

South Western Flash

September 2007, Vol.5, No. 9



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Upcoming Events of Interest

Dealers of Tomorrow Workshop
Oct. 17-18 - Austin, Tx.

2008 Western Farm Show -
Now Open on Friday!
Feb. 22-24, 2008
Kansas City, Mo.



South Western Association

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Fx: 816-561-1249
www.swassn.com

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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

Register Today

Sign Up Now for Dealers of Tomorrow Workshop - Austin

This workshop is for owners, mid-level managers, department managers, and key dealership personnel, and will teach participants how to manage staff to peak performance as a team and how to put together a strategic marketing plan to sell all aspects of your dealership – whole goods, parts and service.

Dealers of Tomorrow Workshop
Austin, Tx. - Oct. 17-18
Hilton Garden Inn
Austin Downtown

Day 1

The workshop will begin with registration at 12:30 p.m. The business session, “**Performance Coaching**,” presented by Rich Kizer, will begin at 1 p.m. and conclude at 5:30 p.m.

Program Content

The objective of this presentation is to develop and reinforce strong leadership skills, with the primary focus being on coaching and mentoring. This program offers strategies, tactics, tips and techniques from real life businesses – no textbook theories here.



Day 2

The second day of the workshop will begin with a continental breakfast at 7:30 a.m. The business session “**Draining the Swamp - How to Develop a Strategic Marketing Plan**,” by Rob Grede will begin at 8 a.m. and adjourn at noon.

Program Content

While everyone else is wrestling with alligators, this program will show you how to drain the swamp. A hands-on approach to designing and implementing marketing and promotion strategies for a prosperous future.

- The five critical parts that every Strategic Plan must have
- Make the Four P's of marketing work for you
- Use creativity to solve analytical problems
- Set priorities among a diverse product mix (Cash Cows vs. Dogs)



Continued on page 2

Dealers of Tomorrow

Continued from page 1

- Define your image and establishing your product niche
- Set long-range and short-range objectives
- The Five “Kick-Ass” Strategies for building your business
- Inexpensive marketing tactics that work
- Set your promotion budget: How much is enough?

For more information contact *Olivia Holcombe at SouthWestern Association - 816.561.5323.*

Fair Labor Standards Act

For the first time in decades, the U.S. Department of Labor has significantly changed the rules regarding overtime pay for millions of workers throughout almost every industry in the United States, including the employees of equipment dealers. The new rules, however, only affect the minimum wage and overtime pay requirements for certain “white collar” employees at dealerships. They do not affect the overtime exemptions that may apply to certain salesmen, technicians or partsmen at farm implement dealerships.

This information is designed to bring you up-to-date with certain wage and hour requirements of the federal Fair Labor Standards Act (FLSA), including the 2004 changes to the overtime rules for the “white collar” employees and the new minimum wage rules, which became effective July 24, 2007. The FLSA applies to all dealerships with an annual sales volume of at least \$500,000, and may apply to the employees of even smaller dealerships that perform duties affecting interstate commerce.

Because the FLSA rules may be changed from time to time, and may be subject to different interpretations by the U.S. Department of Labor and the federal courts, it is important to seek current information on the applicable laws in your area. The local office of the U.S. Department of Labor, Wage & Hour Division, or your legal counsel can best answer detailed questions. Certain state laws and regulations may also apply and, in some instances, may be more demanding than federal law.

For a detailed explanation of the new Fair Labor Standards Act, visit the North American Equipment Dealers Association website at: www.naeda.com.

Employee Disaster Relief Fund

An employee disaster relief fund has been established for employees of Greensburg Farm Supply in Greensburg, Kan. The farm equipment dealership was destroyed by a tornado in May. Donations to the fund may be sent to:

Greensburg Farm Supply Employee Disaster Relief Fund
C/O Greensburg State Bank
240 S Main, Greensburg, KS 67054

Retailing Trends...

As traditional incandescent light bulbs have much more efficient and longer-living alternatives, American consumers' taste for them is likely to change over time. Many countries have started efforts to phase out most incandescent bulbs, and several states in the U.S. are doing so as well, in effect requiring more consumers to convert to efficient compact fluorescent lamps (CFLs). In the meantime, the National Lighting Bureau projects that CFL sales will increase about 20 percent in 2007, to 120 million, which is still far below the two billion general-service incandescent light bulbs Americans will buy.



