. 1



In This Issue

- Commercial Drivers Seminars
 - Business Transfer Planning
 - Managing Used Equipment
 - Boost Parts and Service Sales
 - Education Corner
- ...and more

Upcoming Events

Commercial Driver Seminars

February 2012 - Locations in Texas
See page 2 for details.

Western Farm Show

Feb. 24-26, 2012
including the Western Farm Show
Championship Tractor Pull
American Royal Complex
Kansas City, Missouri

**Special Member - Customer
Event at Western Farm Show
Tractor Pull on Friday, Feb. 24.**



SouthWestern Association

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www.swassn.com

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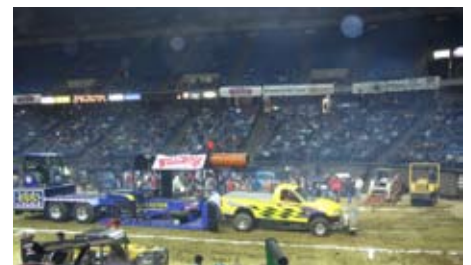
Plan to Attend - Friday, Feb. 24

Member/Customer Event at the Western Farm Show Championship Tractor Pull

Due to the overwhelming popularity of last year's event, we're inviting members to again bring their employees and customers to The Western Farm Show Championship Tractor Pull and VIP Event.

This is the perfect opportunity for members to bring their top customers to the Western Farm Show to take in all the exhibits, and then experience the Championship Tractor Pull as VIPs. For a special members-only ticket price, you'll receive:

- Admission to the Western Farm Show for you and your guests - American Royal Complex, 1701 American Royal Ct., Kansas City, MO 64102.
- Admission to the Championship Tractor Pull on Friday night - right next door at Kemper Arena.
- VIP reception featuring food and refreshments from 4:30 - 6:00 p.m. (also at Kemper Arena in Replays Restaurant).
- Access to the exclusive "pit party" open only to invited guests - get an up-close look at the trucks and tractors in the pit.
- Exclusive reserved seating area available only to our VIP ticket holders.




Member/Customer Event

**Date:
Friday, Feb. 24**

**Time:
4:30 - 6:00 p.m.**

**Registration
Deadline:
Friday, Feb. 10**

For reservation information go to the SouthWestern Association website at: <http://www.swassn.com> and click on Western Farm Show Member Event - Friday, February 24, 2012.

Dealers with questions about the event should contact Ken Dean, SouthWestern Association at 816-561-5323. 

Space Is Limited - Register Today!

Commercial Driver Seminars

The Department of Transportation requires safety training for every person who operates a commercial motor vehicle in interstate or intrastate commerce, and for all employers of such persons. As an employer of commercial drivers, you are required to enforce stringent requirements related to safe operation of vehicles and employee safety and health. Do you know and understand the requirements? Very few employers do, and if there is an accident, you can be held accountable in a civil suit, as well as being subject to fines of \$2,000 minimum per violation and up to \$450,000 for multiple violations.

SouthWestern Association is offering this required safety training for drivers and their employers to assist members in complying with these regulations.

Mike Harp, Corporate Safety Compliance, Inc., will present the programs.

Who Should Attend?

All owners, general managers, human-resource personnel who handle trucking-related issues, drivers, dispatchers, loaders and employees that assist with loading of equipment.

Schedule


- 8:30 a.m. Registration
- 9:00 a.m. USDOT Basics Training and Quiz
Driver Qualifications
Documentation of basic training
- 10:00 a.m. CSA – Compliance, Safety, Accountability Methodology
Definition and explanation of basics/categories
Company policy and responsibilities
- 11:45 a.m. Break and lunch
- 12:45 p.m. Hours of Service Training
Understanding federal and state hours of service rules
Overview of how to complete driver’s daily log book
- 1:45 p.m. Inspection Training
How to properly inspect truck and truck/trailer
Hands-on training – Air-brake test
- 3:00 p.m. Q&A
- 4:00 p.m. Adjourn

All participants will receive a certificate of training from CSC, Inc. The certificate will serve to show the participant attended the training and will list the topics covered by the training.

New Seminars Added

Due to the popularity of the Commercial Driver Seminars in Missouri, Kansas and Oklahoma, more locations for the same program have been scheduled for February 2012 in Texas:

- Feb. 1, 2012 - Ft. Worth, Texas
- Feb. 2, 2012 - Tyler, Texas
- Feb. 7, 2012 - Austin, Texas
- Feb. 8, 2012 - Katy (Houston), Texas
- Feb. 9, 2012 - Corpus Christi, Texas

Information about the seminars can be found on the SouthWestern Association website at www.swassn.com or by contacting Tag Webb at the Association offices - 816-561-5323. 



