



DEALERPOINT

Official Publication of the Wisconsin Automobile & Truck Dealers Association | 1928-2010 | Volume 26 Summer 2010



INSIDE:

- BOARD OF DIRECTORS SEMI ANNUAL MEETING
- EVALUATION HAPPENS
- LUNGWITZ PRESENTED HERO AWARD

"We switched F&I providers to Protective."

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Middleton, Wisconsin

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*A publication of the
Wisconsin Automobile & Truck Dealers
Association focusing on the human side
of the membership and trade.*

Our Mission:

The Wisconsin Automobile & Truck Dealers Association, an organization of licensed dealers of new and used motor vehicles, is dedicated to advancing the common good of its members, consumers and their communities by promoting professionalism and prosperity through education, advocacy, information and service.



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Volume 26 • Summer 2010





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Cover photo credit, Sheryl Tharman at Red Crown Lodge.

WATDA Board of Directors Semi Annual Meeting

BY BILL SEPIC

A great run by WATD Insurance Corporation comes to an end, U.S. Senate Candidate Ron Johnson looks for a new beginning and there is always enough legislative and legal news to fill a day. These are but a few of the items addressed at the WATDA board of directors meeting held June 29 – July 1 at the Red Crown Lodge in Northern Wisconsin.

Dealers from across the state gathered to cover two days of material ranging from DMV updates to financial and audit reports. There was no escaping election season in the North woods as the dealers hosted State Senator Jim Holperin (D-Eagle River), Senate Majority Leader Russ Decker (D-Weston) and U. S. Senate hopeful Ron Johnson (R). It was evident that the dealers have a voice and the elected officials wanted to hear that voice as well as to be heard. Candidate visits remind the dealer body just how easy it is to communicate with our legislators and the importance of those contacts.

Chairman Dick Stockwell of Rock County Honda in Janesville kicked off the meeting by reiterating his goals and reporting on the progress achieved thus far. Stockwell is leading the association as it represents all of its members equally, maintains financial strength in the midst of a declining dealer body, advocates it's political agenda aggressively, decides the future of our real estate and office location as well as determining the future of the WATD Insurance Company.

With honor and grace Ron Boldt pulled the curtain on the WATD Insurance Corporation concluding a ten-year run of incomparable success. Over the history of the company, WATDIC was able to provide boutique health insurance at competitive rates and unparalleled service. WATDIC is one of only a couple state dealer run health insurance companies still in

existence. "For an association to create a company that provided over \$100 million in claims coverage is an accomplishment to be celebrated," said WATDIC Chairman Boldt. "It is just too much for a small company to compete with the mega-insurance companies, the unknown future of ObamaCare and the variation in network cost across the state."

With every ending comes a new beginning, WATDA has ramped up their Insurance Agency to represent our partner, UnitedHealthCare as well as a host of other health insurance companies. The goal is to be a full service Insurance Agency serving the needs of EVERY member dealer. An open enrollment period is currently available to all current insurance customers to transfer their business to UHC.

What's silver and black and has numbers, but no letters? The new dealer plates. DMV displayed the new dealer plates that will be available by the end of the year. The good news is that each of the dealers will keep their dealer number. The bad news, the plates won't have a letter providing a differentiator between plates. Although, the association lobbied to retain the letters, dollars won out as the letter-less plates are considerably less expensive. DMV also shared that they believe the controversy surrounding Educators Credit Union and their illegal activities will cease within the month. ECU has been issued a conditional dealer license with specific guidelines allowing only the sale of off-lease vehicles. Time and enforcement will be the final indicator.

December's board meeting will have recommendations from a task force charged with updating the bylaws, information regarding the future office location of the association, a report from the Franchise Law task force and the results of the 2010 elections. ●





Clockwise from left:

State Senator Jim Holperin (D-Eagle River) addresses dealers and staff. Sponsors from Protective, Bob Zito, Jim Barrie and Ken Liesener with Past Chairman Bob Pietroske.

Headed for the 19th hole.

Your WATDA Board members at work.



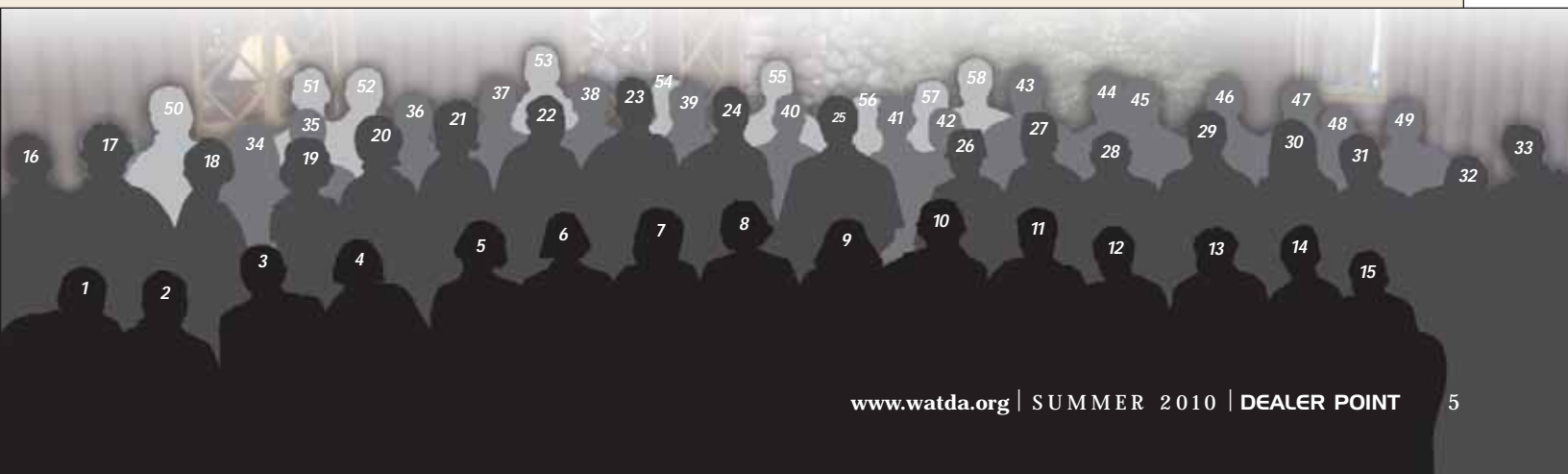
More Board of Directors photos continued on page 6...