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Helping Dealers Succeed

First Graduation for OSU-Okmulgee Technician Training Program



The first graduating class from the OSU-Okmulgee Technician Training program is shown above. Shown left to right are: front row: David Martin, Instructor; Steven Hahn, Crown Power; Darren Straub, Straub International; Robert Smith, Westquip; Justin Clanin, Westquip. Back row: Chad Jones, Ditch Witch, OK; Mike Sigg, Schmidt & Sons; Jim Ed Cook, Grissom Implement; Brad Krueger, Vermeer of Texas; Eric Daniels, Gallatin Truck & Tractor; and John Hoover, Instructor



Pictured above: John Martin, owner of Stewart Martin Inc., Okmulgee, OK, left, and Justin Clanin, winner of the John Martin Outstanding Student Award. Justin is from Westquip, Oklahoma City, Oklahoma. Congratulations to all graduates and to Justin for winning the first ever John Martin Outstanding Student Award!



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the North American Equipment
Dealers Association.

*Helping Dealers
Succeed*

Reporting Dealers for Fall Official Guides

Thanks to these dealers in SouthWestern's trade territory who reported for the IRON Solutions Fall Official Guide during the period April 27 through July 26. Reports earn members discounts on their subscriptions, and ensure that equipment values are fair and accurate.

If you're not currently using the Official Guide, you might not be making the best deal possible on every trade. As a reporting member, you earn a discount on your purchase of Guide subscriptions. Can you afford NOT to use the Official Guide – the recognized industry authority on equipment values? Talk to your SWA Regional Manager today to learn more.

Ag Power Inc - Hillsboro, KS
Agri Center D/B/A F & W Tractor - Hutchinson, KS
Alamo Ag- Con Equipment Inc - San Antonio, TX
Alamo Ag-Con Equipment, Inc. - Boerne, TX
Alvin Equipment Company Inc - Alvin, TX
American Implement - Scott City - Scott City, KS
American Implement Inc - Garden City, KS
Arnett New Holland Tractor - Arnett, OK
B E Implement Partners Ltd. - Brownfield, TX
Barbee-Neuhaus Implement Co - Raymondville, TX
Barbee-Neuhaus Implement Company - Weslaco, TX
Barton County Imp/dba Purinton's - Lockwood, MO
Barton County Implement Company - Lamar, MO
Beechem Equipment - Marlin, TX
Bob Lowe Inc - Chickasha, OK
Boettcher-Hlavinka - Taft, TX
Boettcher-Hlavinka Company - Rosenberg, TX
Bowie County Equipment - De Kalb, TX
Brady Implement Company - Brady, TX
Bretz Inc - Dighton, KS
Browns Implement Inc - Floydada, TX
Brown's Power & Equipment Inc - Tulia, TX
Bruna Brothers Inc - Washington, KS
Bruna Implement Co. - Marysville, KS
Bruna Implement Company - Clay Center, KS
C & H Equipment - Muleshoe, TX
Carrico Implement Co Inc - Lincoln, KS
Carrico Implement Co Inc - Beloit, KS
Carrico Implement Company Inc - Beloit, KS
Cochran Farm Supply - Edson, KS
Colby Implement LLC - Colby, KS
Cornerstone Sales Inc - Ulysses, KS
Cornerstone Sales Inc - Hugoton, KS
Cornerstone Sales Inc - Elkhart, KS
Crown Power & Equipment - Eldon, MO
Crown Power & Equipment - Columbia, MO
Crown Power & Equipment - Jefferson City, MO
Crown Power & Equipment - Salisbury, MO
Crown Power & Equipment - La Monte, MO
Cunningham Equip.Co.,Inc. - Paris, TX
Dairyland New Holland Tractor Co. - Sulphur Springs, TX
Dauer Implement Company - Salina, KS
Dean Machinery Company - Chillicothe, MO
Dean Machinery Company - Sedalia, MO
Dean Machinery Company Inc. - Kansas City, MO
Deems Farm Equipment of Butler - Butler, MO
Deems Farm Equipment of Marshall - Marshall, MO
Deems Farm Equipment of Nevada - Nevada, MO
Deerfield Ag - Garden City, KS
Derr Equipment - Savannah, MO

