

SouthWestern Flash

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Upcoming Events of Interest

Annual Western Farm Show

Feb. 26-28, 2005 - American Royal Complex, Kansas City, Mo.



SouthWestern Association

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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

Bill Sharp Presentation Highlights 2005 Regional Conferences

SouthWestern Association is hosting a series of regional conferences for equipment dealers in January and February 2005. These one-day conferences are fast-paced and packed with content and real-world ideas that dealers can take home and put to use.

This will be a great opportunity to see old friends and make new ones. Be sure to invite your key people to come along - the information presented will benefit everyone in the dealership. The regional conferences are presented by Federated Insurance.

Conference Dates and Locations

Jan. 24, 2005	San Antonio Marriott Northwest - San Antonio, Texas
Jan. 25, 2005	Wyndham Arlington DFW Airport South - Arlington, Texas
Jan. 26, 2005	Waterford Marriott - Oklahoma City - Oklahoma City, Okla.
Jan. 27, 2005	The Ambassador - Amarillo - Amarillo, Texas
Feb. 25, 2005	Marriott Country Club Plaza - Kansas City, Mo.

Highlighting each conference will be a presentation by Bill Sharp, "On the Bottom Line." Bill Sharp is one of the most respected training consultants in the power equipment industry and the only trainer ever to be simultaneously endorsed by four major segments of the industry: (1) Outdoor power (where he was the featured speaker seven times at the International Lawn & Garden Expo); (2) Farm Equipment where he has written articles for trade magazines for almost 20 years, has spoken at the NAEDA annual convention eight times, and designed programs for every major manufacturer; (3) Equipment Distributors; (4) EMI (where he consulted on parts merchandising).

Owners know there are four numbers to watch on their P&L statements. Regardless of how your accountant lays out the report, *sales, gross margin, expenses, and inventory turns* tell the story very quickly. Only top dealers know that the four numbers must work together to produce a handsome bottom line net profit. Other dealers and Bill Sharp will share simple things that can be done to make Improvements in All Four Areas At The Same Time.

This is not an accounting mumbo jumbo program. If you understand the terms Sales, Gross Margin, Inventory Turns and Expenses, you won't have any trouble staying up with the instructor.

Also on the schedule will be information on the new equipment technician program at Oklahoma State University - Okmulgee and a presentation by Federated Insurance, "The Faces of Your Business." In addition, information from Tax Favored Benefits and recognition of new and retiring Board of Directors will be part of the program.

Plan to attend a Regional Conference in your area in 2005!

Nominations Open For Young Retailer of the Year

Nominations are now open for the National Retail Hardware Association's (NRHA) Ninth Annual Young Retailer of the Year Program. Established in 1996, this annual program recognizes the achievements of the next generation of independent hardware retailers. For more information, visit the NRHA web site at www.nrha.org.

Mueller Foundation Research

New Mueller Foundation research confirms the skill and strength of independent hardware retailers. Winning Retail Strategies: How Hardware Retailers Successfully Co-Exist With Big Boxes is a year-long study in which nearly 350 retailers in large metro areas and small rural locations told the Mueller Foundation researchers how they compete. The study shows how hardware retailers adapt merchandise mixes, select services to offer, develop customer relationships, train employees and respond to big-box competitors. More details are available on the NRHA Web site at <http://nrha.org/mueller.html>.

Economic Outlook ...

- The slide in the U.S. dollar against the euro, which has brought the dollar down nine percent since September and a full 61 percent since its peak in October 2000, seems to have slowed, but economists say it's not over yet. The weaker dollar is thought to have been driven by concerns over U.S. trade and budget deficits, but it could take a toll on European exports, jobs and growth.

- The White House revised its U.S. employment growth projections for 2005 to 2.1 million more jobs, putting its expectations more in line with private forecasts. The government expects economic growth of 3.5 percent next year.

Source: Home Center Institute, December 21, 2004

SouthWestern Association Endorses:



Take Charge of Your Bottom Line

The NAEDA/NOVA Bankcard Program* is the most widely used processing program in the equipment industry. With this program you can depend on:

Complete Processing Solutions

Credit and debit cards**, corporate cards, third-party (private label) cards as well as check verification services

Reliable Processing

Ranked # 1 by MasterCard for reliability and speed

Service and Support

Available to NAEDA-affiliated dealers around the clock

For additional information please call toll-free 800-546-1831 or email us at associations@novainfo.com. Mention promotional code #82057 to receive your exclusive association discount rate.

