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- July 14-15, Kansas City, Mo.

Dealers of Tomorrow -

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

Fall Area Meetings

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SouthWestern Association

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

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Workshop For Dealership Sales Team

Learn How to Develop a Peak Performing Sales Department Plan to Attend Sales Management Workshop

What Would You Classify as a Good Deal? How About a Bad Deal?

According to John Spader of Spader Business Management, most sales managers and sales people do not know what margin they must average on a piece of equipment for the dealership to pay all of its bills at a reasonable sales level. "These are the people making the deals, often frustrating their owners in the process," explained Spader. "However, if the owners don't know themselves what makes a good deal or a bad deal, they shouldn't expect their employees to know whether or not it's a good deal."

Sales Management Workshop Series

Spader Business Management, in conjunction with the SouthWestern Association (SWA), has developed a series of Sales Management Workshops for Association members. The first session, "Sales Management, Profit Planning and Inventory Management," will set the groundwork for the future workshops. This 1 ½-day workshop, held July 14-15 in Kansas City, Mo., is geared toward both multi-store and single operation dealerships.

"Over the past decade, dealers have received a considerable amount of training from manufacturers and consultants about improving the profitability of their service and parts departments, in those areas," said Jeff Flora, SWA CEO. "There also have been many opportunities for salesmen to receive product and salesmanship training to improve overall sales volume, with most of the training coming from the manufacturer. What has been lacking, however, is training to improve the profitability of the sales department. These workshops will help fill this void."

"There is definitely a need for sales management training like this in the farm equipment industry," said Dan Westgaard of Spader Business Management. "Many dealers do not manage their sales department professionally. Instead, they allow their salespeople to go out and work as independent agents with very little direction, supervision or control. There is plenty of room for improvement in this area."

He added, "With the growing trend of multi-store operations and larger volume single store operations, it's becoming more and more evident how important it is to focus on sales management processes to try and create a clearer sense of direction. Dealers can't continue to fly by the seats of their pants."

Improve Your Sales Management, Profit Planning & Inventory Levels

Dealerships of all sizes will benefit from these workshops. "These workshops will provide a core foundation that's very important whether you're operating a two-million-dollar single store or a \$200-million multi-store operation,"

Continued on next page

stressed Spader, who explained that profit planning, inventory management and sales management processes will be covered during the July workshop.

“If your sales department is not on the same page and you’re unhappy with its performance, margins and profitability, this workshop will give you the systems and tools necessary to make changes,” said Westegaard.

“It’s important to get inventory management in place during these good times so you don’t get yourself in trouble when the market cools,” added Spader. “As organizations continue to get larger, the size of the inventory levels also remains more at risk than in the past.”

Spader encourages owners, the sales management team and key employees to attend these workshops. “You may even want to bring your accounting people to the workshop,” he added.

“Now is the time to take charge of your sales department and become a leader in the farm equipment dealer community,” stressed Flora. “There is no better time than now to improve your bottom line.”

Sales Management, Profit Planning, and Inventory Management Workshop

Many farm equipment dealerships lack a sales management system that identifies what areas can be improved and why they need improvement. In our experience, we have found that most business managers hire and train salespeople first and many never get around to establishing a proper sales management system – the kind that is necessary to direct sales managers and sales personnel for peak performance. This workshop will be a beginning of several phases. It will focus primarily on the systems and processes needed to develop a peak performing sales department. This outline will give you an idea of the topics we have included in this workshop.

Spader Total Business Plan (The Four Quadrant Model)

- Where are your business strengths and where are your opportunities for further development?
- What does your business (department) need to look like to survive, thrive or maximize?
- This workshop will focus primarily on the financial strength and profitability of the Sales Department.

Beliefs and Principles

- How to get everyone on the same page
- How to get everyone to know the true score
- The key items and beliefs needed to get good margins
- How to get sales people to think like owners and sales managers
- How to get owners to think like sales managers.