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Transfer Planning: Unlocking the Return on Your Investment

By Lance Formwalt, Seigfreid Bingham Levy Selzer & Gee

Do you ever stop and ask, "How are my investments doing?" We all do that at some point, but when you ask this question, are you thinking about your dealership?

If you are like many dealers, your dealership is your largest investment. But knowing how your dealership investment is doing is tough because it isn't as easy as looking it up in a stock table. Likewise, transferring a dealership cannot be done as easily as using E-trade to transfer stock with a push of a button. Planning is required.

Every dealer should be thinking about how to unlock and transfer the value of this investment by asking, "What is my exit strategy for this dealership investment?" When doing this, keep in mind the following:

- **Start With the End in Mind.** A transfer of your dealership is inevitable at some stage in your life. Therefore, planning for this transfer should be part of the goal-setting process for your dealership. Try to visualize where you want to end up so that along the way you will make decisions that take you there.
- **Be Flexible.** You have multiple transfer options. You should follow a path that allows you to change or adjust approaches. A transfer plan is like any long-range plan.

It will likely require modifications to accommodate changes that occur in your business and life.



- **Know Your Options.** Transfer plans or exit strategies take many forms and can be implemented over different timeframes. Examples include:
 - * Transfer to the next generation by sale, gift or inheritance.
 - * Transfer to key management employees by sale or compensation arrangement.
 - * Sale of the dealership to a third party.
 - * Merger with another dealer.

Consideration should also be given to specific aspects of your business that may provide additional flexibility and tax benefits when used in connection with a transfer plan. Examples may include rental of the business real estate or employment, consulting or non-compete agreements.

- **Exit Doesn't Mean Jumping Out of the Airplane.** Transfer plans shouldn't be rushed and may be best when implemented over several years.

Continued on next page

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Transfer Planning - Cont.

- * We have worked with a number of dealers who have built their foundation on the transfer of a partial ownership interest to key employees and/or the next generation. Implementation of a transfer over time gives the owner and manufacturer (more on this in my next article) an opportunity to evaluate the new owners while providing them with experience, motivation, and additional financial resources.
- * As part of a transitional phase in an exit strategy, we have also worked with dealers on merger transactions in which all owners become part of a larger organization. As part of this transaction, you and the other owners need to agree on an appropriate exit strategy for each party. Sometimes this strategy includes a mandatory buyout of a dealer upon reaching a certain age.
- **Growing Before Selling.** To maximize your investment, you may want to grow first. Growth before a sale can include several different steps, some of which may also include dealership transfers. Examples include:

- * Opening a new location or expanding into a different line of equipment;
- * Buying or merging with another dealership; or
- * Selling partial ownership to investors (e.g. private equity) to fund future acquisitions and ultimately your buy-out.

Running a dealership is hard work. Unlocking the return on your dealership investment is also hard work. But both can be extremely rewarding with the right amount of planning and effort.

Next article in Dealer Transfer Series: *"Manufacturers: The Very Visible Hand in Every Transfer."*

Lance Formwalt is a member of the Equipment Dealer Practice Group at Seigfreid Bingham Levy Selzer & Gee, P.C. The firm also serves as legal counsel to the SouthWestern Association. Lance may be contacted at lancef@sblsg.com or 816-265-4106. Also see www.sblsg.com.

This article is intended to provide general recommendations. It is not intended to include all steps or processes necessary to adequately protect you, your business or your customers. You should always consult your personal attorney for advice unique to you and your business.

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This program is recommended by
the Southwestern Equipment Dealers
Association and endorsed by NAEDA

Register Today - Important Meetings - Tuesday, Feb. 7 and Tuesday, March 20

Managing Used Equipment - An Industry Perspective

Dealers are more engaged with their used equipment inventories and trades than ever before:

- Do you turn down the sale of a new piece of equipment because you don't have a home for the used?
- How do you make sure your dealership staff is focused on moving used equipment?
- Are your compensation plans structured properly?
- What are your legal obligations regarding the sale of used equipment and what can you do to protect your dealership when accepting trades?

These are just some of the examples of what is involved with used equipment/trade-ins, coupled with our industry having an ever-increasing amount of used equipment on dealers' lots – it doesn't take a genius to know that when there's more of something and it's as complicated as this issue – then answers are needed.