Dixequip Inc - Houston, TX
Dougherty Implement Company Inc - Colby, KS
Earley Tractor Inc. - Cameron, MO
Elsey Farm & Trailer - Minneola, KS
Enid New Holland - Enid, OK
Ericson Equipment Company - Artesia, NM
Farm Implement & Supply Co - Plainville, KS
Five Star Equipment Inc - Spearman, TX
Foley Equipment Co - Wichita, KS
Foley Equipment Company - Dodge City, KS
Fordyce Equipment, Inc. - Bethany, MO
Fritz Implement Inc - Monett, MO
Gallatin Truck & Tractor Inc - Gallatin, MO
Garden City Farm Equipment Inc - Garden City, KS
Glasgow Equipment Company Inc - Glasgow, MO
Golden Rule, Inc - Syracuse, KS
Golden Valley Ford Tractor Co. - Clinton, MO
Goodland Greenline Inc - Goodland, KS
Green Hills Ag, Inc. - Brookfield, MO
Harlingen Implement Co - Brownsville, TX
Harlingen Implement Co - Harlingen, TX
Harpster Equipment Co - Moberly, MO
Hartzler Equipment Company - Nevada, MO
Hartzler Equipment Company - Harrisonville, MO
Henderson Implement Company Inc - Columbia, MO
Heuer Sons Implement - Cape Girardeau, MO
Hi-Plains Farm Equipment Inc - Dodge City, KS
Hlavinka Equipment Co - East Bernard, TX
Hlavinka Equipment Co - El Campo, TX
Hlavinka Equipment Company - Tivoli, TX
Hlavinka Equipment Company - Nome, TX
Houston County Equipment Co - Crockett, TX
Hurst Farm Supply Co Inc. - Lubbock, TX
Hurst Farm Supply Inc - Lorenzo, TX
I-10 Truck & Equipment - Houston, TX
J & W Equipment Inc - Iola, KS
J F Roling & Son Inc - Salisbury, MO
Jack's Farm Equipment - Vernon, TX
Jackson County Equipment Company - Edna, TX
Jewell Implement Company Inc - Jewell, KS
Johnson Implement Company - Coleman, TX
Joplin Farm & Lawn - Joplin, MO
Kanequip Inc - Herington, KS
Kanequip Inc - Topeka, KS
Kanequip Inc - Clay Center, KS
KanEquip Inc. - Garden City, KS
Kanequip, Inc. - Dodge City, KS
Kanequip, Inc. - Marysville, KS
KanEquip, Inc. - Wamego, KS

Continued on next page

Kiowa New Holland - Kiowa, KS
 Kleiber Tractor & Equipment Inc - La Grange, TX
 Kronsbein Implement Company Inc - Higginsville, MO
 Kuhlman Impl. & Hdwr., Inc. - Linn, KS
 Landmark Equipment, Inc - Waxahachie, TX
 Landmark Equipment, Inc - Fort Worth, TX
 Landmark Equipment, Inc. - McKinney, TX
 Landmark Equipment, Inc. - Irving, TX
 LandMark Implement, Inc. - Smith Center, KS
 LandMark Implement, Inc. - Phillipsburg, KS
 Lang Diesel Inc. - Smith Center, KS
 Lang Diesel Inc. - Hays, KS
 Lansdowne Moody Co Inc - Cypress, TX
 Lansdowne Moody Co Inc - Webster, TX
 Lansdowne Moody Co./Accts. Payable - Houston, TX
 Lansdowne Moody Company LP - Houston, TX
 Lauf Equipment Company Inc - Jefferson City, MO
 Lincoln Farm Supply Inc - Lincoln, KS
 Livingston Machinery Co - Fairview, OK
 Livingston Machinery Company - Chickasha, OK
 Lott Implement Inc - Minneapolis, KS
 Malsom Implement Company Inc - Collyer, KS
 Marshfield Machinery Company Inc - Marshfield, MO
 Martin Farm Power - Chanute, KS
 Martin Farm Power - Main - Topeka, KS
 Martin Tractor Co. - Chanute, KS
 Martin Tractor Company - Concordia, KS
 Martin Tractor Company, Inc. - Colby, KS
 McConnell Machinery - Ottawa, KS
 McConnell Machinery Company - Lawrence, KS
 McLaughlin Equipment Inc - Cheney, KS
 Modern Farm Equipment Company - Fulton, MO
 New Mexico Machinery - Roswell, NM
 Oakley Implement - Oakley, KS
 Oglesby Equipment Co., Inc. - Hereford, TX
 Olathe Ford Tractor & Equipment Co - Olathe, KS
 Oregon Trail Equipment, Inc - Marysville, KS
 Ozark Power Center Inc - Springfield, MO
 P & K Equipment Inc - Kingfisher, OK
 P & K Equipment Inc. - Enid, OK
 P & K Riverside - Norman, OK
 P & K Riverside Tractor - Purcell, OK
 Panhandle Implement Company - Perryton, TX
 Pioneer Equipment Co - Mission, TX
 Pioneer Farm Equipment Company - Brownsville, TX
 Pioneer Farm Equipment Company - Raymondville, TX
 Porter Henderson Impl. Co. - San Angelo, TX
 Porter Henderson Implement - Big Spring, TX
 Porter Henderson Implement Co I - Ballinger, TX
 Potter Tractor Co. - Columbus, TX
 Quality Implement Co - Frederick, OK
 Quality Implement Co - Abilene, TX
 Quality Implement Co - Stamford, TX
 Quality Implement Co. - Seymour, TX
 Quality Implement Co. - Rotan, TX
 Quality Implement Co. - Burkburnett, TX
 Quality Implement Company - Munday, TX
 Randolph Farm Equipment - Carrollton, MO
 Ray Lee Equipment Co Ltd - Dimmitt, TX

