

SouthWestern Flash

April 2009, Vol.7, No. 4



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Upcoming Events

HR Round-Table

- May 11-12, Kansas City, Mo.

Dealers of Tomorrow -

- Aug. 4-5, Manhattan, Kan.
- Oct. 13-14, San Antonio, Texas

Mark Your Calendar

Business Management - Focus of Dealers of Tomorrow Seminars

Mark your calendar now to attend the 2009 Dealers of Tomorrow Seminars scheduled for Aug. 4-5 in Manhattan, Kan., and Oct. 13-14 in San Antonio, Texas. David Spader, lead trainer and consultant for Spader Business Management, will be the seminar leader at both locations.

Improving Customer Service

This workshop, presented at both Manhattan and San Antonio, begins by assessing each person's ability to successfully resolve customer service issues. It then builds on the understanding through skill-building exercises and tools you can take back to your dealership.

- Assessing and Understanding Your Customer Service Skills
- Case Study Application
- Understanding Your Customers Better Than They Understand Themselves
- How Customer Service SHOULD Change Based on the Customer's Needs
- Customer-Smart Selling and Service Simulation **Continued on next page**

FACTA Deadline is May 1

Ready or not, enforcement of the FACTA "Red Flags Rule" goes into effect May 1 when the government's six-month extension expires. Under the rule, many American businesses are required to have measures in place to mitigate the potential loss of credit information to identity theft.

The rule applies to creditors and financial institutions. According to the Federal Trade Commission, a creditor is defined as "any entity that regularly extends, renews, or continues credit; any entity that regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who is involved in the decision to extend, renew, or continue credit."

Under FACTA, accepting credit cards as a form of payment does not, in and of itself, make an entity a creditor.

A sound dealership security plan for personal information is mandated by the new regulations and consists of five key principles:

1. Take stock. Know what personal information your dealership has in its files and on its computers.
2. Scale down. Keep only the information your dealership needs for business.
3. Lock it. Protect the information your dealership keeps.
4. Pitch it. Properly dispose of what your dealership no longer needs.
5. Plan ahead. Have a written plan approved by senior management or board of directors in place for the above items and train dealership staff on how to handle personal information. Link to NAEDA FACTA file - <http://www.naeda.com/files/FACTA.pdf>

SouthWestern Association

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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

- Understanding Customer Satisfaction and Loyalty

Breaking Down Barriers: Improving Interdepartmental Relationships - Manhattan Only

One of the biggest challenges in managing dealerships is getting all of the departments working together smoothly. When not managed properly, turf wars and departmental “silos” begin to develop and erode the company’s performance. This session will provide you with several ideas and tools to begin improving the working relationships between departments. Topics include:

- How to Resolve Conflicts Between Departments
- Developing Goals Everyone Can Buy Into
- Creating a Shared Purpose
- Case Study Activities

Understanding My Leadership Motivations: Why Do I Do What I Do? - San Antonio Only

One of the least understood aspects of effective leadership is learning how to motivate different people. As current and future leaders, it is essential that we first understand what our own motivators are. This workshop will help you identify the three primary motivators that determine both your “fit” and “satisfaction” in various jobs. Equally important, you will learn the types of environments where you are likely to be a “misfit.” To accomplish this, you will complete, print and bring three online leadership assessments with you to the workshop.

At the end of this session, you will better understand your own leadership motivations and also how to work with others who have different motivations. We will conclude with an action plan that will help you leverage your current motivational strengths while also putting together a game plan in the areas that aren’t a perfect fit. Topics include:

- Why People Do What They Do (and How to Manage Them)
- Three Types of Leadership Motivators
- Work Interests: What Types of Work am I Most Passionate About? How do These Passions Fit With My Current and Future Roles?
- Work Values: What Beliefs Guide My Decision-Making and What Roles Fit Best with My Values?
- Work Style: How Can I Leverage My Personal Preferences and Habits to Become More Successful?
- Action Planning: Developing an Action Plan to Improve Your Performance

More information on the Dealers of Tomorrow Seminars is available by contacting Olivia at the Association offices - 800-762-5616.

Heartland Farm and Lawn Offers Summer Internship Program

SouthWestern Association recently joined forces with Heartland Farm and Lawn in Higginsville, Mo. to pilot a summer internship program. Jarod Moenkhoff, a senior at Northwest Missouri State University in Maryville, Mo, will be working in the sales, parts/service and aftermarket sales departments this summer for Heartland Farm and Lawn.