Used Equipment Meeting

We've assembled a group of industry experts who will talk about everything from the current state of the equipment industry to salesmen compensation plans, the legal implications of taking trades and selling used equipment and methods to move used equipment off your lot.

Managing Used Equipment – An Industry Perspective: Topics

February 7, 2012 – Manhattan, Kan.

March 20, 2012 – Amarillo, Texas



Topics

Introductions, Meeting Objectives.....	Jeff Flora, CEO, SouthWestern Association
Equipment Needs, Capital Expenditure Analysis.....	Luc Valentin
Farm Management Perspective	Vulgamore Family Farms
Legal Update - Used Equipment Focus.....	Dave Shay Seigfreid Bingham Levy Selzer & Gee Law Firm
Compensation Strategies - Used Equipment Focus.....	Dean Hirt, The Capistar Group, LLC
Maximizing Used Equipment Turns.....	Jerrold Westfahl, Purple Wave
A general group discussion will be included in this portion of the program	
Purple Wave, L.L.C.....	Aaron McKee, Purple Wave
Closing Remarks.....	Jeff Flora

A detailed agenda and registration materials are available on the SouthWestern Association website at www.swassn.com.

How to Boost Parts & Service Sales in Four Words

Without sales, something awful happens to a business – nothing. But that can change when employees remember four little words – ask for the order.

Asking for the order would seem simple enough but it's surprising how many parts and service employees fail to do so. *Creative Sales Solutions (CSS) will conduct a free webinar, "How to Boost Parts & Service Sales in Four Words," Tuesday, Feb. 14, 2012 at 10 a.m. (CST).*

This 30-minute webinar for SouthWestern members will provide an overview about the association's Mystery Shopping and Sales Training Program and how it can dramatically increase sales and help train your employees in the all-important area of customer service.

You will also hear actual mystery-shopping calls that may shock you.

"How a customer call is answered reveals a lot about how committed a dealer's employees are to customer service and solving problems," says Jim Facente, President of Creative Sales Solutions. "When we mystery shop dealerships, we

rarely encounter employees who are outright rude but we do come across quite a few who lack the skills or training to either make a sale or refer a customer to a dealership's service department."

Missed Sales Opportunities

Facente owned a dealership for more than 20 years and developed his mystery shopping and sales training program when he discovered his employees were missing too many opportunities when customers called for parts or service.

Missed opportunities are what motivated Jennifer Carroll, CEO, Arnett New Holland, to try mystery shopping and subsequently enroll employees from her dealership in the SouthWestern program. She said the dealership, which operates two locations in Oklahoma, needed a resource to help management continue its development of parts and service staff from order takers "to a progressive parts and service sales team" determined to "increase sales and create a more positive customer experience." *Continued on next page*

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Boost Parts & Service Sales - cont.

"We expected the program to provide our team with progressive sales techniques, engage us in the process of selling, and provide feedback and development tools to further the team's development to increase sales volume and margins," said Carroll. "Our team not only embraced the training but had fun with it. Within weeks, the program had employees working harder and learning more because of the anonymity of the training method. We are pleased with the development of our team and sales have increased as a result of participating in the program."

Facente will conduct the seminar and share some of the secrets used by the top parts and service employees mystery shopped by CSS. Plus, all eligible participants will qualify to have up to three employees mystery shopped at NO CHARGE.

For more information and registration materials please call SouthWestern Association at 1-800-762-5616. 

Business Forms

Look to the Association for all your business forms needs. SouthWestern Association has competitive prices for all stock and custom forms, including business envelopes.

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Online Campus Brings Value to Missouri Dealership

Dealership personnel from Hartzler Equipment, Missouri Case-IH dealership, recently spoke to Cory Hayes, South-Western Association Education Director about the value the SWA Online Campus brings to their dealership.

Here's what Branch Manager Eric Yoder had to say about their involvement with the Online Campus.

Q. How does this training compare to mainline manufacturer training?

A. Much of the manufacturer training is packaged in an MS PowerPoint format, where the interaction comes through answering questions via mouse clicking. Also, there's no way to watch web-based training as a group, and have all members of the group get credit. SWA's presenters (Cooper and Sharp) however, are engaging and well-versed on the subject matter that they are presenting. SWA instructors also document their research with trusted scholarly sources so that the learner can dig deeper if he/she desires.

