

South Western Flash

January 2008, Vol.6, No. 1



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South Western Association Annual Convention

Hampton Inn & Suites, Country Club Plaza, Kansas City and American Royal Complex

Schedule at a Glance:

Thursday, February 21, 2008

- 5:00 p.m. - Registration at Hampton Inn & Suites Country Club Plaza, Kansas City, Mo.
- 5:30 p.m. - Reception
- 6:30 p.m. - Dinner & Program - Hampton Inn & Suites

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Friday, February 22, 2008

- 7:30 a.m. - Buses depart the Hampton Inn & Suites (Shuttle transportation will be provided throughout the day.)
All Seminars at the American Royal Complex
- 8:00 a.m. - Continental breakfast sponsored by Federated Insurance
- 11:30 a.m. - Meeting adjourns
- Lunch on your own
- Noon - 5 p.m. Tour the Western Farm Show
- 5 p.m. - Dealer and Exhibitor Reception - Central Exhibit Hall
- 7 p.m. - Buses Return to the Hotel



www.westernfarmshow.com
February 22-24, 2008

South Western Association

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

Is your dealership receiving e-mail from South Western 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

Who Should Attend:

Dealers, key employees and managers of equipment dealerships. The issues discussed are important to your customers and therefore important to you!

See Complete Convention Program on Pages 2-3!

Don't Miss the 47th Annual Western Farm Show - Feb. 22-24!

- Now Open on Friday!
- See the Latest Products for Farming and Ranching in the Midwest!
- Equipment for Large Scale Producers and Weekend Farmers Alike
- Health and Safety Roundup Area
- ...and much more!

See you at the American Royal Complex, Kansas City, Mo., for the Western Farm Show!



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SouthWestern Association

P.O. Box 419264
Kansas City, MO 64141
816-561-5323; Fax: 816-561-1249
800-762-5616

Presented by:



"Helping Dealers Succeed" - Steve Kayton, First Vice Chairman, North American Equipment Dealers Association.

Steve Kayton will provide an update of NAEDA's accomplishments over the past year, focusing on manufacturer relations, government relations and work force development. Kayton owns and manages Nebraska Equipment Inc., a Case IH dealership located in Seward, Neb., and has interests in multi-location operations in eight other locations in Nebraska, Wyoming and Iowa.

Keynote Address - "Cutting Edge Generational Leadership Growth" - Jim Welch, The Growth Leader, Inc.

How do you enable your business to exceed business growth objectives with a rapidly changing workforce that cuts across multiple generations? Specific creative leadership ideas and techniques will be shared to help employees across generations build great teams, exceed growth objectives and have fun doing it! This presentation does not focus on only generational differences, but how the similarities can be leveraged across the organization to create sustainable growth and customer loyalty.



8:30 a.m. - "Outlook on Fertilizer" - Dr. Larry Murphy, Murphy Agro, Manhattan, Kan.

Larry Murphy, Ph.D., has spent his career in agricultural research and education. In 1965, he joined the faculty of the Department of Agronomy at Kansas State University, where he was responsible for teaching and research in soil fertility and fertilizer technology. In 1978, he was appointed Great Plains director for the Potash and Phosphate Institute (PPI), where he supervised PPI's research and education programs in nine states. In 1998, Dr. Murphy was appointed vice president of PPI and acted as coordinator of North American programs and director of research. From 1989 to 1996, he was senior vice president of that organization. Currently, Dr. Murphy is active as a consulting agronomist and serves as president of the Fluid Fertilizer Foundation, managing the research and education programs of that organization. A native of Greenfield, Mo., Dr. Murphy earned a bachelor's, master's and doctoral degrees from the University of Missouri. Dr. Murphy will discuss the current fertilizer situation in the U.S. and what new technologies are available to help fertilizer efficiency.

9:45 a.m. - *“Beyond Heat: Propane Powers Innovation”* – Mark Leitman, Propane Education & Research Council, Washington, D.C.

Propane provides efficient and reliable energy for numerous applications in your home and on the farm. During this session, hear more about new propane technology to improve the productivity of your operation. Mark Leitman has served as the director of agriculture programs at the Propane Education & Research Council (PERC) since May 2003.

Mark works closely with the propane and agriculture industries to develop and implement programs aimed to benefit U.S. agriculture. PERC invests in various new technologies as well as improvements to existing propane equipment used in agriculture production and processing. PERC’s agriculture efforts include research and development, consumer education, and the continuous promotion of safe practices. PERC’s vision in agriculture is that, by 2010, the agricultural industry will recognize propane as a preferred energy source offering exceptional value.