Row 1, L-R: 1. Bob Zito and 2. Ken Liesener, Protective; 3. Bob Moody, 4. Eunice Moody, 5. Sherry Tolkman, 6. Cindy Porth, 7. Nancy Tessmer, 8. Kim Stockwell, 9. Patty Brennan, 10. Deloris Lungwitz, 11. Karen Boldt, 12. Liz Pietroske, 13. Roberta Vance, 14. Rhonda Sepic, 15. Savannah Sepic.

Row 2: 16. Mike Mader, Baker Tilly, 17. Sue Miller, 18. Peggy Gross, 19. Paula Sharon, 20. Mary Lou Levi, 21. Barb Anderson, 22. Frank Porth, 23. Jim Tessmer, 24. Dick Stockwell, 25. Mike Brennan, 26. Gloria Larson, 27. Dan Toycen, 28. Bob Pietroske, 29. Ken Vance, 30. Nicole Lavold, 31. Jim Tolkman, 32. Julie Farmer, 33. Bob Hudson

Row 3: 34. Mary Lynn Toycen, 35. Tim Sharon, 36. Scott Bahr, CVR; 37. Karl Wuesthoff, 38. Eric Jorgensen, 39. Andy Schlesinger, 40. Jack Lungwitz, 41. Lee Bauman, 42. Lavon Felton, 43. Lawrence Meade, 44. Bob Clapper, 45. Ron Boldt, 46. Bill Sepic, 47. Matt Lavold, 48. Josh Johnson, 49. John O'Malley

Row 4: 50. Wayne Gross, 51. David Cuene, 52. Ray Pedersen, 53. John Buelow, Wipfli, 54. Mike Gliori and 55. Jim Barrie, Protective; 56. Mary Ann Gerrard, 57. Don Larson, 58. Rich Sack





Clockwise from left:

The patio by the lake was a popular meeting place.

Past Chairman Bob Moody.

Chris Snyder, Mike Gliori, Past Chairman Bob Hudson and Josh Johnson debate at the flag.

Ken Vance entertains his wife Roberta and Dan Toyen.

U.S. Senate candidate Ron Johnson addressed the Board of Directors.

Wayne & Peggy Gross; Patty & Mike Brennan



Lungwitz Presented Hero Award



Once in a while we meet a person who makes us feel great about that particular day and ourselves. We do not encounter these people often enough. They are warm, positive people who seem always able to look at life with wonder and joy. Jack Lungwitz of Lungwitz Inc. in Redgranite Wisconsin is one of those people.

If you haven't met Jack go out of your way to try to do so. Jack has done so much for your Wisconsin Auto and Truck Dealers Association. He has sung the praises of this association bringing in many new members over the years. He gave tirelessly of his time in service on the WATDA Membership Committee, the WATDA Used Car Council and the WATDA Board of Directors.

At the June WATDA Board of Directors meeting your staff presented Jack with an award. The "Hero Award" is given to a dealer selected by the staff for recognition, a dealer who has gone out of his way over and over again.

The award presented to Jack read:

The Wisconsin Auto and Truck Dealers Association
Hero Award

Presented to Valentine 'Jack' Lungwitz

for his many years of joyful commitment to Wisconsin's automobile industry.

Jack has led by example, given unselfishly of his time and ideas and has indeed made Wisconsin a better place.

Thank you Jack for all you do!

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of the WATDA Summer
Board Meeting**

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CPAs and Consultants

CVA

BAKER TILLY
Accountants and Advisors

Evaluation Happens

BY SUE MILLER

Evaluations are a part of doing business. When a dealership sells a vehicle their customer receives a survey and is asked to evaluate the dealership, triggering hundreds of "If you can't rate us 'completely satisfied' or '10' please call us and give us a chance to make it right," conversations daily. Evaluations also happen informally in conversations where satisfied (or dissatisfied) customers discuss their dealership experience with friends and family. And now, evaluations happen when anyone who has an opinion about your dealership wants to share it with the entire world – it is called an online review. You can't control who is talking about you. But you can influence the conversation.

NADA has contributed an article in this *Dealer Point* suggesting ways to respond to negative evaluations on the Internet. This article will give a few tips for how to find out what people are saying.