Q. What is your success in getting employees to take their courses?

A. We've experienced good participation as we watch selling related courses after our sales meetings and leadership related courses after our management meetings. Our Safety Committee also watch the safety-related modules.

Q. What is one success story that you can tie back to an employee's training from the Online Campus?

A. The Online Campus delivers quality, work-place compliance training that's relevant for all our employees, as well as focused training for our individual departments (parts, sales and service). Once, before I was scheduled to deliver a presentation, I watched Ken Cooper's module on "Preparing For a Presentation", and had much more confidence, and was able to deliver the subject matter effectively.

Q. What real-world training techniques are your employees getting from the courses that they can use?

A. The saying "knowledge is power" is true, and I think our employees are empowered as they apply what they've learned from the Online Campus modules whether it be answering the phones, effective listening, or dealing with difficult customers.

Q. How would you describe the quality and ease of use of the Campus for the money invested?

A. SWA Online Campus is very user friendly and most of the web-based training is targeted directly to our industry.

Dealership: Hartzler Equipment Co.

Locations: Harrisonville, Nevada, and Lamar, Missouri

Brands: Case-IH, New Holland, Kubota

Number of Employees: 51 full-time



Q. Are there any other general comments you would make about being involved with the Campus?

A. SWA is a valuable resource to us as an equipment dealership, and it just makes sense to support an organization that has our "industry's best" in mind. Our annual membership fee is money well spent.

Congratulations to Hartzler Equipment on their success and desire to grow their employees and business!

For more information about the Online Campus, contact the SouthWestern Association offices at 800-762-5616. [SW](#)

Technician Training Program

SouthWestern Association has partnered with the OSU Institute of Technology in Okmulgee to establish a training program for equipment dealership technicians. Students enrolled in the program are sponsored by equipment dealers in the SouthWestern Association territory. For more information on the program contact:



- Tag Webb, SouthWestern Association Regional Manager 918-232-2830
- Jeff Flora, CEO, SouthWestern Association, 800-762-5616.



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SouthWestern Association Annual Election and Bylaw Changes

This is official notification that the SouthWestern Association needs to make certain bylaw changes, which will take effect on March 1, 2012.

There are two changes: 1) The SouthWestern Board of Directors has approved elimination of the NRHA Director position. This position was actually eliminated by NRHA about a year ago, so this change brings the Bylaws into alignment with the NRHA actions. 2) The other change involves the voting districts. Currently, the Association is divided into six voting districts.


The CEO, in consultation with the Board, has approved a change in voting districts as permitted by Article III, Section 1 of the bylaws. The bylaws enable the Board to change voting districts every five years to balance the districts as dictated by membership demographics. With the continued movement of the industry toward mergers and consolidations, there are fewer main stores with more branches. (Please note that the voting district change will be effective even if the change is not reflected in the bylaws.)

The proposed changes would re-align territories, reducing the number of districts from six to five. These are the changes:

- The two districts currently in Kansas will be combined to form the new District I.
- The current District III, which includes the entire state of Missouri (with the exception of the four southernmost counties, which are still part of SouthEastern Association), will become the new District II.
- The counties in the Texas Panhandle will be combined with Oklahoma to form the new District III.
- The remainder of District V will be renamed District IV.
- The current District VI will be renamed District V.

The current district map appears on our web site under the "About Us" tab. A map reflecting the new territories can be found at: http://www.swassn.com/documents/SWA_Equipment_Territory_Map_011712.pdf.

A complete copy of the Bylaws with proposed changes highlighted is posted on our website at: http://www.swassn.com/documents/Amended_and_Restated_Bylaws_1-17-12.pdf. Please refer to the web site for complete documentation of all changes.

In addition, three Board positions need to be filled this year. If you are an Equipment member, you also are being asked to vote for director(s). Please return the ballot sent to you as soon as possible. 

USDA Proposes Streamlining Operations

In a keynote speech given to the American Farm Bureau Federation on Jan. 9th, USDA Secretary Tom Vilsack outlined a series of efforts, called the "Blueprint for Stronger Service," that the Department is taking to streamline its operations and cut costs.

USDA will close 259 offices, facilities and laboratories across the country. To highlight a few, 131 Farm Service Agency (FSA) offices in 32 states will close, as will 15 Animal and Plant Health Inspection Service (APHIS) offices in 11 states, 43 Rural Development (RD) sub and area offices in 17 states and 24 Natural Resources Conservation Service (NRCS) soil survey offices in 21 states.

