

# SouthWestern Flash

August 20, 2004, Vol 2, No. 13



## *In This Issue*

Federal Legislative News  
Fall Area Meetings  
IRON Solutions Announces  
    Appointments  
Dealers of Tomorrow Workshop  
Health Insurance - Most Costly  
Employee Benefit

## *Upcoming Seminars of Interest*

**Dealers of Tomorrow** - Oct. 7-8 -  
Crowne Plaza Hotel, Austin, Texas

**SouthWestern Regional Meetings** -  
listed on page four.

*Mark your calendar and plan to attend  
these events!*

### ***SouthWestern Association***

P.O. Box 419264  
Kansas City, MO 64141-6264  
Ph: 816-561-5323, 800-762-5616  
Fx: 816-561-1249  
[www.swassn.com](http://www.swassn.com)

*Is your dealership receiving e-mail  
from SouthWestern Association?*

If not, send us your e-mail address.  
We will forward important Association  
correspondence to your attention via  
e-mail. Please register your e-mail  
address at:  
[www.swassn.com/register-email.htm](http://www.swassn.com/register-email.htm)

## **2004 SouthWestern Association Golf Tournament**

The SouthWestern Association will host a golf tournament Thursday, September 23 at Falcon Lakes Golf Course in Basehor, Kansas. The four-person scramble tournament will be a benefit for the National Agricultural Center and Hall of Fame. The Ag Center is a privately funded nonprofit 501(c) 3 organization dedicated to educating society on the historical and present value of American agriculture and honoring leadership in agribusiness and academia by providing education, experience and recognition.



The tournament is priced at \$125 per person. **Price includes a special industry seminar featuring Charlie Gause, industry expert and contributor to the Professional Retailer. Also included in the per person fee are green fees, cart, practice range, lunch and beverages. Jeff Flora, SouthWestern's CEO, will provide an industry update.**

### **Schedule:**

Registration - 9:00 a.m.  
Special Seminar - 9:30 a.m.  
Lunch - 11:30 a.m.  
Shotgun Start - 1:00 p.m.  
Awards Reception - 6:00 p.m.

Entries will be accepted on a first come, first served basis, up to 80 players. Registration by September 15 is requested. Entry forms are available from SouthWestern Association. Contact Olivia at SouthWestern - 800-762-5616.

### **Hot Summer Buy Special!**

#### **Bic Clic Stic Pens**

*Now Only \$.36 each (300 minimum order)*

*No Set-Up or Screen Charges*

*Special Good Until Sept. 30, 2004*

Special Bic Pen offer from SouthWestern Association.  
Choose from many colors for your barrel, your retractable plunger and the tip of the pen, along with your choice of color for your imprint.

**Contact Shirley at SouthWestern Association for more  
information - 1-800-762-5616.**

# Federal Legislative News

**Continued Gridlock** – Congress left for summer vacation with much legislation still in limbo. Before leaving Washington, lawmakers passed one fiscal year 2005 appropriations bill – for the Department of Defense – and sent it to the president. The other 12 appropriations bills were expected to be rolled into one omnibus bill for consideration in September.

Other bills are stalled. Legislation to repeal an export tax deduction for multi-national companies contained several provisions that would affect small businesses, including extensions of higher equipment expensing limits, a five-year carryback for net operating losses, the work opportunity and welfare-to-work tax credits and the current depreciation bonus. It has made no progress, leaving employers wondering what to do about complying with new rules on overtime pay issued by the Department of Labor (DOL).

**Overtime Rules** – The Senate version of this legislation contained a provision to prevent many of the new DOL rules on white collar exemptions from overtime pay from going into effect. It also provided that if the rules went into effect before legislation was passed to overturn them, the legislation, should it pass, would be retroactive. The overtime provision was expected to be stripped out of the final version.

Because this matter has not been resolved, the overtime rules will go into effect on Aug. 23. In addition to new rules on white collar exemptions, the changes raised the salary threshold for mandatory overtime pay to \$455 a week or \$23,660 a year. That change is not being challenged in the legislation. Net result: Employers are faced with uncertainty when it comes to which employees could be exempted from overtime. Information about the overtime rules is at [www.dol.gov/fairpay](http://www.dol.gov/fairpay).

**Minimum Wage Increase** – The Senate has yet to vote on a class action lawsuit reform bill. The main purpose of this legislation is to push class actions into federal courts. It was to be the legislative vehicle for an increase in the minimum wage.

The plan was to allow Sen. Edward M. Kennedy (D-MA) to propose an amendment to the bill to raise the minimum wage to \$7 an hour. Sen. Mitch McConnell (R-KY) had a counter proposal to raise the minimum to \$6.25 an hour and allow employees to take time-and-a-half compensatory time off instead of overtime pay. At the last minute, Senate Majority Leader Bill Frist (R-TN) decided not to allow any unrelated amendments; a vote to end a filibuster failed and the bill was pulled from floor consideration.

Kennedy vowed to find another bill for his minimum wage amendment.