Many members of the SouthWestern Association have expressed interest in providing a valuable internship program in their dealerships for college-aged students, but they didn’t have the resources to do so. Therefore, SouthWestern Association partnered with AgCareers.com to design the framework for a 16-week internship program. Job responsibilities could include: working in all sectors of the dealership, public relations work, equipment demonstrations and testing, web site redesign and creating new customer accounts.

“We feel it is important to offer an internship program. It’s a great way to showcase all the great opportunities that are available in the equipment industry,” said Curt Beerman, co-owner of Heartland Farm and Lawn with locations in Higginsville, Centerview, Sedalia, and Carrollton, all in Missouri.

According to AgCareers.com, internship programs can become a crucial part of an organization by helping to provide a method of recruiting and retaining future potential talent for your organization. And while they may not seem to be a top priority in the current economy, they would likely provide a tremendous return on investment (ROI) in the future. However, in order for these programs to become an important part of your organization, you must focus the attention on what students want and need from an internship program, and how your organization can align a program to fit these needs.

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Jarod Moenkhoff, left, and Curt Beerman, co-owner of Heartland Farm and Lawn, Higginsville, Mo.

Kansas Producer Wins Pickup from Western Farm Show

Joshua Stark couldn't believe his luck when he received a call saying he won a 2008 Chevrolet Silverado pickup truck from the Western Farm Show and its exclusive sponsor, SFP. Stark, who operates a cow-calf, hay and horse farm with his stepfather Clayton Cummins near Edgerton, Kan., registered to win the truck at the 2009 Western Farm Show in Kansas City, Mo. in February.

"We went to look at feeders for the cows, hay equipment and skid loaders," says Stark, who has attended the Western Farm Show for three years. "We saw the truck there, and my family knew I liked Chevys so they told me I should sign up. I'll definitely be going back to the Western Farm Show next year."

To see the latest in everything from tractors, livestock equipment, feed, seed and more, make sure to mark your calendars for the 2010 Western Farm Show, Feb. 19-21, 2010.

In 2009, contestants registered for the truck by signing up at the Western Farm Show Feb. 20-22 at the American Royal Complex or by writing-in prior to that time and requesting an entry. The Western Farm Show had given away a pickup in the past, and executives say they believed 2009 was a good time to revive the tradition.

"Through our relationship with SFP as our exclusive sponsor, we decided holding a drawing would attract additional attention for the Western Farm Show," says Jeff Flora, CEO of SouthWestern Association.

The promotion was successful, says Melanie Acklin, director of marketing for Leawood, Kan.-based SFP. She says the SFP booth was located near the truck, which seemed to generate a lot of interest among show attendees. SFP strives to increase fertilizer efficiency and continues to show a strong commitment to research and development. This is the third year SFP has exhibited at the show and the second year it has been a sponsor.

"We felt it was time to step up our level of promotion at the Western Farm Show, so we became the exclusive sponsor in 2009," says Acklin. "Being a local company, we really enjoy meeting producers from this area and informing them about the benefits of our products."

For more information about the Western Farm Show, visit www.westernfarmshow.com, and for more information on SFP visit www.sfp.com.



Jeff Flora, CEO of SouthWestern Association presents Joshua Stark with the keys to the Chevy Silverado Joshua won at the 2009 Western Farm Show. Also pictured are Melanie Acklin and Stephanie Russell of SFP, the exclusive sponsor of the 2009 Western Farm Show.

Human Resources

Internal Hiring: Promoting From Within to Fill a Job Vacancy

By AgCareers.com and BCJobs.ca

AG
Careers.com

Internal hiring is rarely used when it's time to fill a job vacancy; most companies simply don't think to promote from within. They advertise the opening in traditional and online media, hire recruiters to search for candidates and sift through resumes as they pour in. But, external recruitment doesn't have to be the only feature of your company's staffing strategy. Often, the best candidate for a job is just one office or department away.

Promoting from within is a pragmatic, proven approach to staffing. When used in conjunction with a solid program of outside hiring, it ensures that your company retains the talent it needs to succeed.

Advantages of Hiring Internally

Looking internally for a candidate has numerous advantages for both your company and your employees. First, it increases staff effectiveness. Workers will be more motivated to do their best if they feel you recognize talent and reward effort while providing for them to gain new skills and experience.