Helping Dealers Succeed

* The program is not available in Canada.

** Rates for American Express and Discover negotiated separately.

Processing Options

Terminal, PC, and Internet solutions

Additional Benefits

- Eliminate house accounts
- Improve your cash flow
- Reduce your risk
- Faster settlements



NOVA NETWORK
The most reliable payment processing network in the industry.



The Bankcard Program is cosponsored by the SouthWestern Association and the North American Equipment Dealers Association.

Federal Legislative Update

President Sets Top Priorities – Tax simplification and reform is near the top of President Bush’s agenda for his second administration. But we don’t know yet exactly what form it will take. We do know he wants all the tax breaks enacted in 2001 and 2003 made permanent. Beyond that, he continues to say he is open minded about specific actions, but his preference for taxing consumption rather than income is clear.

The president said he would appoint a bipartisan commission to review options for reforming the tax code and then push its recommendations through Congress. As has become his habit, Bush set out a few principles to guide reform efforts. Any changes, he said, would have to be revenue neutral – make no change in the amount of money coming into federal coffers, just the sources of those dollars. He wants new tax laws to reward risk, impose no unnecessary penalties, encourage saving and investing and “achieve certain fiscal objectives.”

More Talk About a National Sales Tax – Many analysts believe this points to a flat tax, a national sales tax or a combination of both. House Republicans, especially those on the conservative side of the GOP, are pushing for a national sales tax.

In the last Congress, Rep. John Linder and Sen. Saxby Chambliss, both Georgia Republicans, introduced legislation to replace the entire tax code with a national sales tax, abolish the Internal Revenue Service and let retailers collect the sales taxes and send them to state revenue departments to be forwarded to the U.S. Treasury.

Initially, the legislation called for a 23 percent national sales tax – added to existing state sales taxes. Now, advocates admit it could be more like 30 percent. Several studies suggest 50 percent to 60 percent might be more like it.

House Majority Leader Tom DeLay (R-TX) is a strong advocate of this plan and continues to promise to push it through the House next year. Democrats in both the House and Senate are adamantly opposed.

Consumer-Directed Health Insurance – The President would like to expand the use of health savings accounts enacted during the last Congress as a way to push more decision-making responsibility to consumers.

He has endorsed association health plans, a means by which trade associations could offer health insurance to members nationwide without having to meet insurance requirements in each state. Association health plans would be

regulated by the federal Department of Labor. The House has passed legislation – several times – to create association health plans but the bills have never moved out of the Senate Health, Education, Labor & Pension (HELP) Committee. The Republican chairman, Judd Gregg of New Hampshire, disliked the idea and was talking about drafting a substitute bill. The ranking Democrat on that committee, Edward Kennedy of Massachusetts, has opposed association health plans from the beginning.

It looks now as if Gregg will become chairman of the Senate Budget Committee and Michael Enzi (R-WY) will become HELP Committee chairman. He is reputedly friendly and strongly supports legislation to permit sales taxes to be collected by online and catalog merchants. However, it remains to be seen how strongly he will push for association health plans.

In Other News – In the last few hours before adjourning the Senate passed a bill to allow businesses to continue sending commercial faxes to existing customers and vendors. The

Continued on next page

TOOLCHEX

NAEDA knows about a tool that can impact your bottom line.

It can also have an impact on your employees who own and use their own tools on the job by allowing them to take home more pay each month. The tool is Toolchex, the only tool reimbursement program that NAEDA endorses. If you want to learn more about this program, contact Toolchex today.

Member of the American Society of Non-Profit Organizations

800.498.2256 or visit www.toolchex.com

House passed the legislation some weeks ago. However, the Senate added several unrelated provisions which were not in the House bill. Because the House had already adjourned, the action accomplished nothing. The business fax issue will have to be revisited next year.

The Department of Labor's (DOL) new overtime rule survived challenges in the last Congress. All efforts to overturn parts of the rule and to keep DOL from enforcing it failed. However, opponents vowed to keep trying.