Prior to joining PERC, Mark served as the director for agriculture outreach for the GLOBE Program, a NASA-sponsored science-education initiative. He also worked as project/executive director for the National Council for Agriculture Education, the umbrella organization for agriculture education in the United States.



10:45 a.m. - *“Emerging Risks to Agriculture and the Food System”* – Rick Shanks, National Managing Director, Aon Agribusiness and Food System Group (AFSG)

Providing a safe and secure food system has created risk management demands requiring new risk transfer, control, and finance solutions. This seminar will discuss current risk management initiatives, emerging risk exposures, and the “new world of risk” challenging agribusiness and the food system. AFSG is a resource/practice group working with Aon offices to deliver innovative industry-specific risk management solutions and services to worldwide agriculture and “food system” industry clients. The “food system” includes input suppliers, crop/livestock producers, cooperatives, agricultural trade associations, food and beverage processors, transporters, wholesalers, retailers and lenders.



Items to be Discussed

- Managing crises like a major food contamination event
- Discussing the financial impact of major livestock disease events on the food system
- Assessing operational impact of a pandemic flu outbreak
- Developing strategies to protect the brand name of the company
- Exploring crisis management and risk management alternatives

The 2008 Western Farm Show is sponsored by the Propane Education & Research Council and Specialty Fertilizer Products.

Hotel Information

The Hampton Inn & Suites – Country Club Plaza, 4600 Summit, Kansas City, Missouri 64112
Tel: 816-448-4600; Fax 816-448-4610

We have arranged for a special group rate of \$119 per night. To make your reservations and obtain the special group rate, please call 816-448-4600 before January 31, 2008. Your reservation includes complimentary “On the House” breakfast, complimentary local calls and high speed wireless access. Secure underground parking is also complimentary.

Cancellations

Full refunds will be issued until February 15, 2008. After that date, no refunds will be issued for cancellations. You may substitute without penalty. To substitute or cancel, please submit your request in writing to SouthWestern Association or call the Association at 800-762-5616.

Tax Deductible Education Expense

Under certain circumstances, the Internal Revenue Service allows an income tax deduction for education expenses undertaken to maintain or improve professional skills, including registration, meals, travel and lodging. Please consult your tax professional before taking any deductions.

Registration Fees

For complete information and a registration form, contact SouthWestern Association at 816-561-5323 or 800-762-5616. Complete information is also available on our web site at www.swassn.com

Special Needs or More Information

If anyone requires disability assistance or accommodations during the convention, or needs more information, please contact Olivia Holcombe at 816-561-5323 or 800-762-5616.



REGISTRATION FORM 2008 CONVENTION

PLEASE PRINT OR TYPE

Firm Name _____
 Contact _____
 Address _____
 City _____ State _____ Zip _____
 Phone _____ Fax _____
 E-mail _____

PLEASE CHECK ONE:

Dealer
 Manufacturer
 Wholesaler
 Other _____
 (please specify)

CONVENTION PRICING

	<u>Cost if Paid By</u> <u>Feb. 1, 2008</u>	<u>Cost if Paid</u> <u>After Feb. 1</u>
_____ SouthWestern Association Member	\$99	\$119
_____ Additional people from same company	\$79 each	\$99 each
_____ Non-Member	\$149	\$169

CONVENTION BADGE REQUEST

List all names as they should appear on badges.

1. _____
 2. _____
 3. _____
 4. _____
 5. _____

PAYMENT

___ Check Enclosed (payable to SWA Trade Assoc.)

___ Charge to: MasterCard
 VISA
 American Express

Name on Card _____

Card # _____

Expir. Date _____

Signature _____

Make copy of this form for your files

Send Registration Form and Payment to:
 SWA Trade Association
 P.O. Box 419264
 Kansas City, MO 64141
 816-561-5323, Fx: 816-561-1249



REGISTRATION POLICY & FEES

A registration fee is required for EACH PERSON
 Advance registration is requested. Room reservations
 must be made directly to the conference hotel.
REFUND POLICY: If you find you cannot attend the
 conference after sending your paid registration, notify us
 by Feb. 15 and your fees will be refunded in full. Substi-
 tutions may be sent.

IMPORTANT: Please note hotel reservation cut-off
 dates as listed on conference information.

Greetings From NAEDA

Welcome to your association's annual meeting and convention. Your attendance at this event is important. It shows your interest in and concern for the issues and trends that affect you and your dealership.