Just as importantly for your firm, hiring internally increases retention. Staff are more likely to remain on board if they see that you provide opportunities for career advancement. And with long-term employees, you will realize a greater return on the time and resources you've invested in their professional development. **Continued on page 10**

Discovery-Based Retail Endorsement

The SouthWestern Association is excited to announce the endorsement of a service provider to make your dealership more effective and profitable. Discovery-Based Retail is a company that specializes in retail store improvement. They offer store design that enhances both the customer experience and retail profitability. In addition, the company provides employee training and makes available an affordable in-store digital advertising network.

The network, called Another Salesman, is tailored specifically toward the hardware and equipment industries. The company is owned and operated by Phil Mitchell author of the book, "Discovery-Based Retail" and Gary Petz, both of whom have extensive backgrounds in retailing. You can learn more about their company by visiting their web site at www.discoverdbr.com or by calling them at (888) 292-6531.



SouthWestern Association Endorsed Provider of Insurance Services

"An internship program should have structure and goals. As an Association, we feel this is a crucial part of our education initiative and we will help our dealers in any way to assist them. Not many college graduates realize there is tremendous opportunity for careers in the equipment industry. Internships are great pipelines to get the word out there," said Nikki Bloemendaal, Director of Education for the SouthWestern Association.

If you're interested in hosting an intern in your dealership, please contact Nikki Bloemendaal for more details: Nicole@swassn.com, 816-585-1119.

Mark Your Calendar

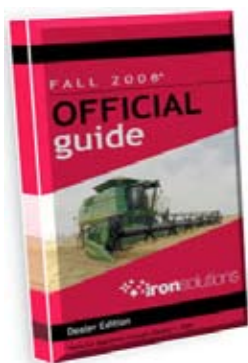
SouthWestern Association Fall Area Meetings

SouthWestern Association has scheduled fall area meetings for members. The meetings will be held in a luncheon format starting at 11 a.m. to enable members to easily travel to the one nearest them. Please mark your calendar and watch for more information.

- | | |
|---|---------------------------------|
| <i>Oct. 27 - Harlingen, Texas</i> | <i>Oct. 28 - Austin, Texas</i> |
| <i>Oct. 29 - Houston, Texas</i> | <i>Oct. 30 - Tyler, Texas</i> |
| <i>Nov. 3 - Dallas/Ft. Worth, Texas</i> | <i>Nov. 4 - Amarillo, Texas</i> |

Additional details on program, agenda and exact location will be sent as soon as complete information is available.

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SouthWestern Association supports the Official Guides – Dealer Reporting Program.

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Contact SouthWestern Association at 800-762-5616

Investing In a Down Market: Tools to Help Manage Risk

By Peter Flora, Tax Favored Benefits

Risk is inherent to investing. Most are aware of the risks involved with aggressive investments – they are more volatile and carry the potential for larger short-term losses in down markets. Many often forget, however, that even the safest options also carry risk. While debt investments (bond funds) and cash equivalents (money market funds) may provide more stable returns, their lower average annual interest rates could prevent an investor's savings from keeping pace with inflation or leave one without enough money for retirement. An effective portfolio, then, is one that balances these risks in accordance with the investor's own risk tolerance and time horizon. With the current market troubles challenging even the most seasoned investor's resolve, it is helpful to review these concepts in order to maintain a healthy long-term perspective.



Bear vs. Bull Markets

It is the nature of the stock market to have periods when prices are down. Since 1926, there have been 23 calendar years with negative returns. Conversely, the market's good years have outnumbered the bad years by more than two to one, as 59 of the last 82 calendar years have had positive returns. Moreover, 37 of these positive calendar years have posted returns of more than 18 percent.¹ The first key to surviving a 'bear market' – a prolonged down period where the market declines by 20 percent or more – is to remember that better times are never too far off. Over the last half century, bear markets have lasted, on average, 1.5 years with an average loss of 32.8 percent.² In comparison, since the market high in October 2007 through mid-August 2008, the S&P 500 index had dropped about 18 percent. In down markets, investors tend to shift their perspective from decades to weeks or even days. Outside of day traders, speculators, and hedge fund managers, the day-to-day fluctuations of the market have little relevance to the average investor. Though this narrowing of one's perspective is almost an involuntary reaction to down markets, investors must train themselves to keep their focus on the big picture in good times as well as bad.