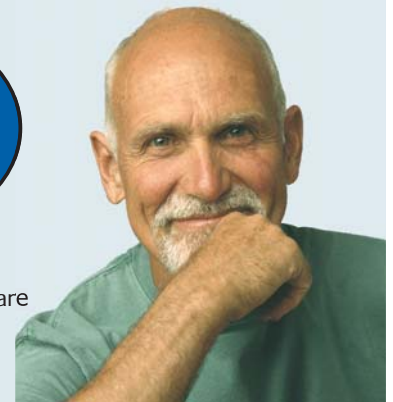
Ray Lee Equipment Co Ltd - Floydada, TX
 Ray Lee Equipment Co. Ltd - Olton, TX
 Ray Lee Equipment Co. Ltd - Plainview, TX
 Ray Lee Equipment Company Ltd - Clovis, NM
 Riggins R-Co. LLC - Marshall, MO
 Robl Farm Supply Inc - Ellsworth, KS
 S & H Farm Supply Inc - Rogersville, MO
 S & H Farm Supply Inc - Lockwood, MO
 Saginaw Implement Company Inc - Rhome, TX
 Scott Power & Equip - Dalhart, TX
 Scott Power & Equipment Inc - Elkhart, KS
 Scott Tractor & Equipment - Amarillo, TX
 Scott Tractor Co - Plainview, TX
 Scott Tractor Co - Lamesa, TX
 Scott Tractor Company - Lubbock, TX
 Scott's Tractor & Equipment - Smithville, MO
 Seiver Implement Company Inc - Donna, TX
 Service Ag Equipment - Lehigh, OK
 Skyview Equipment, Inc. - Hiawatha, KS
 St. Joseph Tractor Inc - St Joseph, MO
 Standridge Equipment Company Inc - Chickasha, OK
 Standridge of Duncan - Duncan, OK
 Stanton County Implement, Inc. - Johnson, KS
 Storrer Implement Inc - Iola, KS
 Straub International - Larned, KS
 Straub International - Marion, KS
 Straub International - South Hutchinson, KS

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 Thomas Implement, Inc. - Altamont, KS
 Tulsa New Holland Inc - Tulsa, OK
 Tuttle Motor Co - Poteet, TX
 Unruh Foster, Inc. - Montezuma, KS
 Unruh-Foster, Inc - Dodge City, KS
 Unruh-Foster, Inc. - Sublette, KS
 Vahrenberg Implement Inc - Higginsville, MO
 Washington County Tractor Inc - Brenham, TX
 Washington Tractor Company - Washington, MO
 Watson Tractor & Implement - Farmington, NM
 Watts Tractor Company - Anson, TX
 WB Equipment - Dimmitt, TX
 WB Equipment - Dimmitt, TX
 WTRACTOR - Navasota, TX
 Wells Implement Inc - Maysville, MO
 Wichita Tractor Co. - Wichita, KS
 Williamson County Equip Co - Taylor, TX
 Winchell's, Inc. - Phillipsburg, KS
 Witzel & Rhea Implement Co., Inc. - Sharon Springs, KS
 Witzel & Rhea Implement Company - Goodland, KS
 Wood Equipment Company - Clovis, NM

Revised Bill Provides Benefits

The Working Family Tax Relief Act of 2004 (WFTRA) and The American Jobs Creation Act of 2004 (AJCA) were signed into law during 2004. Some provisions of these new laws were further amended by The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) and the Small Business and Work Opportunity Tax Act of 2007 (SBWOTA). This latest Act changes aspects of taxation of Subchapter S Corporations and rules regarding depreciation and deduction of business property.