Nearly 40 USDA offices and facilities will close in the SouthWestern Association trade territory. These include Farm Service Agency offices (FSA), Animal Plant Health Inspection Service offices (APHIS) and Food and Nutrition Service offices (FNS).

"The time has come to get our country's fiscal house in order," Vilsack said, noting that this involves "tough calls, tough choices." USDA's budget has been cut by over \$3 billion, roughly 12 percent, since 2010. In addition, the Obama Administration has called on all Cabinet Secretaries to engage in such measures by initiating the Campaign to Cut Waste.


Click on the link below to read Secretary of Agriculture Tom Vilsack's Jan. 9 speech to the American Farm Bureau Federation and to see the list of proposed closings in the SouthWestern Association territory:

<http://www.swassn.com/USDA.html> 

SouthWestern Endorses New Training Program

Program Offers Free Mystery Shopping to Members

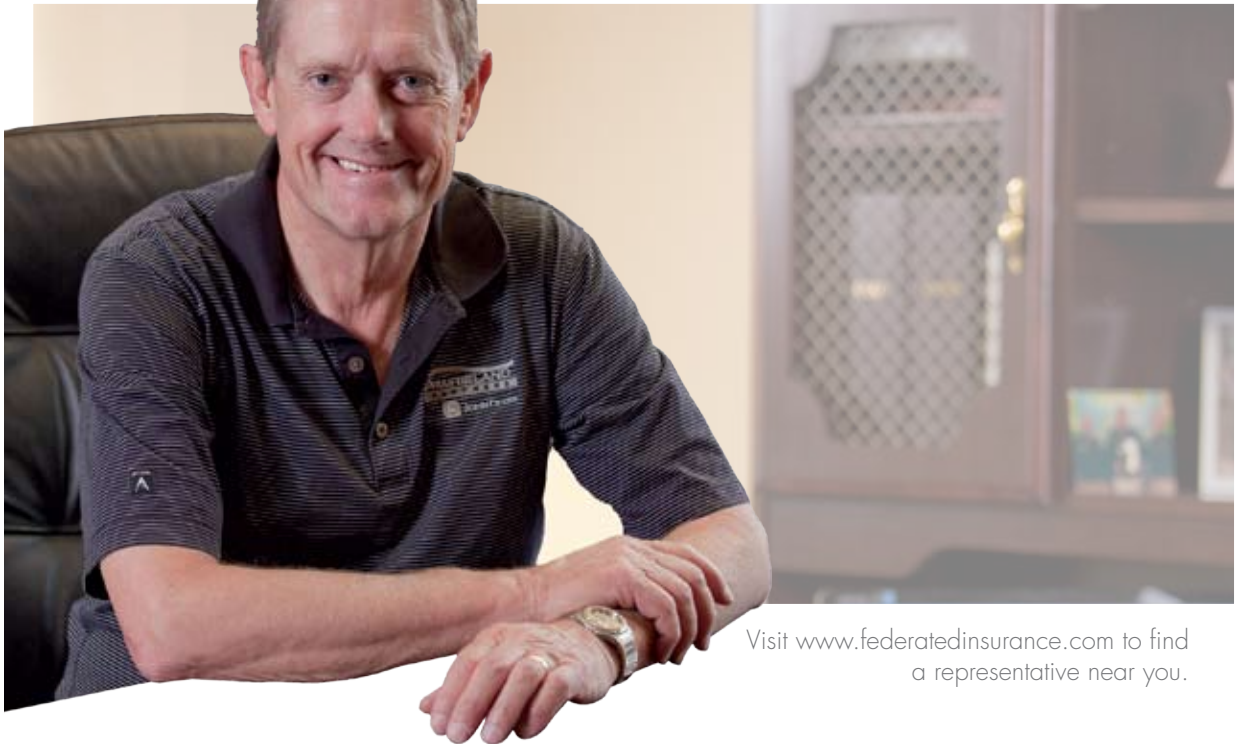
The SouthWestern Association board of directors has approved a partnership with Creative Sales Solutions (CSS) to provide sales training to dealers. The new SouthWestern Mystery Shopping and Training Program will be administered by CSS. The Florida-based company will work with participating SouthWestern Association members to provide sales training for parts and service personnel. The program involves mystery-shopping calls to dealerships. These calls evaluate how parts and service employees interact with customers.

To learn more about the free mystery shopping offer and to get more information about the SouthWestern Mystery Shopping and Training Program call the Association at 800-762-5616 or <http://www.swassn.com/education/Mystery-Shopping.html>. 

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