Unfortunately, most people are rarely inspired to post a positive review. People expect positive experiences and rarely decide to let others know when they were greeted promptly, given a fair price and treated professionally throughout the sale. On the flip side, when they wandered around your lot for fifteen minutes before being greeted, when they think they were over-charged or when they feel mistreated during the sales process chances are they will be much more willing to write a review. Most dealers strive to continually provide a great customer experience, and yet there are reviews like this one:

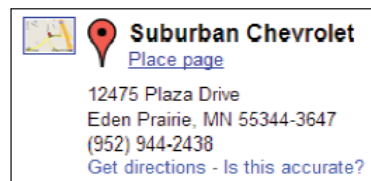
"Not happy with our experience?" By Jessica – July 5, 2010 "My boyfriend and I were shopping for a used car, and found a good deal online at DEALERSHIP. We got in contact with a female salesperson and set up a time to come in and see the car we'd seen listed online. When we came in to the show room, she seemed surprised to see us and had to check her calendar to remember our appointment. Then she told us they'd sold the car already. It would have been really nice if, since she knew we wanted to test-drive THAT specific car, she'd let us know it sold so we didn't have to waste our time coming in. After saying we didn't want to see a much more expensive newer model and telling her our price range for other used cars, she actually made fun of the previous car we'd wanted to see and told us she could no longer help us. Overall she was unpleasant and made it obvious that we weren't important since we weren't spending more money. We spent all of 5 minutes in the dealership and left regretting ever coming in. On the plus side, all the other employees we ran into were extremely friendly and I've heard their service department is absolutely top-notch. If

you're shopping at DEALERSHIP, I'd recommend making sure you have a salesperson that actually enjoys their job and is friendly."

Look for Search Engine Reviews

Other reviews can be much worse. So, where do these reviews exist? Everywhere, but mainly right underneath your dealership's link in a search engine, like this Google example. Searchers can click on the word "reviews" to view what people have written about this dealership.

Therefore, the first place to look for reviews is in search engines like Google and Yahoo. There isn't a mechanism to respond to these reviews so a dealer's only defense is to ask satisfied customers to submit a review in Google (or other search engines) so that positive experiences are also included in the list. Many will do so simply because you asked them to.



Use Google Alerts to Search for Other Dealership Mentions

Reviews can also be found in news article comments, at web sites like Edmunds.com and basically anywhere people have the ability to post information. The list can get pretty overwhelming but yet, dealers should have an idea of what people are saying about them. One of the handiest tools for monitoring when your dealership is mentioned is Google Alerts.

Google gives anyone with a Google email address the ability to set up an alert on any search terms. (Yahoo does the same for individuals with a Yahoo email address.) Using the Suburban Chevrolet example, the search terms would probably be something like "Suburban Chevrolet Eden Prairie." Another possible alert might be when any auto dealer is mentioned in a specific community or county, for example "Eden Prairie Auto Dealerships." *Note: If the terms were only "Suburban Chevrolet" you would receive hundreds of listings for Chevrolet Suburbans so it is a good idea to test your search terms and try to make them as unique as possible.*

Once you have your Google Alerts set up, scan them at least daily for places where your dealership is mentioned. If someone blogs about your dealership you have a fantastic opportunity to respond, not only to the person who posted a negative review but also to all of the people who are following the

continued on page 8...

action. In today's social media world no response means that you chose not to respond, rather than that you didn't know that the negative review existed. It is an important distinction – where in the pre-social media years a non-response was no big deal, now there is a negative connotation to a non-response. It is like saying, "I told that dealership they stunk and they slunk away."

Ask Customers What Internet Resources They Used

It is a good idea to track how customers learned about your dealership and what, if any, Internet resources they used. This can refine your strategy. For example, if the vast majority of people find your dealership through a search engine and your dealership's web site then you may want to promote search engine reviews and set a Google Alert to monitor for negative press elsewhere. However, if many customers are coming through a review site like Edmunds.com then you may want to add responding to negative reviews and generating positive reviews on that specific site.



Finally, there are conversations daily in sites such as facebook.com and twitter.com about customer experiences.

Dealer may want to develop a strategy that utilizes the unique features of those sites to build brand awareness, customer loyalty and any number of other positive things. Be aware that broadening your dealership's reach in such a manner requires a well-thought-out social media strategy and staff time to implement the strategy fully. In addition it is often difficult to quantify the return on investment with social media and it requires trust to allow staff to have unscripted online conversations.

WATDA's Role

WATDA uses Google Alerts to monitor dealership mentions in Wisconsin. It has provided us with an opportunity to educate the public about the important consumer protection role that dealers play as well as defend against attacks on our legislative agenda. WATDA's policy is to respond to comments that are directed at the industry as a whole or the Association. We don't respond to attacks against specific dealerships as we have no right to speak on that dealership's behalf. ●

Managing Your Reputation on the Web

You can't always control what is being posted online about your dealership on review sites such as Dealerrater.com, but you can provide balance and help counter the negative with these tips:

- **Constantly monitor review sites and stay informed on what's being said about you—and your competitors.** Some dealerships don't even realize their stores have been reviewed by customers, bloggers and others.
- **Most review sites let businesses respond to dissatisfied customers and try to resolve their complaints.** Post your actions online where other consumers can see that you cared enough to respond.
- **Respond to compliments, too.** "We're glad you had such a good experience at our dealership and hope you'll come back."
- **Ask satisfied customers to post comments on specific sites.** The more good reviews you get, the less effect a few negative ones will have.
- **If you have a good rating on a site, advertise it.** Some dealers post links to review sites on the dealership home page.
- **Stay on top of your customer service team.** Disgruntled consumers who fall through the cracks are the ones who air their problems on the Web. Even if a situation can't be resolved, being polite and open to discussion goes a long way.
- **Review posts with your managers.** This way, everyone is on the same page about what's being said about your store and the image you want to project.
- **Ponder those negative comments.** In other words, make sure your employees drop their defensiveness and ask themselves if the complainant has a legitimate gripe that needs to be addressed. ●

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How to Set Up a Google Alert

Set up a gmail account.