How The New Tax Bills Benefit Equipment Dealers

The Section 179 business expense deduction rules are extremely important to equipment dealers because these new laws will encourage more equipment purchases by customers in the next few years. Dealers should take an active role in promoting these changes and use them as a valuable marketing tool. The Section 179 business expense deduction and bonus depreciation rules also can be used by a dealership in the purchase of its own (a) machinery, tools or other property used in the dealer's business or (b) inventory held for leasing purposes.

Section 179 of the tax code permits businesses to expense the costs of certain property that would otherwise be depreciated over several years. The new law increases the annual limit of these deductions and extends the new rules through 2010.



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Is Convenience Worth The Risk?

By Mike Jenkins, Federated Insurance

Your employees may expect a low-cost health plan with low office-visit co-pays and little or no out-of-pocket expense for in-office procedures. This type of service is often part of an HMO plan. However, many HMOs and other health insurance providers set specific dollar limits for claims on some less common, but very costly, products and services such as:

- Transplants
- Durable medical equipment (e.g., c-pap machines for sleep apnea, wheelchairs, hospital beds, oxygen, etc.)
- Prosthetics
- Ambulance services
- Hospice care

These items and services can add thousands of dollars to a claim and may not be fully covered by your current plan. For example, the limit for a wheel chair may be \$2,000, but the cost can range between \$1,000 and \$40,000. Transplants are typically limited for each surgery, or a plan may limit the number of transplants allowed in a lifetime. These costs would be disastrous for the average family.

So, should you offer your employees coverage for routine, low-cost expenses – or for the catastrophic events that could be financially devastating?

Federated's *Health Choice*® plan may be the answer.* It pays up to the limits of the policy

without restrictions or caps placed on these specific services (deductibles and coinsurance apply).

Please contact me to help you review your current health plan and make sure you and your employees are covered properly for possibly catastrophic claims.

** Federated's group health insurance plans are not available in all states.*

This article provided by Federated Insurance Co., SouthWestern Association's recommended insurer.

What is the most important aspect of your health insurance program – convenient payment for routine health care expenses – or, protection from a potential financial disaster?



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Luis Navarro Technician

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- Toolchex can save dealerships an average of \$750 in employment taxes per technician per year.
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Product Safety Concern Could Result in Stricter Regulation

Recent concern about products, primarily toys, coming to the U.S. from China has caught Congress's attention and is likely to result in legislation to strengthen the Consumer Product Safety Commission's (CPSC) regulatory hand. If this happens, new and stricter rules could extend beyond importers to manufacturers and even retailers.

This was the top item discussed by the North American Retail Hardware Association's (NRHA) Washington legislative counsel John Satagaj during NRHA's September National Legislative Teleconference.

Legislation currently being considered in the Senate would increase staffing and funding for CPSC, increase criminal and civil penalties, increase disclosure requirements for manufacturers and make it illegal for retailers to sell a recalled product. The bill also contains whistleblower protections, which, Satagaj said, opens serious concern for retailers if disgruntled employees would choose to report sale of recalled products.

Beyond legislation, Satagaj pointed out, consumers are bringing more pressure to bear on retailers to stand behind the safety of the products they sell and expecting retailers to know what materials are used in consumer products and what testing has been conducted.

Turning to taxes, Satagaj said there could be some

action later this year and that it might involve another temporary patch for the individual alternative minimum tax. He did not anticipate much action directly related to closing the tax gap, indicating that Congress is finding out this is a much more complex issue than originally thought.

Tax Gap Report Targets Sole Proprietors

The Government Accountability Office (GAO) says that nearly 20 percent of the tax gap comes from sole proprietors who mis-report 57 percent of their business income in 2001 (the most recent figures available) and that \$68 billion of the tax gap – the difference between taxes owed and taxes paid – is traceable to these businesses. The reasons, according to GAO, are that sole proprietors are not subject to tax withholding rules and only a portion of their income is reported to IRS by third parties.

Source: North American Retail Hardware Association, Sept. 2007.

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