Aside from the psychology of investing there are also more tangible methods for surviving down markets. First and foremost, every investor's portfolio should be diversified with allocation appropriate to his or her specific risk profile and time horizon. Diversifying your money among the various asset classes can be an effective hedge against the market's

normal fluctuations. While large cap funds may be world-beaters one year, they could be dogs the next with instead small cap or mid cap funds leading the way. By allocating money to all of these classes based on their risk tolerance, investors can shift their attention away from the market's short-term fluctuations to their own long-term goals. Along these lines, developing an honest and clear understanding of one's own risk tolerance is also important to avoiding the stress and uncertainty that down markets can bring. Indeed, knowing the maximum short-term losses one is prepared to accept and allocating investments accordingly can help an investor keep a cool head during the market's bleakest days.

Dollar Cost Averaging

All of this is not to say that down markets are altogether evil and terrible things. In fact, for those investors that are not nearing retirement, or will not need to access their investments in the short-term (three-five years), a down market can actually be a good thing. While down markets mean that the prices of stocks and mutual funds are down (which, in turn, means that investors' account values are down), until one 'cashes out', or sells off that particular investment, the investor has not really lost or gained anything. Because these investments are cheaper, your investment dollars are able to purchase even more shares or mutual fund units for each dollar invested. For those people that invest a fixed dollar amount on a regular basis regardless of the price of the underlying investment they get the advantage of Dollar Cost Averaging (DCA). While DCA cannot protect against a loss or guarantee a profit, it may ultimately save the investor money as the average cost per share or unit will decrease over time.

For example, assume that Bob invests \$10 each week in the ABC mutual fund. The first week, the price is \$5/unit, netting him two units. During the second week, the market drops, and ABC units are only worth \$1/unit. While this means that the two units Bob previously purchased for \$10 are only worth \$2 now, it also means that he is able to purchase 10 new units at the current price. In the third week, the market recovers with ABC units soaring to \$10/unit. Bob is only able to purchase one unit. Over these three weeks, however, Bob invested \$30 and owns 13 units. Because the ABC fund price is currently high, Bob's account balance is \$130, but his average cost per unit is only \$2.31. In this way down markets can

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provide the opportunity to buy the same investments on sale and may help to lower an investor's overall cost basis over the long-term.

In the end, investors should not view down markets as the boogie-man of financial planning. By having a portfolio designed with one's long-term goals in mind and with an allocation appropriate to one's risk tolerance, the investor can remove self, to a degree, from the emotional roller coaster that the markets can be, in good times and bad. To be sure, for those individuals who are nearing retirement during a down market, it can be a much more stressful time. Even in these cases, however, a well-designed allocation can still provide some protection against short-term market fluctuations. No one can predict when market downturns will occur or how long they will last when they do. We can control how our money is invested, and whether we are prepared for what a down market means. If all of this does not alleviate your down-market blues, consider that while bear markets since World War II have lasted on average 1.5 years, bull markets

¹ - Ibbotson Associates. Based on average annual percentage returns for large capitalization stocks (represented by the S&P 500 Index) over 82 one-year periods from 1926-2007, assuming reinvestment of dividends and capital gains.

² - Bloomberg. Based on historic daily closing values for the S&P 500 Index.

³ - Bloomberg. "S&P 500 Bounces off Bear Market Bottoms since WWII."

have lasted three times as long, averaging 4.5 years.³ Though past performance is no guarantee of future gains, it should at least give you hope that even in the darkest days, better times are not that far off.

Tax Favored Benefits is the endorsed provider of retirement plan services for SouthWestern Association members. They can be reached at 800-683-3440.

Shoplifting on The Rise

For more than a year, retailers have reported an increase in shoplifting at retail stores throughout the country. These thefts range from petty theft of small items to organized crime (big business shoplifters that steal substantial amounts of merchandise). "Retailers have been seeing a rise in shoplifting now for just over a year to coincide with the economy and the troubles we're experiencing around the country," says Joseph LaRocca, senior asset protection advisor with the National Retail Federation. According to the FBI, most of the loss – as much as \$30 billion a year – is to organized, retail-crime groups who steal as a part of a commercial enterprise. Greeting every customer as they walk in the door is a good way to try to counteract shoplifting. Also, setting up your store so that you can see as much of the sales floor as possible is another technique.

Source: Home Center Institute, April 20, 2009

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Helping Dealers Succeed

Elavon

I Have A Friend....