Your association, as an affiliate of NAEDA, operates to keep you informed about the latest trends and developments at the local and national levels. Working together, we are committed to helping you build the best business environment for your dealership. In fact, that is our mission.

As a partner with your association, we represent you in discussions about issues with manufacturers, legislators, regulators, media and the public. Moreover, NAEDA is your national voice with each of these audiences. Working side by side with your association, we are making a difference because advocacy is our number one priority.

Attending your association's convention is also important because it provides you an opportunity for professional development. At this convention, you hear industry leaders and professionals speak about critical issues and business conditions to help you formulate better business strategies. If you pick up only one solid idea to help you operate your dealership more efficiently, improve customer service, or add profit to your bottom line, then this meeting will be a personal

success. As we visit with dealers across North America, profitability is clearly identified as the key to dealer success on every front.

Equally important is the opportunity for you to network with other dealers and compare notes. Don't take this aspect of the meeting for granted. Instead, take full advantage of the time you have with your peers to listen to them and learn what they're doing that may help you improve your business and our industry. Seek their opinions about how they handle their business and customer relationships – and don't be surprised if they want to know what you're doing as well.

Above all, enjoy this time and profit from it. NAEDA and its North American affiliated dealer associations want you to be confident about your business and highly successful. After all, our motto is "Helping Dealers Succeed." We hope you enjoy your experience at this year's annual convention.

Dennis Booth
Chairman, NAEDA Board of Directors

Paul Kindinger
NAEDA President and CEO



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The SouthWestern Association
recommends the
NAEDA Discount Freight Program.



This program is endorsed by
the North American Equipment
Dealers Association.

*Helping Dealers
Succeed*

*The 64% discount applies to base rates of UPS Freight and Yellow at the time of shipment.
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Insurance Corner

Is Your Dealership Theft-Proof?

By Mike Jenkins, Federated Insurance

This article was provided courtesy of Federated Mutual Insurance Company, your association's recommended insurer.

Preventing theft of equipment from your dealership involves some training, common sense, and implementing proven security measures. More than any other crime, theft is a crime of opportunity. The simplest targets attract thieves. And, just because you haven't had a theft yet doesn't mean your dealership is theft-proof.

How Do You Know If Your Dealership is Theft-Proof

You can assess security at your dealership by looking at some key areas – open lot security, building security and other possible exposures.

Thieves follow the path of least resistance. Strong doors, cylinder locks, fences, barriers and proper lighting all have value, depending on your specific circumstances. Some additional questions to consider include:

- Do you provide adequate lighting for all areas where a break-in might occur?
- Do you have any blind areas where a thief could work unobserved?
- Do you know the police officer or sheriff's deputy in your area?
- Do you instruct your employees to remove the keys from all equipment when they are finished using, moving, servicing or demonstrating the equipment?

Keep in mind that even the sturdiest door and the strongest lock can't keep out a thief who has a key. Make sure all employees can account for all keys and that only authorized personnel have access to them.

Theft is a preventable crime. Creating awareness about theft in your dealership is one positive step that involves training employees. Train employees to act as if they are the owner of the business.