1. Go to www.google.com
2. Click on Gmail (upper left portion of the screen)
3. Click "Create An Account"
4. Complete the fields on the page following all instructions. Make sure you test your desired login name by clicking "Test Availability"

Set up a Google Alert

1. Go to www.google.com/alerts
2. Enter the search terms for your alert
3. Until you know what sort of information you're going to get, stick with the default settings. You can refine them as you become more accustomed to the way the alerts work. Click "Create Alert"

Using Google Alerts

Google Alerts often have links that match your search terms but are not particularly relevant to your interests. The best way to use alerts is to scan them for how the relevant terms are used and only click through where there seems to be something of interest. Also be advised some links can be broken or lead to websites containing harmful information.



NADA Report

BY KEN VANCE



Finance Legislation

You've already heard enough about the Senate Finance bill, which passed on July 15th. The most significant part of the Bill is the creation of a "Consumer Finance Protection Agency." While auto loans are covered by the bill, the CFPB will not supervise auto dealers who help

their customers finance auto and truck loans.

Plan now for San Francisco next February

The NADA convention this year promises to be reasonable and exciting. Hotel room costs have been negotiated to the lowest rates in years. "Sully," the pilot from the *Miracle on the Hudson* will key note the Sunday spiritual service and Condoleezza Rice will be with us on Monday. Jim Lentz, President and C.O.O. of Toyota will speak at the opening session on Saturday.

Academy Success Stories Documented in New Video

A new video available online features NADA Academy students telling how their "training camp for success" has paid off for them and their dealerships. A link to the video has been sent to all members so they too can hear Academy students describe the program and how the knowledge gained is immediately applied back at the dealership for improved profitability. There are only four remaining classes starting in 2010: Dealer Candidate Academy (for successors) in September and October and General Dealership Management (for Dealers and/or General Managers) also in September and October. Contact academy@nada.org to learn more about the department manager sit-in option for Academy participants and alumni or to submit an application today.

Annual Membership Census to be sent this Summer

NADA's annual membership census will be mailed to East Coast members in June, West Coast members in July and Midwest members in August. NADA's Membership department is urging dealers to review it carefully and send updated information by fax (866-783-3191) or online using the instructions on the census form. Membership is also asking dealers to pay special attention to the person listed as the Authorized Representative. This person represents, votes and acts for the dealership in all association matters, and all NADA communications are directed to this person.

All NADA, ATD Members to be Enrolled in NADA University

NADA University is already working on the next phase of its launch, an enhanced enrollment process that will automatically register all NADA and ATD members and allow others in the industry to sign up as well. Enrollment is a free benefit of NADA/ATD membership, which also entitles members, at no charge, to six all new online courses, dealership employee profile setup, and individual and dealership training activity reports, in addition to the Driven management guides, NADAPerks tips and tools, and MarketINSIGHT mini-Webinar. NADA University's Customer Service team will follow up with phone calls to all members to acquaint them with NADA U's online learning management system.

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Franchise relationships
Dealership transfers
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Real estate issues
Financing
Employment law
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Compliance Reliance from KPA

BY CHRYSTE MADSEN

*Glad this isn't your dealership?
Hope no one was seriously hurt!*



KPA has been keeping WATDA Members in Compliance Since 1998

Okay, I admit fear is a rotten way to get your attention, but all of us are aware that we work in a hazardous industry. Trucks and autos are massive machines and nothing is more important than making sure your employees and customers work and visit your dealership in a safe environment. The maze of OSHA requirements to make it safe is literally mind-boggling.

For this reason WATDA felt it was important to team up with KPA, www.kpaonline.com, the nation's compliance expert on environmental health and safety services (EHS) and human resource issues (HotlinkHR). It has been a good partnership.

On the safety and environmental side they offer services tailored to the customers needs as evidenced by the following example: Jim Fagan, President of Fagan Chevrolet in Janesville said, "KPA schedules our meetings quarterly based on our requested times. We have two of them in May and September, avoiding our busy season, which we appreciate."

The KPA engineer, Mark Bucko in the case of the Fagan dealership, comes in for on-site services including regularly scheduled facility inspections, employee training sessions, and formal Safety Committee meetings.

Jim Fagan is very proud of the fact that his Safety Committee, which consists of his CFO, owners, HR, Fixed OPS managers and

employees, has greatly reduced accidents in the dealership. The Safety Committee also selects the topics for the training sessions based on what they see as need.

"I could not see running a dealership today, especially as we grow, without the help of KPA, said Jim. The health and safety of our employees and customers is paramount and it's nearly impossible to put a price on that. In addition, Mark has shown us a method to capture our waste oil which allows us to burn it as a heat source for our shops in winter thereby reducing our heating costs. We sell to recyclers now only in the summer."

KPA also offers on call services including round-the-clock support for EHS incidents.

There is online support that includes myKPAonline (www.kpaonline.com), an online safety and compliance tracking and measurement tool. Red Van Rite of the Broadway Automotive Group in Green Bay said, "By using the web portion of the program it's easy for me to make sure all my managers are in compliance and to see that I'm keeping up on everything myself."

"My headaches are gone, Red said. When OSHA comes in I know we're in compliance because KPA makes sure we are."

Ed Fried, CFO of the Ewald Automotive Group, said, "We've used KPA's services for the past four to five years and they have

been instrumental in our hazardous material training. Initially the employees might have been a bit skeptical about bringing in KPA and Jeff Wilson, our engineer, but it quickly changed to a partnership and the employees now find them to be a great resource. There is little turnover in the KPA staff which breeds familiarity and trust with management and employees."