The Federal Trade Commission (FTC) issued a Disposal Rule to implement provisions of the FACT Act of 2003. The law requires that consumer information derived from consumer reports must be properly disposed of. The rule requires businesses to take reasonable measures to protect against unauthorized access to or use of consumer information when they dispose of that information. The rule goes into effect June 1, 2005. Full information is available at www.ftc.gov.

Companies who are required to keep OSHA Form 300 on workplace injuries and illnesses are required to post summary information during the month of February. The Occupational Safety & Health Administration has clarified that employers should post only the summary Form 300-A to protect worker privacy.

Source: National Retail Hardware Association

FTC Publishes Final Regulations on Commercial E-Mail

Today, the Federal Trade Commission (FTC) published its final regulations on determining the "primary purpose" of a commercial e-mail. The CAN-SPAM Act, the first federal law placing restrictions on unsolicited commercial e-mail, or spam, in effect since January 1, 2004, required the FTC to issue regulations "defining the relevant criteria to facilitate the determination of the primary purpose of an electronic mail message."

The FTC's final regulations are almost identical to the proposed regulations published earlier this year on Aug. 13 in the Federal Register.

In the Federal Register from August 13, the FTC proposed three criteria for determining if an e-mail message's primary purpose is commercial. These criteria are included in the final regulations published recently:

1) If the e-mail's content solely advertises or promotes a product or service, it would be deemed commercial.

2) Should the e-mail contain both commercial content and also content that falls under the FTC's "transactional or relationship message" category, which is not deemed commercial by nature, then the e-mail would be considered commercial in nature if either a) the recipient deems from its subject line that the message advertises or promotes a product or service or b) the "transactional or relationship" content is not located at or near the beginning of an e-mail.

3) If the e-mail contains both commercial and noncommercial content, the e-mail would then be deemed commercial if a) from the subject line the recipient concludes that the e-mail advertises or promotes a product or service or b) if the recipient concludes from the text that the main purpose is to advertise or promote a product or service.

One new addition included in the final regulations is that any message containing only "transactional or relationship" content will be deemed to have a "transactional or relationship" primary purpose.

Continued on next page

**Textron Financial's
New Holland**

**Rock'n Rollover
Program**

**Earn up to 6.5 percent New Holland
volume discount for qualifying units**

- ✓ Pay no curtailments on new equipment for nine months from transaction date
- ✓ Eligible equipment is less than 18 months old
- ✓ Advance 100 percent of invoice
- ✓ Special dealer rate available
- ✓ No fees on requests greater than \$150,000
- ✓ Payoffs sent directly to New Holland
- ✓ Program expires December 31, 2004

TEXTRON FINANCIAL

Agriculture Finance

7711 Bonhomme, Suite 600, St. Louis, MO 63105
Phone: 888/222-3836

One important issue surrounds the fact that once someone has opted out of receiving future e-mails, by law, that person's e-mail address cannot be shared with anyone or printed anywhere, including membership directories. Even if a member still wants their e-mail address printed in a directory, it would be unlawful to do so.

For more information, including the Federal Register notice, feel free to visit <http://www.ftc.gov/opa/2004/12/canspamfrn.htm>.

Russian Company Signs Agreement With John Deere

John Deere Company has signed an agreement with the Russian Company, Llim Pulp Enterprise. The agreement calls for Llim to purchase \$100 million of forestry and construction equipment from John Deere between 2005 and 2008. John Deere will be Llim's main equipment supplier until 2008. Llim is the largest forestry customer in Russia. Equipment to fulfill the agreement will be built at John Deere facilities in Iowa, Canada and Finland.

2004 Tax Bill

Jack Selzer, legal counsel for SouthWestern Association has written a summary of the "Working Family Tax Relief Act of 2004" (WFTRA) and "The American Jobs Creation Act of 2004" (AJCA), both of which were signed into law in recent weeks. According to Jack, these new tax laws contain provisions that will have an effect on equipment dealers and their customers - mostly in the business expense deduction language in Section 179 of the tax code. The summary can be found at <http://www.southwesternassn.com/news/2004%20tax%20bills%20-%20SW.pdf>. The information is also available through SouthWestern Association web site - www.southwesternassn.com and click on 2004 Tax Bill (NAEDA).