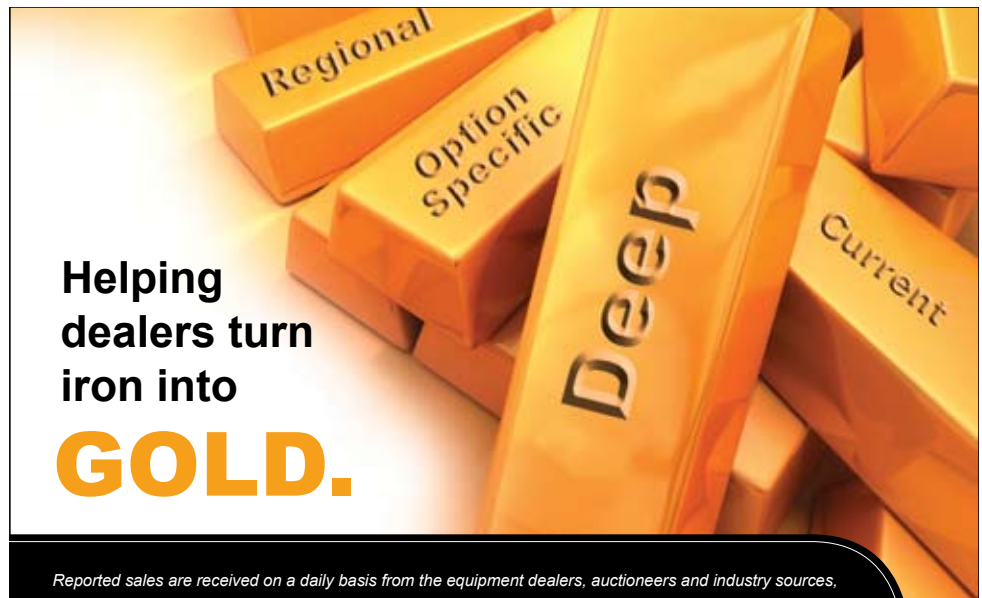
Fencing, lighting and improved

inventory practices are the top three security "best practices" suggested by dealers. These security practices are relatively inexpensive to implement and all can help make a difference.

Thieves watch for easy access to your valuable equipment. So, whether you are an agricultural, industrial, or outdoor power equipment dealer, don't make it easy for them.

An *Equipment Dealer Security Survey* is one of the tools included in the Equipment Dealer Theft Prevention Kit titled "Don't Make It Easy." The kit was developed by Federated Mutual Insurance Company and the North American Equipment Dealers Association based on input from dealers. This checklist can be used to evaluate the security of your dealership.

Dealers insured with Federated Insurance can order a free copy of the "Don't Make It Easy" theft prevention kit by calling 1-800-838-1760, or by ordering online at federatedinsurance.com.



Helping dealers turn iron into GOLD.

Reported sales are received on a daily basis from the equipment dealers, auctioneers and industry sources, which represent the most current and accurate equipment values. For every reported equipment transaction, our team of editors adjusts the report for options, hours and condition to normalize the net value, providing the industry with an accurate resale and wholesale value for each machine.

- Dallas Blome, Vice President, Guides

Our Official Guides Provide:

- Values based on actual sales reports from across North America - not just advertised prices
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- Base model equipment values for true comparisons
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Federal Legislative Update

Congress Begins New Session – Congress is back in Washington for what may be a short election-year session. Unfinished matters, such as tax reform, and new issues, such as economic stimulus, are on the agenda.

House Ways & Means Committee chairman Charles Rangel (D-NY) has proposed a comprehensive tax reform bill that would repeal the individual alternative minimum tax (AMT) and make the \$125,000 small business expensing threshold and the \$500,000 phase-out threshold permanent. To pay for lost tax revenue, the bill would impose a surtax on high-income taxpayers which could catch proprietorships, partnerships, S corporations and other pass-through entities and repeal the last-in first-out (LIFO) inventory accounting alternative. As the new session opened, however, broad reform seemed less likely to see action as Congress was looking at another short-term AMT patch, extension of more than three dozen expiring tax breaks and an economic stimulus package.

Congressional leaders, the White House, the Federal Reserve and economists are all talking about doing something to stimulate the economy. No one has put out a concrete proposal, but several ideas are being suggested. Among them: tax rebates, extended unemployment benefits, increased food stamp allotments, an accelerated or bonus depreciation allowance and a net operating loss carryback option. One point of agreement among the interested parties is that actions must be targeted, temporary and timely.

Action Completed on AMT – Lawmakers passed and President Bush signed the Tax Increase Prevention Act which extends protection for some 21 million taxpayers from the AMT for the 2007 tax year. It increases the AMT exemption to \$66,250 for joint returns and to \$43,350 for individual returns and allows personal credits against the AMT. It does not include extensions of 32 tax breaks which expired at the end of last year.

It was late December before the AMT was signed. The Internal Revenue Service (IRS) said it needed about seven weeks to reprogram and test processing systems and that it would not accept tax returns from taxpayers affected by the AMT until Feb. 11. Other taxpayers could begin filing tax returns in mid-January. The later start in accepting returns will mean delayed refunds.

New Energy Law – The president signed a new comprehensive energy policy bill into law. In addition to the high-profile provisions on

vehicle fuel economy standards, renewable fuel mandates for utilities and increased biofuel use, the Energy Independence & Security Act contains new efficiency standards for appliances and lighting.

Home appliances covered by the new law include dehumidifiers, clothes washers, dishwashers, refrigerators and freezers. It requires new energy labeling for televisions, personal computers, cable or satellite set-up boxes, stand-alone digital video recorder boxes and PC monitors. It reauthorizes funding for the Weatherization Assistance Program through 2010.

In what may turn out to be the most sweeping change, the law sets efficiency standards for light bulbs which will result in phasing out the use of traditional incandescent light bulbs during the next four to 12 years.

Source: North American Retail Hardware Association



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Helping Dealers Succeed

Is Your Service Undervalued?