KPA's EHS business aim is to help WATDA members stay out of trouble... to stay in compliance with both state and federal law. More importantly they help you reduce fines and lawsuits and to stay safe. As Vikki Brueggeman of the Zimbrick organization said, "KPA keeps safety in front of us continually. Since partnering with them, onsite inspections with our workers comp carrier are a breeze. KPA makes us be proactive."

The KPA web-based HotlinkHR software, which was developed by one of the foremost labor attorneys, alerts management, forces compliance in your human resource area and cuts costs. It consists of:

Online Job Applications:

- Applications linked to company website or job board
- Automated review of application, forcing applicant to answer all questions
- Automated screening to filter out problem applicants
- Binds applicants to arbitration agreement

Hiring Procedures

- Forced step-by-step interview and hiring process
- Provides interview guidelines
- Completes background check and drug screening
- At appropriate step

New Hire Packet

- Includes all Federal and State specific new hire forms
- Auto populates all forms and stores electronic signatures

Electronic Policy Manuals

- Customized employee handbook is posted online
- Policy manuals easily updated
- Employee signature required each time employee handbook is viewed

Employee Training

- Manages Red Flags Rule
- Interactive training in streaming video or text/audio format
- Provides customer information security training

Performance Management

- Prompts managers to complete performance reviews
- Provides process and guidelines for ranking employees
- Creates and stores employee evaluations online
- Prevents termination without legal compliance and authority

Additional Features:

- Notifies HR Administrator and manager of overdue HR requirements
- Forms and training available in English/Spanish
- Provides a confidential and/or anonymous employee hotline

Human Resource issues have become extremely complex. Legal advice can be very expensive and litigation very costly. Laws to keep you in compliance are ever changing and when you consider the time and liability compliance entails, Hotlink HR is a very reasonable solution.

Let's finish with this scenario: It's a beautiful summer morning. The sky is blue and you just might be thinking of shooting 18 holes this afternoon when your Service Manager appears in your doorway. He says, "Boss, the OSHA Inspector is here."

Do your thoughts turn to your checkbook and possible fines or your golf clubs and a birdie on the eighth hole?

Why worry about being out of compliance? Give Brent Haldiman at KPA a call at 303-228-2382 or email him at bhaldiman@kpaonline.com for a free, no obligation evaluation of your dealership.

And then when the OSHA inspector comes in you can smile, grab your clubs and hit 'em straight!

(For information on KPA Workplace Safety from WATDA call Chris Snyder at 608-251-5577)

(For information on HotlinkHR from WATDA call Mary Ann Gerrard at 608-251-5577) ●

NADA Report continued from page 9...

We Need Our Voices Heard

This election year may be one of the most important ever. We in the Auto Industry have been shaken to our roots this past year and a half. If we are to continue to have a strong voice we must be involved financially. Contact Mary Ann Gerrard or myself and find out how you can help. Mary Ann 608-251-5577 or Ken 715-834-4162. ●

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Wisconsin AYES Intern Takes Home SkillsUSA Gold!

BY GARY BEIER

For the second time in the last five years, a Wisconsin high school auto technology student has won gold first place honors in the national SkillUSA competition.

Kieron Kohlmann from Racine's Washington Park High School is the 'golden guy' for 2010. His talents gave him the edge over 57 other student technicians as winner of our SkillsUSA Wisconsin competition. Kieron then went on to the June nationals where 6,000 young people competed in a host of technical skills fields. It was Kansas City gold, which Mr. Kohlmann attributes to the combination of his Park High training and his dealership – Martin Chrysler in Union Grove and mentor Tom Walton. In his words, "They made the difference."

What make Kieron different is that he has been a competitor on wheels since he was five years old. It all started with a juniors racing competition, which eventually led him to automotive restoration. He has spent the past five years restoring his 69' Dodge SuperBee, which is now his primary car. His dad has been a great influence in his career as well.

His AYES instructor, David Dixon had plenty of thoughts to share about Kieron and the whole program that put them in the finals at Kansas City this year. Dave celebrated his 35th

year in the Park High automotive/transportation technology program this year.



Top: Winner Kieron Kohlmann and Park High Auto Instructor, David Dixon.

Bottom: Bill Martin, Jr., President Martin Chrysler; Kieron Kohlmann and Service Manager, Mike Homburg

He attributes the SkillsUSA victory to the NATEF education standards. They help guide the certified schools to prepare their students to take on any kind of technical challenge including contests like Skills, Triple A and the New York Auto Show. It's learning industry standards opposed to just studying contest questions that makes winners in his estimation.

Bill Martin, Jr., President of Martin Chrysler, Union Grove says that Kieron, "is a nice student and good employee. He makes the AYES program look brighter in the eyes of dealers like himself. It is nice to have a shining student on staff here." His Service Manager, Mike Homburg totally agrees.

Dave Dixon has high praise for the Automotive Youth Educational System. In his own words, "AYES is what put us on the map. It has dramatically changed the way we do things, especially with updated vehicles and curriculum. Talking to other states, nothing comes close to our Team Wisconsin."

...and, after 7 of the last ten years with top 10 finishes in SkillsUSA and other national competitions it's hard not to agree! ●


CenterStage

AWARDS, HONORS, MILESTONES

*Please send your news for Center Stage
to jfarmer@watda.org.*

Parsons of Antigo is marking its 75th anniversary as one of the most successful family dealerships in northern Wisconsin. The dealership started with a garage serving the agricultural areas as the Bryant Garage by Max and Adeline Parsons. It shifted to their son David and his wife Sherri and today is operated by their children Curt Parsons and Jenny Gretzinger.