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

I have a friend whom I count among the three top after-market operations managers in North America. A friend I can count on to tell me I am wrong in my written and spoken opinions. If I write an article about technicians and point out that being a technician is a profession, he will read the article and tell me that I am right, but will add that many technicians fail to be professionals because they do not adhere to the following requirements: 1) Performs a thorough preventative maintenance job; 2) Recommends services as required; 3) Reviews work orders with customers before they are signed; 4) Completes paperwork completely and accurately at the customer's location before it is signed off; 5) Completes time cards accurately and legibly; 6) Turns in work orders and time cards as quickly as possible; 7) Meets monthly billing numbers; 8) Keeps service van neat and clean; 9) Maintains a neat appearance; 10) Works well with co-workers; 11) Has a positive attitude; 12) Starts on time and quits on time; 13) Advises customer of overtime and bills accordingly; 14) Places parts used along with part numbers on work orders; 15) Looks for safety-related issues to protect the customer, their employees and his company; 16) Makes positive suggestions instead of criticizing the company or co-workers; and

17) Continually keeps his training up-to-date. This gentleman calls these "just the basic requirements to become a professional technician."

Service managers spend the majority of their day trying to get their technicians to follow established policies and procedures. If they are followed, the dealership's margins would increase dramatically. How many technicians work at "up-selling" customers and point out potential problems to them before problems occur? This is beneficial to the customer and profitable to the dealership. How many technicians keep their customers informed of services needed based upon hour services needed? How many technicians keep their vans neat and clean? Show me a dirty, disorganized service van and I will show you a low production technician. How many technicians complete their work orders and time cards at the customer's site and bill the customer for the time spent doing this? How many technicians list all the parts used on all work orders? How many technicians will advise a customer that overtime appears to be imminent? Service managers, may we suggest that you make use of the 17 points mentioned above?

We have mentioned numerous times the importance of **Continued on next page**



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Luis Navarro Technician

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paying technicians for performance and professionalism. Technicians should and could be very highly paid and sought after, if they are truly qualified, professional technicians. Ask any service manager how much of his day is spent redoing things that were not done correctly because the technicians did not follow policy and procedure. How many dollars are lost yearly within the dealership by technicians not following policy and procedure to the letter?

Over the years we have written several articles concerning work in process (WIP). One of these articles is, "Does Your Dealership Suffer the Month End Blues?" In this article we pointed out how much of the company's monthly service billing was handled during the last days of any given month.

I have a friend who is a "top-notch" director of service operations who took a position with a very large equipment dealership, working nine stores. His immediate challenge was to wipe out the problem the total dealership was having with work in process. It was running in excess of 45 days and the dealer wanted it brought to the level of "point of purchase." Today, he is running at a level of two days and still shooting for accomplishing the goal of achieving billing at point of purchase.

The Dealership Team

This friend accomplished this by developing an extremely high level of "discipline" among all his technicians. He helped and encouraged them all to become a member of the dealership's team. He also put into place numerous computer programs for measuring work in process on a daily basis. My friend also assisted me in the development of a check list for managers who desire to control their work in process. This free list is available to our readers by emailing us at: amsconco@aol.com.

I have a friend who is a dealer principal of a five-store complex selling a highly competitive product. He has proven the point that you can have high market share yet be extremely profitable. This dealership has "double digit gross profit" on products that other dealers are content to make five to six percent gross profit. How does he do it? He decided he would no longer share with his sales force the "cost of the equipment" the dealership was selling. Sales personnel were told only the price below which they could not go - the price where they had to "walk away" from the sale. Few want to believe what this dealer has done. However, it has been done by everyone who believes it can be done, by selling the value-added services of the dealership and emphasizing to the customer that they will be taken care of after the sale. This friend made me a believer! I have a friend who is a Corporate Aftermarket Sales Manager who manages 14 product support sales personnel. He is quite possibly one of the greatest "networking" managers I have ever met. Anytime I ask this gentleman an idea for one of my articles, he is quick to reply. He is continually thinking

about ideas and programs he can develop to help his sales force capture more aftermarket sales. He goes to the field himself to work with his people.

Back to the Basics of Selling

I asked him just this past week about an article idea, something for the depressed times. He replied, "These are the days that we have to get back to the basics of selling. It is not complicated, it is not brain surgery. We have to get in front of anyone and everyone that is not spending any money with our dealership." That is his simple message. He is tracking how many new accounts are set up as a measure for seeing the progress in growth potential. He explains he is not where he wants or expects to be as yet, but his program is off to a good start and he can measure and track his sales forces progress. My friend is positive in an industry where everyone else is negative. He will succeed because he believes he will succeed.

People Are the Key to Success

I have a friend, another dealer principal, who if eight years ago had continued to follow the path he was on would have completely failed in today's market. It all took a bit of "shaking up" or embarrassing him a "wee bit" but once he recognized the opportunity he began to take the ball and run with it. His first decision was to make his dealership profitable. If that meant his market share might decline, so be it. Making his business profitable was his first and only goal.