By John Walker, President, After Market Services Consulting Co., Inc.

Look For John Walker as a future trainer for the SouthWestern Association On-Line Campus

When you undervalue what you charge your customers you also undervalue what you do for your customers! Equipment dealers continue to have a tendency to undervalue the services they perform on the equipment they sell. All too often dealers fail to realize that the equipment the customers buy determines their livelihood and business success. Most all of your customers cannot afford downtime and in particular they cannot afford what we refer to as *“unexpected downtime.”*

Surveys have concluded time and time again that one of the most important things customers expect from an equipment dealer is, “to have their equipment serviced right the first time, on time!” Your customers’ most important requirement is the assurance that your dealership will take care of them after the sale. If your shop fails to generate a reasonable profit then how can you perform the jobs mentioned above for any, let alone all of your customers?

The service department in **any** equipment dealership is: 1) the most labor intensive and 2) expense intensive department within the dealership. It includes some very specific expenses which increase yearly (sometimes more often) and there are also expenses over which the dealership has little or no control: fuel prices, wage compensation programs, liability, etc. If dealers fail to keep up with these increased costs and ignore them when considering increased labor rates, then the department will be doomed to failure. If properly managed it is a department that can provide a steady cash flow, increased sales and increased customer satisfaction indexes.

Establishing a Correct Labor Rate

Your dealership needs to establish a strong and balanced price base before the dealership can begin working on service quality issues. How do dealers establish their labor rates? Unfortunately, most dealers run a check on all of the local dealers and independents in their own market and settle on a labor rate based upon what other dealers in the area charge. Strange as it seems, many manufacturers advise their dealers to practice this particular procedure. The practice of checking other dealers and independents’ labor rates is a practice of assuming that those others have some reasonable method to what they are doing, but that is not generally the case. The most important question to ask yourself is, **“How much do you have to charge to enable your dealership to hire, train and retain excellent technicians, along with providing working facilities, tools, transportation, etc.?”** In other words, your labor rate probably has more relevance to your cost of labor than it does to your retail competition.

Ask ten of your top customers what your labor rate is and

chances are they have absolutely no idea. Ask the same customers what they expect of your shop and they will probably reply: “We want the job done right the first time and on time, we want fast response time, we want someone to be in position to assist us when we have a problem, in other words we want to know that you are available to take care of us after the sale at a fair and competitive price.”

In answer to these comments you might well mention the fact that your dealership has less than one percent of your total service sales that are re-do work (if that is a true statement), and that if

for some reason you make a mistake, there will be no charge for doing the job over. You might also mention that you have someone on call 24 hours a day, seven days a week and 365 days a year to handle their service requests.

Equipment today is becoming more and more sophisticated. According to most dealers, finding qualified technicians to work on this equipment is becoming an impossible task. It is a “seller’s market,” and this becomes a “chicken and egg” scenario. If you don’t charge higher labor rates, how can you afford to hire and keep experienced and qualified technicians to satisfy the customers’ wants and needs?

Instead of checking your competitors’ rates, check the rate you are paying to have your office equipment (copy machine, computer, etc) serviced. Then ask yourself how they can charge the rates they do to service this type of equipment out of a brief case. Ask yourself why you cannot charge a higher rate for a \$20,000, \$60,000 or even a \$250,000 piece of equipment equipped with all types of computerized controls and electronic gadgets.

Service Department Costs

Take a long, hard look at some of the costs involved in operating your service department. Some of these costs we neglect to review on a timely basis and they are increasing yearly, while your labor rates remain stagnant. Here are the common items that dramatically affect your dealership’s labor rate: 1) Technicians’ wages, a major item, but do you also review the following items: Worker’s compensation, federal unemployment taxes, state unemployment taxes, F.I.C.A., paid vacations and holidays, group insurance, employee pension plans, uniforms, overtime paid, service manager’s compensation, occupancy expenses, utilities, interest, liability insurance, service training, service vehicles, shop supplies and tools, office supplies and many more common items that are increasing in cost on a regular basis. No one has to tell you what is happening to your fuel costs. After you have reviewed all of these

Continued on next page

Equipment dealers have a tendency to undervalue the services they perform.

costs and recognize how they have increased over the past year, then ask yourself, "Why shouldn't my labor rate increase to cover these increased costs and provide the service department a reasonable profit?"