**Commercial Fax Bill** – There has been action on new Federal Communications Commission (FCC) rules on unsolicited commercial faxes. The Telephone Consumer

Protection Act of 1991 bans the sending of unsolicited faxes. There is an exemption, however, for faxes sent to individuals or companies with whom the sender has an established business relationship. About a year ago, the FCC issued new rules which would require businesses to get written and signed permission before they could send commercial faxes. The new rule is set to take effect Jan. 1, 2005.

Just before recessing, the House passed the Junk Fax Prevention Act and a Senate committee approved an identical bill. Expectations were the legislation would be enacted in time to keep the FCC rule from going into effect. This bill does not repeal the ban on junk faxes. It does, however, turn the established business relationship exemption into law. In exchange for relieving businesses of the need to get written consent to send faxes, though, the bill requires companies to give fax recipients an easy means of notifying the business they do not want to receive future faxes.

**The End of Float?** – The new Check 21 law takes effect Oct. 28. It allows banks and other financial institutions to move checks electronically rather than transport paper checks between banks.

This could have major implications for businesses that rely on float in managing their account balances. In theory, moving checks electronically could cut the time it takes for a check to clear from several days to a few hours. Another result could be fewer cancelled checks coming back in monthly bank statements.

According to the *Wall Street Journal*, banks are developing new services for small businesses as a result of this new law. One such service is remote deposit, a means by which a retailer could scan checks in the store for immediate deposit. These new services would not come free. If nothing else, there would be the cost of acquiring the equipment to take advantage of them from an office or home.

We would suggest that you contact your banker to see what implications this new law may have for your business.

*Source: National Retail Hardware Association, August 2004*

## Need Business Forms?

Look to your SouthWestern Association for all your business forms needs. SouthWestern sells a wide variety of business forms for nearly every computer system. Both custom imprinted and stock business forms are available through SouthWestern at very competitive prices. Contact Pam for custom imprinted and Shirley for stock forms at the Association offices - 1-800-762-5616.

## SouthWestern Association Announces Fall Area Meetings

The SouthWestern Association has set the following area meetings for Fall 2004:

### Kansas/Oklahoma/Missouri

Monday, Oct. 11	Colby, KS	4:30 - 8:00 p.m.
Tuesday, Oct. 12	Great Bend, KS	8:00 - 11:30 a.m.
	Wichita, KS	5:30 - 9:00 p.m.
Wed., Oct. 13	Oklahoma City, OK	11:30 - 3:00 p.m.
Thursday, Oct. 14	Springfield, MO	8:00 - 11:30 a.m.
	Columbia, MO	4:30 - 8:00 p.m.
Friday, Oct. 15	Kansas City, MO	8:00 - 11:30 a.m.

### Texas

Monday, Nov. 8	Harlingen, TX	11:30 - 3:00 p.m.
Tuesday, Nov. 9	San Antonio, TX	8:00 - 11:30 p.m.
	Houston, TX	5:30 - 9:00 p.m.
Wed., Nov. 10	Dallas, TX	11:30 - 3:00 p.m.
Thursday, Nov. 11	Lubbock, TX	8:00 - 11:30 a.m.
	Amarillo, TX	5:30 - 9:00 p.m.

Highlighting the agenda for the area meetings will be information on two new programs for SouthWestern Association members: Toolchex Tool Reimbursement Program and the OSU-Okmulgee Technician Education Program. A presentation of Jerkins Creative Consulting services and training opportunities will also be included on the agenda.

All morning meetings will include a continental breakfast. Meetings beginning at 11:30 a.m. will include a light lunch. Meetings beginning at 4:30 and 5:30 p.m. will include hors d'oeuvres. There is no cost to members to attend the area meetings.

Complete information on the fall area meetings will be sent to dealers in the coming weeks. Dealers with questions are asked to contact Donna Haughenberry at the Association office - 1-800-762-5616.

## Member News

**Vestal Equipment**, Bolivar, Mo., held a field demonstration and customer appreciation day this summer at a field west of Rogersville, Mo. At the site on U.S. 60, 25 acres of grass hay was mowed, raked and baled in large bales with new equipment. Visitors of all ages were allowed to drive or ride in or on the equipment. Popular with all ages was a Bush Hog zero-turn mower and other small tractors, some with loaders attached.

According to owner R.D. Vestal, "We have many customers that we don't get to say thanks to very often, and I feel this is one of the easiest ways to do that."

## IRON Solutions Announces Increased Customer Focus

IRON Solutions LLC has announced the appointments of Kevin Ryan as Senior Vice President of Finance and Administration and Scott Derksen as Senior Vice President of Technology and Development. Merlyn Friesen, President and CEO, explained, "Both Scott and Kevin have played key roles in the growth of IRON Solutions and are key executive managers..."

Kevin's promotion recognizes his diligence in operational controls and his focus on financial planning and forecasting. Scott Derksen's appointment will allow his experience as Vice President of Sales and Marketing to create exciting benefits for SouthWestern Association members.

IRON Solution's key objective is to bring more of a marketing, customer-focused effort to product development. These appointments strengthen IRON Solutions' commitment "to provide dealers and the equipment industry with the tools they need to serve their customers more profitably."