Scorekeeping

- Introduce the Spader One-Dollar Concept, our system of key expense ratios
- Importance of accurate and timely financial information in an easy-to-understand format (examples of the format are included)
- How to set goals, total company down to the individual salesperson

Profit Planning

- Sales Department profit planning process
- Determine Costline® Gross Margins by product type
- Key sales department expense ratios
- Expense allocation to departments (include corporate expenses for multi-store)
- Expense management – where are you spending too much or too little
- Breakdown of annual sales goals to monthly goals by seasonal trend percentages
- Deviation reporting system for actual results
- Forward forecasting year-end results
- Creating sales department and salesperson scoreboards

Inventory Management

- Understanding key inventory formulas
- Create an inventory plan for total department, key inventory groups, or by individual product type
- Controlling set-up and reconditioning costs
- Action timelines to help manage aged inventory
- Inventory write-downs

Trade Process

- Define a detailed trade process
- Think margin on every deal
- Trade-in evaluation process

Learn this and more at the SWA Sales Management Workshop, Tuesday-Wednesday, July 14-15, in Kansas City, Mo. Call SWA at 800-762-5616 for more information.

SouthWestern Association Fall Area Meetings

SouthWestern Association has scheduled fall area meetings for members in 2009. 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.

Oct. 27 - Harlingen, Texas

Oct. 28 - Austin, Texas

Oct. 29 - Houston, Texas

Oct. 30 - Tyler, Texas

Nov. 3 - Dallas/Ft. Worth, Texas

Nov. 4 - Amarillo, Texas

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

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
- 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.

Disaster Relief Donations Sought

The Equipment Dealers Foundation (EDF) is requesting donations for employees of dealerships affected by late winter storms and spring flooding on the Red River. The river, which borders south-central Minnesota and eastern North Dakota, reached a record 40 feet, which is nearly seven feet above flood stage.

Red River tributaries, including the Wild Rice River, the Maple River, the Sheyenne River and Buffalo River, also experienced flooding that eclipsed previous records. Many residents who live in counties affected by flooding only recently began to assess the damage as water receded from buildings and land.

Since its creation in 2005, the EDF Disaster Relief Fund has provided more than \$120,000 in grants to dealership employees whose homes were completely destroyed or severely damaged by hurricanes, tornadoes and floods. Every dollar collected by the foundation has been used for EDF disaster assistance grants – and nearly every dollar has been contributed by dealers throughout North America.

To make a donation, visit www.naeda.com or download an EDF contribution form by clicking EDF Disaster Relief Fund.

Federal Legislative News

Taxes and Spending

The federal budgeting process is in full swing. Congress approved a budget resolution and President Obama released a budget plan requesting funding amounts and suggesting sources of revenue. Next up – appropriations bills. Both plans contain items of interest to retailers. Among them:

Health Care Reform – The budget resolution contains reconciliation instructions for health care reform legislation. Reconciliation means that legislation covered by the provision cannot be filibustered in the Senate, meaning it needs 51 votes to pass rather than 60 votes to stop a filibuster. It gives the majority party an advantage.

In this case, the budget resolution gives Congress until Oct. 15, 2009, to come up with a health care reform proposal. After that, the reconciliation provision kicks in, insulating a health care bill from a Senate filibuster.

The resolution also instructs the five committees that will write the health care bill – two in the Senate and three in the House – to each find \$1 billion in savings. That will not be easy; there's little agreement on what to do. President Obama wants to limit itemized tax deductions for taxpayers in the two

highest tax brackets; other proposals would limit the tax exclusion for employer-provided health insurance.

Estate Tax – Both Congress and the president have ideas about estate tax laws. The budget resolution acknowledges the unpopularity of allowing the federal estate tax to expire next year only to come back in 2011 at a much higher rate than is currently in effect. This year the estate tax exemption is \$3.5 million per person and the top tax rate on the taxable portion of an estate is 45 percent. The budget resolution would make those two provisions permanent and eliminate the one-year repeal.

However ... while the resolution does not require that lost revenues be offset, it does require legislative language to make pay-as-you-go (pay-go) rules statutory in the House. Pay-go rules, which require tax cuts be offset with tax increases or program cuts, have been approved by the House but have not been enacted into law. Conservative House Democrats want pay-go rules to have the force of law; that requirement was included in the budget resolution to get their support.

Although Obama has said he supports estate tax relief measures, his budget includes several estate tax law changes as

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Helping Dealers Succeed

The On-Boarding Process: How to Successfully Engage New Employees

By AgCareers.com



All aboard...for a trip to success! Making sure that all of your new employees are successfully “on board” can significantly impact turnover and retention for an organization. On-boarding is the process of bringing a new hire into the organization and transitioning them into a productive employee.

“Effective on-boarding goes beyond the typical administrative tasks,” said Kathryn Doan, business development manager for AgCareers.com. “Effective on-boarding includes employee development activities such as goal setting, on-going training and career development opportunities.”