In development of *your* service department's labor rate, two researched numbers are imperative for you to discover. The first number you must discover is, "What is your dealership's **true labor rate**?" You may feel a bit "cocky" and "comfortable" by saying your labor rate is \$98.50 an hour and is 48 percent of your billable hours. What if, however, your **internal labor rate** is \$49.25 an hour and 29 percent of your billable time is internal. Now what is your *true* labor rate? What if your supplier pays you \$50 an hour for warranty and 9 percent of your billable time is warranty. What if your planned maintenance rate is \$55 and a preventive maintenance takes one hour and a half with no time and travel charged and accounts for 14 percent of your billable time? Now what is your *true labor rate*?

Your customer labor rate is \$98.50 but your **true labor rate** or a mix of all your forms of labor performed is \$70.68. Now do you still feel comfortable that your supposedly posted labor rate is \$98.50?

Internal Labor Rate

Internal labor rates are the charge-out rates at which work is done for the sales, used and rental departments. It is sometimes also used as your rate for lease with maintenance. Internal labor rates distort the profitability of the service department and are often done to make the profitability of other departments "look good." We refer to internal labor rate (and yes, internal part rates) as little more than a "sales person's discount." Internal labor rates as we have shown can be devastating to your shop profitability.

Internal labor rates also have a tendency to play havoc with the measurement of your shop efficiency and productivity. If business slows down, watch how the technicians "slow down" on internal work. Internal parts and service pricing also destroys the profit center concept of the dealership. If your dealership is seeking a higher absorption rate, then all internal pricing needs to be eliminated.

You have now developed your dealership's true labor rate, or the true dollar amount recovered from producing an hour of labor within your dealership. The other figure you need to calculate is your dealership's cost for producing this hour of labor. Once you have calculated this cost you can quickly develop your service department's "break-even point." Assume for now that your shop's break-even point is \$74.28. Since your true labor rate per hour is \$70.68 and your shop break-even point is \$74.28 you must increase your true labor rate by \$3.60 just to break even. Looking at the glass half empty you are losing \$3.60 an hour for every hour you bill at your current true labor rate.

Hopefully, you are in business to make a profit. Next, determine what service gross profit you desire to earn in 2008

(guidelines run between 60 and 65 percent) and mark up your true labor rate to the profit level you desire and establish that as your true labor rate.

If you would like to receive an emailed copy of the formula for Figuring Your Dealership's Labor Rate then email us at amsconco@aol.com and we will email you "free of charge" a five-page detailing how to develop a profitable service labor rate. To date we have emailed in excess of 6,000+ copies of this formula to dealerships of all sizes, carrying and servicing all types of equipment.

More Profitable 2008

Why not take the time now to review your service department's labor pricing policy? Have the guts to raise your rates a "couple of bucks!" Review your last year's labor sales. Re-figure your last year's sales with an additional \$5, \$7, \$9 or even \$11 increase in your true labor rate. You are absolutely guaranteed to find your shop a "whole lot" more profitable in 2008!

We recognize that many of your manufacturers lock you in to a once a year increase in your labor rates. You may believe that since you just raised your rate you cannot do it again for another year. Recognize however that this manufacturer limitation is for warranty purposes only. No one can tell you what you charge or what you cannot charge, it is your decision!

It is your business! Have the guts to charge a fair price for the quality service your shop performs. Your service department is there for one purpose and that is to produce a profit for the dealership!

APPI - 2007 Year End Market Update

Texas - While Texas utility rates change monthly based on market prices, Texas businesses can access competitive pricing and products. Based on current energy market dynamics, historical trends, and prices in the energy futures markets, APPI believes that electricity clients in deregulated markets should strongly consider fixed-price supply contracts. Managed by Affiliated Power Purchasers International (APPI), an independent utility consulting firm, the program is designed to help members control energy costs. APPI's services protect your business and your bottom line. APPI reviews pricing and product options and then presents you with the most competitive utility rates. Contact APPI at 800-520-6685.





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In Memoriam

Bob Waters

Bob Waters, (87) of Waters True Value Hardware Stores in Junction City, Salina, Great Bend, Manhattan, Emporia and Dodge City, all in Kansas, passed away Jan. 15 at the Geary County Community Hospital. Bob entered the army in 1942 and was stationed in England during World War II. At the conclusion of the war, he returned to Junction City to work in his father's store. He spent the next 62 years working in the hardware business and never retired. Bob was active in Boy Scouts his entire life and received many of the highest honors from the Boy Scouts organization. He was known as the grandfather of Scouting in the Coronado Area Council.

Bob's son, Jim, is a past president of the Western Association and is president of Waters True Value Hardware stores.