During those 75 years the Parsons garage has changed from a farm-based firm to selling new and used automobiles, made the shift to Antigo and today sells Chevrolet and Buick vehicles.

Sondalle Ford Lincoln Mercury of Berlin has been awarded the Ford Motor Company's 2009 Presidents Award. "Taking care of customers is what separates us from other Ford dealers," said owner Steve Sondalle. "I'm very fortunate to have a good group of employees." ●

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Rawhide Profile

Each month a young man is selected as the Student of the Month by the staff of Starr Academy, Rawhide's private school. Winners are selected for their scholastic efforts, maintaining the high rank, helpfulness to others, and exhibiting a positive attitude.

Jon: Student of the Month

My name is Jon and I am 17 years old. I'm from Green County and have been at Rawhide for almost three months. Some of my favorite things to do are playing basketball, football, and skateboarding. However, the



thing I enjoy the most is golf!

When participating in job training I like doing deconstruction. It is fun taking something apart to make way for something new. I hope to attend Black Hawk Technical College after graduation and take classes in math, blueprint reading, and mechanical drawing. I would like to learn the construction trade for

finished carpentry or become a roofer. I think this trade would help me to support myself and my future family. I believe my father has influenced me the most to be a good worker. He set a good example for me and encourages me to stay motivated.

The one thing I have learned most through the About Face program is what it means to be responsible. The characteristic of responsibility is one of the most important things you can learn on your journey to becoming an adult. My Rawhide housefather has been helpful by holding me accountable and encouraging me to do the right things. Rawhide has helped me see that my education is very important and that with support you can make it through the difficult portions of your life.

~Jon

The above testimonial was written by our current Student of the Month. Personal notes of encouragement are welcome.



WISCO, the Dealer's Partner

Annual Rebate Checks Issued Congratulations WISCO Members!

Due to the continued purchasing that your dealerships have made from Wisco we issued rebates in June of this year totaling over 650,000.00.

We had 567 members that helped us earn this profit in 2009, making an average payment of 1146.00. Your individual check was more or less than that and that all depended on you, the owner, and how much you purchased from us.

Wisco members also received a second check in June for equity redemption that was withheld in 2002. Being able to only operate on equity of only 7 years is the sign of a very healthy cooperative that has been in business for 38 years.

On another positive note, I would like to thank all our owners, because of your loyalty to Wisco we achieved another milestone this year. As of March we had sales since our beginning to our members

of over 500 million dollars. In simpler terms that is a HALF A BILLION DOLLARS. The great part of all these sales is that it represents 500 million dollars of product that our members saved money on. On top of that savings we have paid our members over 15 million dollars in year-end rebates on these sales. I personally feel that this is a great return on your initial investment of a 1000.00 dollar refundable share of stock.

2009 was a tough year on our members and we were there for you, helping you to save money on all your purchases, from parts to equipment to office supplies. We appreciate your support of your company and are there for any dealer, large or small, new or used, truck or car.

When you call Wisco, you will always speak to a real person, we do not shuffle you around. We will help you with

purchases, warranties and returns if needed. We are the link between you and the vendors and can help you handle any problem or question that you have before, during and after you purchase.

We are always looking for new quality product lines that will be beneficial to the dealers and save them money. If ever you meet a non Wisco member, please feel free to welcome them into the cooperative, and let them see for themselves what they are missing. If you haven't bought from us in awhile, please call we will do everything we can to help find the products that you are in need of.

I would like to thank you all for your support and with your continued support and loyalty I look forward to announcing to you in a future *DealerPoint* article that together we have hit 1 BILLION DOLLARS in sales. ●



WATDA Legal News

BY CHRIS SNYDER

Chrysler/GM Bankruptcy Arbitrations Wind Up

At the onset of the summer of 2009, 17 Chrysler dealers and 194 GM dealers in Wisconsin received notice that their franchises were being terminated or "winding down." In separate bankruptcy proceedings, the federal bankruptcy court accommodated the two corporations by ruling in ways never seen before in bankruptcy proceedings. There will surely be many future law review

articles to digest regarding those proceedings, but the bottom line for Wisconsin dealers is that there were 211 franchise contracts (each representing millions of dollars in dealer investments) left to twist in the wind.

WATDA (and other state associations) and NADA worked in concert diligently to preserve the validity of franchise law

protections. The basis of those protections is the dealer's ability to realize a fair market value of return on investment. NADA hired separate law firms to represent dealers' interests in the bankruptcy proceedings, both in the courtroom and more importantly, behind closed doors negotiating with the manufacturers and their attorneys.

continued on page 11...

Still in the end, approximately 2,300 dealers nationwide lost franchise law rights. Then WATDA and NADA went to Congress seeking a fair forum that would allow dealers to state their case for relief. One of the more daunting tasks was educating the legislators about how the motor vehicle retail industry works. Many believed that the manufacturer floats vehicles to the dealers until someone purchases them. In fact manufacturer representatives testified under oath before Congress that it costs the manufacturer about \$2,000 per vehicle to cover "dealer" costs. However, with the tireless efforts of dealers throughout the country, we were able to convince congress to pass a binding arbitration process to allow the terminated and wind down dealers the opportunity to show that it was actually in the best interest of the dealer, manufacturer and community for them to continue their business. This was a time when our congressional representatives and U.S. Senators really fought for dealers.