There are a number of factors that make a difference to the new hire and lead to engagement, productivity and retention within the first year. According to TMP Worldwide, top performing companies have more than 75 percent of new hires participate in a formal on-boarding process. The on-boarding process includes activities that occur both before and after the hire.

During Recruitment

Sell the Candidate — While this may seem basic, remember the interviewing process is a two-way street. Let the

candidate know what makes your organization an exciting place to work. Explain the talent level, management style and organization culture. The interview is the first chance to truly engage an employee in your organization. Don't forget to share information about career growth and financial opportunities.

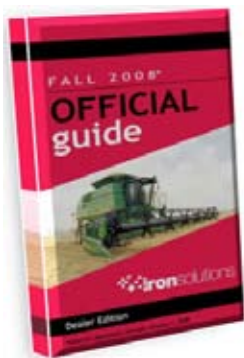
Timely Recruitment Process — Good candidates will have a number of opportunities and the longer you wait to make a decision or offer, the more likely the good candidates will be offered other jobs. After you make an offer, it doesn't hurt to regularly check in with the applicant to gauge their interest level and let them know you are seriously pursuing them.

Involve Influencers — If applicable, involve the spouse and family in the recruitment process. If the offer requires the candidate to relocate, involving outside influencers from the beginning and making them feel part of the process will help both short and long term.

After the Offer

Communication — There could be a large amount of time between the offer acceptance and the start date, so ongoing communication is necessary. **Continued on next page**

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Contact the candidate regularly during this time. Send an email, give them a call, or even send them a welcome card. It's also a good idea to have several people from the organization email or call to congratulate and welcome them.

Engagement — Prior to the start date, send a couple of files/articles for them to look over and get them thinking about their new role. Before the candidate starts, be sure they know the details for their first day at work: Where to go, what time to arrive, appropriate attire, etc. You should also provide them with an agenda for the first week so they know what to look forward to.

Preparation — It sounds like common sense, but properly preparing a work area for the new hire is very important. This includes computer and phone set up, supplying necessary supplies/equipment, and coordinating your busy schedule to eliminate constant interruptions during your time with the new employee. If you don't make proper preparation a priority, the new employee will feel like they aren't a priority.

On The Job

Meaningful Project — Complete only the necessary paperwork and administration tasks for the first day. The first-day orientation will probably include providing information about the organization, but try not to cram too much

information in a short amount of time. You don't want to overwhelm the new hire with too much information. Try to assign and discuss a project for the new hire to complete within the first week or two that will give them an immediate sense of accomplishment and contribution to the organization.

Set Objectives — Set specific objectives for the candidate to meet. Consider short-term and long-term goals. Remember that engagement typically drops off after six months, so you want to set some goals that can be monitored throughout that period.

Ask for Feedback — After the first week and then bi-monthly after that for the first year, ask for feedback on the organization's on-boarding process. Don't be afraid to make changes based on those recommendations. You want your new employees to know that their feedback is valued and you can use it to help improve your on-boarding program.

It's also a good idea to provide a mentor for the new hire as well as professional development opportunities. It shows the employee that you care about their career development when you allow them to attend industry events or professional trainings.

The on-boarding process may differ from one organization to another, but a successful on-boarding program can set your
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Preparing for a Pandemic is Serious Business

Can you imagine what would happen at your business if 10 percent of your employees were too ill to come to work on the same day? Now imagine if 25 percent of them were absent for three months or more. Then imagine all businesses are facing these same absentee rates at the same time.

As hard as it may be to comprehend, this could happen – in fact, most experts say it's just a matter of time. What's the reason? An outbreak of pandemic flu that will spread rapidly and easily – from person to person, affecting all age groups. It will cause illness in a majority of those infected.

Influenza pandemics are not isolated events like hurricanes or tornadoes, nor are they confined to a specific region. Pandemics come in multiple waves and experts believe many organizations will have difficulty maintaining operations because of absenteeism due to illness or employees caring for the sick.

Effects on Your Business

A pandemic flu could disrupt business and perhaps even force it to close down for a time. According to independent research, a flu pandemic has the potential to cause a typical employer's revenue to drop by 8 percent and profits by 16-17 percent. The research showed even a moderate scenario would reduce a typical employer's revenue by 2 percent and profit by 3-4 percent.

Do You Have a Plan?

To say a pandemic is serious business is an understatement. However, the effects of a pandemic can be lessened if preparations are made ahead of time. Here are some things you can do now to help maintain business continuity in the event of a pandemic. Keep in mind that many strategies take time to implement.