Member News

D&D Farm Equipment, Winfield, Kan., has recently been sold to **Conrady Western, Inc.** Conrady Western also owns dealerships in Anthony and Wichita, Kan. D&D was owned by brothers Bill, Jerry and Bob Drennan. D&D, a John Deere ag equipment dealership, was established in Winfield in the mid 1950s. Bill Drennan went to work for D&D full time in 1958, while Jerry went to work there full-time in 1962. Bob continued to work part-time over the years. According to officials with Conrady Western, they don't plan many significant facility changes to the business at first. However, within a year or two they hope to build a new service facility. The new owners don't plan to make any significant changes in employees either.

Scheidt Hardware Co., Maplewood, Mo., is celebrating its 100th year in business in 2005. The company is tentatively planning an anniversary celebration during the summer of 2005. *Congratulations to Scheidt Hardware Co!*



Auction inventory may include (various brands):

- Tractors
- Combines
- Harvesters
- Hay tools
- Planters/air seeders
- Soil-working tools
- Sprayers
- Mowers/conditioners

Live, interactive TV / Internet dealer-to-dealer **auction** February 22, 2005, 10:00 a.m.* (CST)

NAEDA / Auctio will conduct a live satellite and Web dealer-to-dealer private auction for buyers and sellers of surplus equipment assets.

Auctio is a dealer-focused remarketing enterprise that conducts live, private auctions, which combine interactive TV and/or the internet and a touch-tone telephone.

Dealers who wish to participate in an auction must register. **It's free.** Go to www.auctio.com, scroll down to the "Buyer and Consigner" area and click on "Agriculture Equipment."

* 9:30 a.m. (CST) sign on and practice

Helping Dealers Succeed



Auctio is an endorsed provider of the North American Equipment Dealers Association.



“Toolchex”

New program increases technician pay and reduces dealer employment taxes

If you're interested in lightening your employment tax load and adding the weight of extra pay to your technician's paychecks, Toolchex may be for you – and you can learn more about it at no charge.

The NAEDA Knowledge Net is presenting a series of four FREE seminars about Toolchex, an accountable plan that provides reimbursements to technicians who are required to purchase tools as a condition of their employment. The plan is offered by more than 168 North American dealerships (500 locations) and used by more than 2,450 technicians.

What can Toolchex do for you?

- Help you retain your valuable technicians by allowing them to take home an average of \$150* more each month.
- Help you save an average of \$750* in employment taxes per technician per year.
- Help you reduce payroll costs and premiums based on total payroll (workers' compensation, shop owner's liability insurance, general liability insurance, etc.)

* Toolchex estimates

Presenter: Dave Nolan, vice president of sales, Toolchex

FREE*Toolchex*seminar presentation dates:	
January 6, 2005	9:00 a.m. to 10:00 a.m. (CST)
January 27, 2005	10:00 a.m. to 11:00 a.m. (CST)
February 10, 2005	11:00 a.m. to noon (CST)
February 24, 2005	9:00 a.m. to 10:00 a.m. (CST)

How it works:

E-seminars presented by NAEDA and its affiliates use the Internet for visual presentation and a phone for audio. Plus, they offer an excellent way to learn without the costly expense of travel and time away from your dealership. All you need is a computer with an Internet connection and a telephone.

- Prior to each e-seminar, you will receive a link to the speaker's presentation on the Internet as well as the toll-free phone number to connect to the audio.

FREE!

There is no charge for this special e-seminar, but you must register.

To register:

Return completed registration form and fax it to NAEDA at 636/349-5443, or mail it to NAEDA at 1195 Smizer Mill Rd., Fenton, MO 63026, or

[Register Online](#)

at www.naeda.com
(click on "Education Services" then "Knowledge Net")

For more details:

Call Kim White, NAEDA director of distance learning, at 636/349-6202 or e-mail to whitek@naeda.com

NAEDA KNOWLEDGE NET E-SEMINAR REGISTRATION FORM

NAME: _____

DEALERSHIP: _____

ADDRESS: _____

CITY, STATE/PROVINCE, ZIP/POSTAL CODE: _____

PHONE: () _____

E-MAIL: _____