The arbitration process that was established out of the bill was designed to be narrowly controlled, quick, based on numbers (not personalities) and binding. By the time you read this article all of the hearing decisions will be in. WATDA does not have solid data to provide as to the success of these hearing because they were private causes of action (not part of the public record) therefore the only way we know who had filed for arbitration and the result of that filing is for the dealer to tell us. We can say that at the time of writing this article it appears that over 70% of the dealers who were eligible to and actually filed for arbitration, were either reinstated or received some form of settlement from the manufacturer.

With the closing of the termination/wind down/arbitration issues and process, a new door is opening that will pit state franchise law rights against bankruptcy law protections. In October GM will be issuing new Sales and Service Agreements, sure to contain provisions designed to control dealership operations and require additional dealer investment. Chrysler has announced that they will not be offering Fiats to all of their dealers, even though they are strong-arming all of their dealers to become Genesis dealers. They also have backfilling issues, where they have awarded continuing dealers franchises and new locations in an effort to reshape their dealer markets only to have arbitrators rule that they should not have terminated the existing dealer.

WATDA will continue to be very active in advocating the dealer's diverse positions regarding the bankruptcy/arbitration issues. Wisconsin and every other state have motor vehicle franchise laws designed to create a level playing field for franchise to franchise and dealer to dealer competition and preserve the dealer's right to exercise autonomy in your day to day operations and to realize as much of a return on your investment as possible. Sometimes it's like juggling bowling balls, golf balls and machetes, but that's what we do. ●



From Around the State

Please send your news From Around the State to jfarmer@watda.org.

Wilde Honda opened a new location on Highway 18 in Waukesha that is a block away and twice the size of their previous area dealership. The 50,000 square foot facility includes a lounge, a ten-vehicle show floor, a service and parts area equipped with current diagnostic equipment and more.

Russ Darrow Kia is moving from Oshkosh to Fond du Lac in the site of a former Saturn store. Darrow operates one of the states largest Kia stores in Appleton and the Fond du Lac location has easy access to major highways 41, 23 and 151, making the area a retail center for vehicles.

Ewald Automotive Group is adding a third location in Oconomowoc; a new stand-alone Kia store that is under construction. The Dodge & Jeep brands are being added to the existing Chrysler store, which is next to their GM store.

Honda of Kenosha opened a 36,000 square foot dealership on a six-acre site in Kenosha. Currently employing 45, the final count will likely be over 50. Nate Sutton of Matteson, IL is the principal owner said president Jerry Cousin.

Somerset Sales and Leasing opened operations in Somerset in mid April. Owners Scott Swenson and Joe & Melanie Christy are collaborating with Mike Huber who runs the adjoining St. Croix Auto Works that provides service for the dealership.

In early July, **Dahl Automotive's** Ford and Hyundai stores traded locations. "Downtown LaCrosse definitely is an import destination. That's why we moved Hyundai there" from Onalaska," said General Manager Dan Swift. Dahl voluntarily terminated its Mitsubishi and Suzuki new-car franchises in May to focus on its other import brands. The dealerships Ford new-vehicle sales moved to the Onalaska location.

Markquart Motors:

Lee Markquart (center) breaks ground on his new Markquart Toyota facility along the Hwy 53 Bypass in Chippewa Falls, WI.



His Job is a Lifestyle

BY GARY BEIER

We welcome Bruce Ohlsen, Insurance Sales Account Manager for WATD Insurance Agency. Bruce joined us in April. When you meet him in person, you'll discover a guy who is really comfortable with his work, as he calls it, "My lifestyle."

What makes the job a lifestyle for him? There aren't too many places in the state, or dealerships for that matter, that Bruce hasn't visited during his career in insurance and business management – and he genuinely enjoys the 26 years that he's been able to travel the highways and byways of the Badger State.

Bruce's personal road starts back in a small town of 200 in southwestern Minnesota where his dad was the Executive Director of the local Chamber of Commerce and mom was bookkeeper for the county highway department. In fact, his mother still lives in the house they occupied when Bruce was 12 years old.



His next step was to a bigger town of 4,500 and a degree in Sociology from Southwest Minnesota State University. As Ohlsen says, "A business career was the farthest thing from my mind when I started college. A college degree was kind of a paradox for me." Graduation and a great opportunity changed all that. Soon after, he was off to Minneapolis and the start of a successful business career. His first position was corporate buyer for a large glass manufacturer.

An inter-company transfer sent the Ohlsen family to Wisconsin where they settled in Spring Green to open a new production plant. That plant is still in operation today and has grown to employ 8,000 people both here and throughout its global operations, and Bruce was on the team that made it happen.

Sales and marketing for the insurance industry was Ohlsen's next step and continues to be his career track today. He has experience long-time in building health and disability coverage programs that began with smaller companies ranging from 50 to 100 employees. Eventually his

client base grew to include larger employers like Oshkosh Truck, among others.

Through it all, Bruce has seen and experienced a lot of evolution in the health care insurance industry. The days of smaller health maintenance organizations have given way to major carriers and he has been right in the midst of the changes. Seeing smaller local and regional provides merge and become national agencies employing thousands. Bruce has demonstrated a passion for this industry and the ability to deliver in his own words, "products that help customers get through life's unforeseen events." He notes that the growth in the number of individuals needing disability coverage has become almost alarming in recent times.

His first dealership client was Ballweg Chevrolet in Sauk City. That base grew during his days with Fidelity and those dealer relationships are what eventually drew him to WATDA. He says, "WATDA is a great institution that provides valuable services to a constantly changing industry."

Bruce has been married for over 16 years to Barbara. She is a project manager for HDR's architectural division specializing in medical clinics and hospitals.

Bruce and Barb Ohlsen have four children: Amber who lives in Northwest Baltimore; Bryan in Miami; Josh in Fall River and Aaron, a US Army Iraqi war veteran. They also have two grandchildren.