1. Check that existing business continuity contingency plans address long-term absenteeism rates.
2. Identify your essential functions and cross-train employees to perform essential functions to ensure resiliency.
3. Plan for interruptions of essential government services such as sanitation, water, power, and transportation, or disruptions to the food supply.
4. Determine which outside activities are critical to maintaining operations and develop alternatives in case they cannot function normally.

5. Update sick leave and family and medical leave policies and communicate with employees about the importance of staying away if they become ill.
6. Establish or expand policies and tools that might enable employees to work from home with appropriate security and network access to applications, such as billing and payroll.
7. Collaborate with insurers, health plans, and major health care facilities to share your pandemic contingency plans and to learn about their capabilities and plans.
8. Maintain a healthy work environment.
 - Ensure adequate air circulation.
 - Post tips on how to stop the spread of germs at work.
 - Promote hand and respiratory hygiene.
 - Ensure wide and easy availability of alcohol-based hand sanitizer products.
9. Tell your employees about the threat of pandemic flu and the steps you are taking to prepare for it.
10. Establish an emergency communication plan and revise periodically if necessary.

Valuable Resources

The intent of this article is to draw your attention to this very real risk. The federal government, states, communities, and various industries have taken steps to prepare for and respond to an influenza pandemic. It is important that you take action as well.

Open for Business® - www.federatedinsurance.com

The Open for Business® program is available through Federated Insurance and the Institute for Business and Home Safety (IBHS). It is more than a planning tool for weather-related emergencies – many features help prepare for illness-related emergencies as well. To get started with this program, visit Federated's web site and click Open for Business/Disaster Planning under Client Login.



Source: Federated Insurance, SouthWestern Association endorsed provider of insurance products.

The Hands Have It

By RCI, Inc.

Hand washing is the single most effective way to prevent the spread of disease. It helps to avoid getting sick and spreading germs to others. The best results come from washing our hands with soap and clean, warm running water for 20 seconds. However, if soap and clean water are not available, use an alcohol-based product to clean your hands. Alcohol-based hand rubs significantly reduce the number of germs on skin and are fast acting.

When Washing Hands With Soap and Water:

- Wet your hands with clean running water and apply soap. Use warm water if it is available.
- Rub hands together to make lather and scrub all surfaces (between fingers, around nails and backs).
- Continue rubbing hands for 20 seconds. Need a timer? Imagine singing “Happy Birthday” twice through to a friend!
- Rinse hands well under running water.
- Dry your hands using a paper towel or air dryer. If possible, use your paper towel to turn off the faucet.

If soap and water are not available, use alcohol-based gel to clean hands.

When Using an Alcohol-Based Hand Sanitizer:

- Apply product to palm of one hand
- Rub hands together
- Rub the product over all surfaces of hands and fingers until hands are dry.

When Should You Wash Your Hands?

- After going to the bathroom
- Before and after eating food
- Before and after preparing food
- Before brushing your teeth
- Before and after coming in contact with bodily fluids
- Before touching your eyes, nose or mouth
- Before and after tending to someone who is sick
- After blowing your nose, coughing or sneezing
- After changing diapers or cleaning up a child who has gone to the bathroom
- After handling an animal or animal waste
- After handling garbage
- After visiting a hospital or nursing home
- After coming home from any public place (pharmacy, grocery, theater, etc.)

Only 67 percent of Americans wash their hands with anything, even just water after they use a rest room.

revenue raisers, listing them as “loophole closers.” Included are proposals to limit the practice of discounting the value of shares held by minority owners of small businesses and to require beneficiaries to accept the value of inherited goods set by an executor instead of establishing a more tax-advantaged value.

Tax Cut Extensions – The budget resolution provides for the usual extensions of expiring tax provisions such as the research and development tax credit, 15-year depreciation for retail store renovations and deductions for state and local sales taxes.

It also extends middle-class tax cuts such as the 10 percent tax bracket, the increased child tax credit and marriage tax relief but lets the top two tax rates rise to 36 percent and 39.6 percent.

It does not provide funding to make the new Making Work Pay tax credit permanent, as the president wanted.

Red Flags Rule Deadline Extended

Many retailers are covered by the Federal Trade Commission’s (FTC) Red Flags Rule. This rule requires companies that offer credit to develop written identity theft prevention programs to protect sensitive customer information collected for credit accounts. Although the rule was finalized in 2007 with a compliance date of Nov. 1, 2008, the FTC had delayed its compliance and enforcement deadline until May 1, 2009. The compliance date has now been extended to Aug. 1.