IRON Solutions LLC is a partnership of the North American Equipment Dealers Association (NAEDA) and the affiliate associations and Central Communications. For more information on IRON Solutions products, call SouthWestern Association at 800-762-5616 or visit their website at [www.ironolutions.com](http://www.ironolutions.com).

## Health Insurance Emerges As Most Costly Employee Benefit

Within the past year, the cost of employee health insurance has edged out paid leave as the most expensive benefit for employers, according to a report from the Employment Policy Foundation (EPF). The foundation's analysis of government data found that health insurance benefits accounted for 23.0 percent of nonwage employee compensation in the first quarter of 2004. Paid leave, including paid vacations and sick leave, was the second most expensive benefit, accounting for 22.6 percent of non-wage employee compensation.

Health insurance costs have been rapidly increasing, far outpacing inflation, according to the report. Employer spending was up 12.4 percent between 2002 and 2003, more than five times the 2.3 percent increase in the Consumer Price Index (CPI). EPF adjusted government calculated costs per employee hour to account for falling employee participation rates. The group's analysis found that employers paid an average of \$3.80 per hour for each employee who had health benefits in 2003. Although health coverage costs have continued to rise, the nation's small and mid-sized employers managed to cut benefits in their health plans in 2003, holding the cost increase to 9.8 percent among employers with fewer than 2,000 workers. The smallest employers generally are keeping costs down by discouraging coverage of dependents and imposing high deductibles. Among employers with fewer than 50 employees, cost averaged \$5,795 per employee.

## Regional Meeting Dates Announced

In 2005, the SouthWestern Association will offer five regional meetings for members in place of one large annual meeting. The dates and locations for these meetings are:

*January 24 - San Antonio, Texas*

*January 25 - Dallas, Texas*

*January 26 - Oklahoma City, Oklahoma*

*January 27 - Amarillo, Texas*

*February 25 - Kansas City, Mo. (in conjunction with the Western Farm Show)*

## Small Business Owners More Concerned Over Economy Than Terrorism

More than a third of small business owners say the overall health of the United States economy is their biggest concern, while just seven percent say their biggest worry is terrorism, according to a poll conducted for DollarDays International, an Internet-based product wholesaler to small businesses.

Other issues that worry small business owners include taxes, 17 percent; health insurance, 14 percent; jobs being exported overseas, 12 percent; government regulation, 9 percent; and job creation, 4 percent.

*Source: Home Center Institute, Aug. 18, 2004*

## Hardware Industry News

### Do it Best Corp. Leads a Habitat for Humanity Build in Fort Wayne

Earlier this year, Do it Best Corp. announced to its 4,200 member-retailers that it had designated Habitat for Humanity International as its cause of choice. The first step in demonstrating that commitment began recently as the company started its first corporate-driven home build near its headquarters in Fort Wayne, Indiana.

Company officials anticipate using the Fort Wayne build as an example for eventually mapping out plans for Do it Best builds around the world. Even though the Fort Wayne build is the first to be completely underwritten by Do it Best Corp., the co-op has hundreds of member-retailers already supporting Habitat builds in their communities.

*October 7-8 – Austin, Texas*


## Dealing With the Future - What Every Dealer of Tomorrow Needs to Know

The dealers - and managers - of tomorrow must understand the financial and operational needs of their business to be successful. That understanding begins today.

This workshop is for owners, mid-level managers and department managers, as well as those new to the equipment industry, and will teach participants how a dealership's operating and financial parameters can affect the dealership on a day-to-day basis.

Presenter Bill Bohmer will provide a financial review that will cover the most common operating indicators that nearly all dealerships should review on a monthly basis to develop sound financial returns. We will discuss departmental expense categories to illustrate the interdependency between all departments and how these affect the dealership as a whole.

For more information just call Olivia at SouthWestern Association - 816-561-5323 or 800-762-5616.



**Strength THROUGH TEAMWORK.**

**Today's Times Demand Collaboration.**

When you work with NAEDA Financial, Ltd. (NFL), you get financial strength and stability, which are tough to find in today's changing economy. Plus, as your primary source for financing, leasing and insurance, NFL works with you to provide flexible programs that meet the needs of your customers.

- No Recourse, No Reserves** - NFL funds 100% of amount financed with no contingent liabilities
- Increased Profit Margins** - Using origination fees
- Low, Competitive Interest Rates** - Fixed and variable rates available
- User-Friendly Programs** - Same rates for new and used equipment
- Sales Bonuses** - Paid directly to sales personnel
- Simple Documentation** - NFL prepares all necessary documentation
- Quick Dealer Settlements** - You get your money faster with NFL (via ACH or overnight)
- Physical Damage Insurance** - One-stop financing and insurance
- NAEDA Endorsed** - NFL programs are endorsed by NAEDA and your regional association

Put NFL's strength to work for you and your customers; call or visit our Web site today!

**NAEDA Financial, Ltd.**  
Agricultural Retail Division  
1401 E 7th St, Suite 200  
Cenaha, NE 68114-5206  
1-800-932-4NFL (4635)  
Industrial Retail Division  
621 Mayville Centre Drive, Suite 100  
St. Louis, MO 63141  
1-800-765-6772  
[www.NAEDAFinancial.com](http://www.NAEDAFinancial.com)