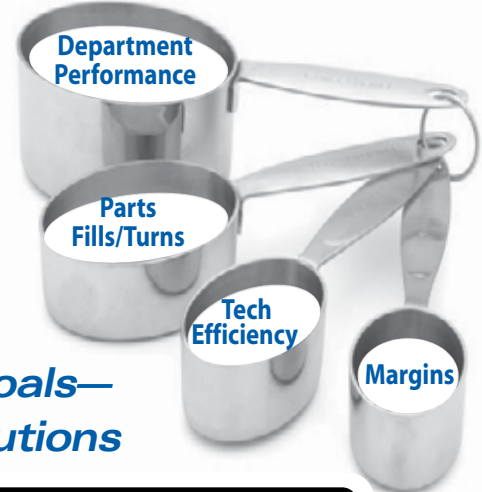
Bob Richardson

Bob Richardson of Richardson Mfg. Co, Cawker City, Kansas, passed away Jan. 15. He was a strong supporter of the Western Farm Show in the early days of the show. He was 76 years old.

Get it measured... Get it **FIXED!**

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Thanks to Toolchex, technicians are taking home more of what they make.



"Thanks to my employer for providing Toolchex as an employee benefit. It has made a big impact on my take home pay this year."

Luis Navarro Technician

Benefits for Technicians and Dealerships:

- The Toolchex employee benefit can help dealerships retain valuable technicians by allowing them to take home an average of \$150 more each month.
- Toolchex can save dealerships an average of \$750 in employment taxes per technician per year.
- Toolchex can reduce payroll costs and premiums based on total payroll (workers' compensation, shop owners liability insurance, general liability insurance, etc.).



Helping Dealers Succeed.

This program is endorsed by the North American Equipment Dealers Association

Consult your tax advisors regarding the tax considerations with respect to adopting or participating in the Toolchex accountable plan. © 2004 Copyright Toolchex, Inc.

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SouthWestern Association Education Trust

SouthWestern Association has introduced a new program - The SouthWestern Association Education Trust. This program makes it possible for dealers to train their entire staff quickly and efficiently without ever leaving the dealership.

Nearly 100 courses are available in categories such as:

- Selling skills
- Negotiation
- Leadership
- HR Compliance
- Safety
- Operations
- Administration
- Customer Service

Programs can be used for training, coaching, refreshing learning, performance support, promotion paths and meetings. These courses are available on your computer 24 hours a day, seven days a week.

Here's How it Works...

Members purchase a subscription to the SouthWestern Association Online Campus. Pricing is based on the number of employees at all your locations. Then, all your employees will have access to the campus materials. We'll issue a unique password to each staff member.

SouthWestern Association can help you set up a curriculum for new hires or specific positions. And, you can identify those who are motivated to excel by their campus activity. If you identify someone you'd like to develop into a manager, you can set up a curriculum of courses for that person to help them transition into their new role. In addition to campus access for your employees, subscribers also receive a discount on other Association seminars such as Dealers of Tomorrow seminars and on-site seminars that you arrange with campus faculty.

As the campus grows, industry specific courses will be developed featuring such popular and well recognized experts as Bill Sharp, Bob Janet and others.

Proven Results

Real companies similar to yours have shown outstanding results by using online campus technology. One company with 175 employees got these results over an 18-month period:

- Increased sales and profits
- Reduced product returns by 10%
- Improved customer and employee satisfaction
- Reduced employee turnover by 33%
- Reduced training costs
- Compliance with state and federal law

Member Price

<u># of Full-Time Employees</u>	<u>Annual fee</u>
0 to 9	\$1,000
10 to 24	\$2,000
25 to 49	\$3,500
50 to 99	\$7,500
100 to 199	\$10,000
200 to 399	\$12,500
400 & up	\$15,500

Special "Early-Bird" Offers

Enroll now through February 29, 2008 -

Your company will be designated as a Charter Member, you'll receive a 25% discount from the annual fee for 2008 and 2009, and the annual fee will remain fixed for five (5) years.

Enroll between March 1 and June 30, 2008 -

Receive a 25% discount prorated for the balance of 2008. Receive a 15% discount for 2009.

Enroll between July 1 and December 31, 2008 -

Receive a 15% discount for the balance of 2008 and 2009.

In addition, all trust participants receive a 10 percent discount on other education programs, such as Dealers of Tomorrow seminars. *For more information, contact Olivia Holcombe at SouthWestern Association - 800-762-5616, www.swassn.com*

Technician Training Program

SouthWestern Association has partnered with OSU-Okmulgee to establish a technician 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;
- Steve Doede, OSU-Okmulgee Dept. Chairman - 918-293-5392 or
- Jeff Flora, CEO, SouthWestern Association, 800-762-5616.