Acknowledging that many small businesses are confused about how to comply, the agency has prepared an online template for businesses with a low risk of identity theft. The template uses a step-by-step approach to take companies through an assessment of their risk for identity theft and to provide compliance instructions. Businesses can complete a fill-in-the-blank form online and print it for company records. The template is available at www.ftc.gov/bcp/edu/microsites/redflagsrule/get-started.shtm.

SBA Expands Loan Eligibility Standards

In an effort to expand loan availability, the Small Business Administration announced a temporary alternate size eligibility standard for its 7(a) loan program. In addition to normal revenue or employee industry size standards, companies with a net worth of less than \$8.5 million or a two-year average net income of less than \$3 million can qualify. The alternate standard will be available until Sept. 30.

The expanded eligibility program is expected to allow about 70,000 small businesses access to 7(a) loans.

Source: North American Retail Hardware Association, May 2009

Do You Know Youth Employment Laws?

Teenagers can be a wonderful source of help during the busy season, and summer jobs can also help you scout for long-term employees. But before you hire a teen, especially anyone under 16, know the state and federal youth employment laws.

Most state child labor provisions establish a minimum age of 14 to be employed and regulate the employment of teens ages 14 and 15. Generally, persons ages 14 and 15 are limited in the hours they can work and are prohibited from performing certain types of work. Federal child labor laws further limit the types of work that can be performed by teens 14 and 15 years of age and prohibit teens ages 16 and 17 from working in certain occupations the U.S. Department of Labor deems to be hazardous, including driving.

Here are some handy links to state and federal youth employment information:

U.S. Dept. of Labor: <http://www.youthrules.dol.gov/>

Arkansas: www.state.ar.us/labor/pdf/joint_child_book.pdf

Kansas: www.dol.ks.gov/es/html/child_DEE.html

Louisiana: http://www.laworks.net/ORS_MainMenu.asp

Missouri: http://www.mo-river.net/business/youth_employment_in_missouri.htm

Oklahoma: http://www.ok.gov/odol/Child_Labor/Understanding_Child_Labor_Law.html

Nebraska: <http://www.dol.state.ne.us/nwd/center.cfm?PRICAT=2&SUBCAT=2C>

New Mexico: www.dws.state.nm.us/dws-qlid.html

Texas: www.twc.state.tx.us/ui/lablaw/cil-sum.html

Or visit: <http://www.stopchildlabor.org/USchildlabor/fact1.htm>

organization apart from the others. Doan says taking the time to develop an effective program will pay off in the end.

“On-boarding takes an investment of time, but it results in employees that understand their place in the business and how they contribute to the overall company,” she says. “Proper on-boarding develops employees that want to do more for the company so it’s worth that initial investment.”

For more information, please contact AgCareers.com at agcareers@agcareers.com. AgCareers.com is the leading online job board and supplier of human resource services for agriculture, food, natural resources and biotechnology.



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Coming to Terms with the Terminology

By Barry Villaverde, Tax Favored Benefits

Here are some insurance terms you may come across and an explanation of each:

Cash Value

Many life insurance products such as Whole Life and Universal Life include a feature called “cash value.” This is a “cash savings” feature which begins to accumulate over time as premiums are paid and interest accrues (a build-up of equity occurs, much like when a homeowner builds equity through principal and interest mortgage payments). Generally, this cash value may be borrowed against, partially withdrawn from (by taking a partial surrender) or even secured in whole by returning the policy (this is called “total surrender” and is a policy owner’s option to send the policy back to the insurer in return for its cash value). Term life insurance has no cash value.

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

Modified Endowment Contract

In 1988 a revenue act regulating life insurance policies called “TAMRA” was approved which discontinued some of the tax benefits a life insurance policy provides “when premiums paid for it are not in proportion (are greater) to the death benefit provided.” If this happens within the initial seven-year period of the policy, the policy becomes classified as a “MEC” at which time any cash distributions (such as a policy loan) become subject to taxation as income instead of being tax-free. In addition, a 10% penalty tax is assessed if the distribution occurs before age 59 ½. This, of course, is a significant loss of a tax benefit. Many life insurance companies make it a practice to immediately refund a premium when the life insurance policy is in danger of being classified as a MEC so that their clients will not lose their cash distribution tax advantages.



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