He realized that people were his key to success. Realizing this, it forced this dealer to search out the best people he could find. Did he make a few mistakes? Certainly! Did he work with a plan? Yes, it took quite a bit of effort, but this was also accomplished as well as the development of a time table with goals.

He worked at finding some key people. Once they were on board he let them do what he had hired them to do and focused himself on the job of truly managing his company. It wasn't easy, but last year's financial results were astounding. He could be a model for an exceptionally profitable dealership. How about that number that all manufacturers judge a dealer by - market share.

This dealer principal has taken his company to the number one market share position within his industry. He has proven more than any dealer we have known within the past 32 years that it is indeed possible to be profitable and control market share at the same time. It takes time and it takes a focus - this dealer has it.

Is he honestly optimistic about the market place today? As a consultant and as a writer, I would be lying to you if I were to say that he is totally optimistic. One thing he does recognize, however, is that he is and will continue to be a survivor. He realizes that had he not made the change years ago in all

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likelihood he would today be faced with some very tough times. He is a dealer who believes full well what Henry Ford said years ago, "If you believe you can, then you will, if you believe you can't, then you probably won't."

I have a friend who works as a Territory Aftermarket Manager for a large manufacturer. Dealers who have this gentleman calling on them are extremely lucky! He's the best out there. Over the years he has experienced personal setbacks that would put the average person anywhere but on the road consulting dealers to be positive, but that he does. He does it with a positive approach that is infectious to all he meets. We all know this is the kind of person we like to be around and work with.

I have a friend, Dave Kahler of the Ohio/Michigan Dealer's Association. Fifteen years ago Dave planted the seed for me to write an article for his association every month. I knew it would be a tough chore. I did not realize just how tough it would be to come up month after month with a new idea.

I wish I had the space to tell all the stories of successful equipment dealerships and their personnel. It would be impossible. In today's market place I am an optimist. I am bullish on equipment dealers and their after market. I believe that most will survive, I believe that "the glass is half full." It is going to take some really hard work to get through the next few years, but I believe equipment dealers can do it. I wish all my readers the best of luck and success to all of you out there who work at the "American Dream."



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Recruiting for Fall Semester Technician Training Program

SouthWestern Association has partnered with the OSU Institute of Technology in Okmulgee to establish a training program for equipment dealership technicians. Recruitment is currently under way for the upcoming fall semester. 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 Institute of Technology Dept. Chairman - 918-293-5392 or Jeff Flora, CEO, SouthWestern Association, 800-762-5616.



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Filling jobs from within your organization fosters a deep sense of loyalty and stability among your staff. This, in turn, encourages employees to take ownership of their work and feel integral to the team. All of this translates to enhanced morale and productivity.

Internal promotions are also efficient. Instead of sorting through stacks of resumes, you can read one or two employee reviews that judge candidates based on your firm's unique structure and priorities, saving time and money. Rather than trying to gauge the accuracy of applicants' statements during interviews, you can simply check a worker's track record of accomplishments. Finally, you don't have to worry about the reliability of references – just talk to the employee's current managers.

Internal hiring shortens the adjustment period. An existing employee needs no time to adapt to the corporate culture. The company's practices and procedures are familiar, eliminating the need for an overall orientation.

Internal Hiring Guidelines

To set up a successful internal hiring program, you need to follow a few basic guidelines to ensure that all qualified employees understand the process and have an equal chance at available positions.

The first step is to develop an effective method for spreading the word about openings. If your company has a corporate intranet, that might be the most efficient means of communication. Otherwise, you can post notices on bulletin boards in break rooms or publish them in the employee newsletter. The key is to make sure that everyone knows where and how to find the information.

Next, write up internal job notices the same way you prepare those for external postings. Be sure to include all pertinent information: a brief description of the position along with the desired level of seniority, special skills, degrees and any other requirements. If candidates don't necessarily need a degree or professional certification, be sure to note this in the job description. Finally, establish a procedure for applying to open positions. In some companies, employees must obtain an application from a designated HR representative. At others, the process is less formal, and interested parties can simply notify their department directors or supervisors. The important thing is to set up a process that works for your firm and gives all employees the same access to the application process.

Like the traveller who covered the globe searching for true happiness only to find it in his own backyard, looking inside your organization for the talent you need is sometimes the best recruitment strategy.

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