When Dollars and Cents Matter...

Think NAEDA Discount Freight Program

If you've misplaced a few dollars or lost them altogether, it can be extremely frustrating. Some people will turn a house inside out looking for a \$5 bill or strain their backs while moving a refrigerator to retrieve a coin. Why? Money is difficult to come by and losing it is a setback for individuals as well as businesses.

More frustrating than losing money, however, is just giving it away, which is something few individuals or businesses can afford to do.

During the recent NAEDA board meeting, we received a report about the NAEDA Discount Freight Program. The program, which was launched several years ago, features discounts from Yellow Transportation and UPS Freight as well as discounts on FedEx small package shipments. We learned both good and odd facts about the program.

The Facts

No other program in the association's cache of dealer-benefit programs has enrolled more dealers. To date, more than 1,500 dealers are enrolled. That's good. However, only 925 dealers have actually used the program. That's odd.

Dealers who consistently use the program average nearly \$1,400 a year in freight savings. That average is boosted by

dealers with higher shipping volume – and some dealers save as much as \$35,000 a year. That's good.

Over a rolling 12-month period, the NAEDA Discount Freight Program has saved dealers more than \$1.2 million off posted shipping rates. Further, over the life of the program, the total savings to dealers on Yellow, UPS Freight and FedEx shipments have surpassed \$3.5 million. But the savings have only been realized by six of 10 dealers enrolled in the program. That's odd.

Quite a few SouthWestern Association dealers have signed up for the program but only 25 percent have ever used it (and sparingly at that).

Competition from local freight and small package carriers may explain why some North American dealerships aren't taking advantage of the program. However, shipping habits within a dealership also play a role. When someone is used to doing something a particular way, there is a natural reluctance to venture into the unknown. But staying away from the unknown in this case may be costing your dealership money.

The NAEDA Discount Freight Program is administered by PartnerShip, an Ohio-based organization that designed the

Continued on next page

Dealership Valuation Service HOW DOES YOUR DEALERSHIP "MEASURE UP"?



1. Do you know what your dealership is worth?
2. Do you understand how saleable your dealership is?
3. Do you know and understand the financial condition of your company?
4. Should you be a buyer or a seller? Would merging with others help you?
5. Will your manufacturer allow you to just stay the course you're on?
6. As you consider your future, how will your dealership fit into our changing industry & customer markets?

Contact JCC for industry specific answers to these questions.

JCC has a proven track record of strategic planning, dealership valuations, and mergers and acquisitions. Unlike many people who are contacting dealers, JCC is industry specific with the experience and reference base to prove it. We provide industry insight to help you make the right decisions for you and your business. Our Dealership Valuation Service® provides a comprehensive business assessment that will help you to develop the best strategy for growing or exiting.

Call us today for a no obligation, confidential conversation
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NAEDA Discount Freight Program

Continued from page 13

program exclusively for equipment dealers. It's a free member benefit. There are no shipping minimums and no obligations to enroll. Yellow and UPS discounts begin at 64 percent but could be greater for some dealerships as their freight volume increases; the FedEx discount on small package shipments is up to 24 percent.

Rather than chasing coins under a refrigerator, consider what you might add to your bottom line by calling Partnership at 800-599-2902 to ask for a free quote or comparison of your shipping invoices.

You may discover that losing a \$5 bill isn't nearly as frustrating as finding out what you could have saved by using the NAEDA Discount Freight Program.

The SouthWestern Association supports the NAEDA Freight Program.

For more information on the Discount Freight Program contact Olivia Holcombe at SouthWestern Association, 816-561-5323 or toll-free at 800-762-5616.

OSHA 300 A - Post By Feb. 1

The OSHA 300A Summary of Injuries and Illnesses for 2007 must be posted by Feb. 1 and remain posted until April 30.

Be sure to update your OSHA 300 Injury and Illness Report and make sure you have any supporting documentation such as Work Comp forms or OSHA form 101s.

An injury or illness must be work related and fall under at least one of the following four criteria to count as a recordable injury and illness:

1. Days away from work
2. Restricted work
3. Transfer to another job duty
4. Medical treatment beyond first aid

If you had more than 10 employees at any one time during 2007, then you are required to keep OSHA 300 and OSHA 300A logs on file.

If you need more clarification, give us a call at RCI 800-888-9596 or visit the OSHA website - www.osha.gov/recordkeeping.

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