The Ohlsens' favorite getaway is their place up in Door County and they also travel a lot because there are so many great places to see and experience.

Outside of work and home, Ohlsen has been active in a couple of highly successful marathons, including Race for the Cure and one special run where he celebrated Barb's 10th breast-cancer-free year and help raise over \$8,000 doing it. He's also been a Cub Master, past President of Jaycees, church choir member and served on the Sauk-Prairie Consolidation Committee during their final attempt to merge two community governments. ●

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WATD Insurance Corporation Closes Doors WATDA Begins a New Program for Dealers

BY LEE BAUMAN

The WATD Insurance Corporation gave official notice to its members and to the Wisconsin Office of the Commissioner of Insurance (OCI) that it is terminating its current lines of coverage as of July 1, 2010. The Corporation remains open and current contracts will be honored through December 31, 2010. A partnership will allow members to contract with UnitedHealthCare or find alternate coverage

WATDA has expanded our WATDA Insurance Agency through WATDA Services Inc., in order to provide an outstanding insurance source for dealers going forward.

- The WATDA agency has partnered with UnitedHealthCare to provide guaranteed underwriting and rates for the current membership.
- Our agency will also provide exclusive benefits through UnitedHealthCare for all dealers starting this fall.
- Our agency will provide consulting and placement of insurance coverage with any and all other insurance carriers if a dealer member needs a specific network of providers.

Our ability to establish an agency would not be possible without the leadership of the Board of Trustees and the Board of Directors of the Insurance Corporation. The board members have guided a longstanding program that always placed a priority on the health of dealers and their employees.

Many Thanks to a Great Board of Directors/Trustees

Ron Boldt, Platteville • Chairman	32 years of service
Bob Moody Sr, River Falls • Past Chairman	24 years of service
Don Larson, Baraboo.	12 years of service
Dave Brantmeier, Chilton	11 years of service
Dick Kornely, Manitowoc	9 years of service
Wally Sommer, Mequon	4 years of service
Frank Porth, Crivitz.	4 years of service
Bill Sepic	2 years of service

These dealers volunteered countless hours to guide a corporation involved in one of the most complex and challenging industries in today's market. WATDA President Emeritus Gary Williams was of course also involved as a board member of the Insurance Corporation and Trust during his tenure.

The WATDA Insurance Trust, the sole shareholder of the Insurance Corporation continues to operate. The Trust was established in 1948. The Trustees monitor the Trust while the claims are paid out of the Insurance Corporation. The Trust will receive remaining net assets from the Insurance Corporation or it will pay in additional funds if the Insurance Corporation has insufficient assets to pay claims and expenses.

Consider these Accomplishments and Challenges:

- WATD Insurance Trust formed the Insurance Corporation in 2001 and were the first in the nation to do so with our ERISA reserves and the approval of the Department of Labor;

- WATDA was one of the last dealer associations in the country to provide an association health plan and the only state association to provide benefits through an insurance company;
- WATDIC has paid out over \$200 million in claims since the company was formed and we will continue to pay outstanding claims through 2011;
- WATDA developed a great staff that provided excellent customer service;
- Staff developed complex computer applications and they stayed abreast of constantly changing insurance regulations;
- The shrinking dealership base (at one time 1,100 members to a current base of 500 plus) made it more challenging for the Corporation to increase premium volume which is needed to help spread the risk of loss;
- The larger insurance companies have contracted with hospitals and physicians to receive deeper discounts on medical bills – in some cases 10-18% more than our insurance corporation;
- WATDIC decided to close the plan because we did not want to leave behind any liabilities for unpaid claims that might affect the association or other parties.

National health care reform may likely provide us with more impersonal encounters with providers for our health care needs. The efforts of the WATD Insurance Corporation give us an opportunity to remember how we helped people with heart disease, cancer, diabetes, transplants and all of the very personal issues that affect us on a day-to-day basis. The corporation represented security, service, compassion, fast claim resolutions and freedom to choose medical care when and where we needed it. These are all hallmarks of a great institution that served us well.

Contact us to see how the new WATDA Agency can help you! lbauman@watda.org or 608-251-5577. ●



WATDA Insurance Trust/Corporation Board of Directors 2008 fall meeting in Wisconsin Dells.

Foundation at the Forefront of National Hi-Tech Certification Program

Bryan Albrecht, Nick Pinchuk, Jane Oates, Ray Pedersen are pictured during the dedication of the Center of Excellence program at Gateway Horizon Center in Kenosha. The featured speakers were Jane Oates, U.S. Assistant Secretary Of Labor and Nick Pinchuk, Chairman & CEO, Snap-On Incorporated. This is the second phase of the Horizon Center which features auto, diesel, aeronautical and wind energy technician training. This is the culmination of many years of planning to bring Snap-on Certification Training to Wisconsin and the World. It was announced at this dedication that 22 technical colleges nation wide have partnered with Snap-on to provide this type of training. Here in Wisconsin the following technical colleges have followed Gateway's lead: Lakeshore Technical College, Moraine Park Technical College and Northeast Wisconsin Technical College.

This type of specialized training is being provided for entry level technicians now and is being made available to more experience technicians on a yearly basis. The Foundation of WATDA and our Team Wisconsin participants have been involved in the planning of this type of education for some time. We are especially grateful to Snap-On Corporation who significantly led the development of this training. Our Summer Institute for High School and Technical College Automotive teachers regularly meets at the Horizon Center in Kenosha each year. We just completed our 2010 program on July 15th. ●



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