

Thursday Morning



State of the Association

President Marty Crawford delivered the State of the Association address to a packed room. He reported the following.

The association is in great financial condition. All bills are paid and spending is conservative. Grace Management handles all the bookkeeping and membership paperwork and an independent audit is conducted each year. Every member receives a copy of the audit. *UTATrucks.com*, built and managed by UTA-affiliate Central Web Solutions, has some vendors and will eventually have F&I, accessories, and delivery.

Training has been conducted successfully through The Brooks Group. More training will be coming up in 2010. *Voting* is now conducted online and nominees' pictures and bios are also online. This new process allowed us to attain the required quota in record time this year.

UTA.org was updated and now better reflects the professional organization that we are. Now more user-friendly than ever, each paid member can download UTA logo and member lists for use in marketing.

UTA Industry Watch newsletter is second to none in the industry. We went to an email delivery to save money. *Scholarships* awarded this year, of which there were four, continue to reflect the association's continued efforts to give back to the members of the industry. The *Convention* experience continues to get better each year with more and better education geared towards what the membership needs as well as more networking opportunities offered.

Economic Forecast



As usual, **Donald Broughton** peppered his presentation with bold statements which he quickly backed up with facts. His ability to get us to reason on those things and couple them with our own experience allowed us to better understand both the challenges and the opportunities coming our way. Over 300 attendees were told the opportunities will outweigh the challenges. Our businesses will be profited by these prospects.

“Intermodal is taking over the world!” and, some say, will cause the death of trucking as we know it. But the statistics say otherwise. Intermodal is excellent for export, but trucks carry 98.8% of all loads moved 2500 miles or less. 80% of all loads are moved 1000 miles or less; which is where traditional trucking shines because intermodal cannot compete on pricing. Remember this and be prepared because sales will follow.



Some of Broughton’s 2008 and 2009 predictions which came true:

- By mid-2009 truckload demand will begin to recover.
- The hottest segments in trucking may be teams.
- Recovery for LTL will come through consolidation.
- Drivers will continue to be more available in the “jobless recovery”.
- Balance of trade will improve.

Some of Broughton’s 2010 and 2011 predictions are:

- Another wave of trucking failures will “right size” capacity but we need another “event”.
- 2010 truckload demand will consistently be higher than 2009.
- Recovery for LTL will come through consolidation — YRC Worldwide, Inc., will fail unless the economy experiences an extraordinarily *dramatic* rebound.
- Drivers will continue to be more available.
- Within one year, truck people should be feeling better.

Other nuggets from Broughton’s talk are:

- There are plenty of manufacturing jobs to steal from the European Union; it is the EU against whom we should be competing.

- When supply chain management is well done, it shortens the reaction time to market demand, thus allowing stocking levels to be kept at lower long-term quantity thus saving money.
- Canada is the U.S.'s biggest trading partner.
- Always go with the wisdom of the crowd. The more people who are betting (investing) and the more they bet (invest), the better indicator of the state and future of the market. Debt is not a bad thing of and by itself. If it is invested to produce income, then it is a good thing.
- Consumer confidence surveys are useless. They are always opposite of what is happening at any given time.
- Truck drivers have a tough job and earn every penny they make. When truck driver pay starts to flatten, then unemployment will soon rise.
- Free markets are always much more efficient than government-run economic markets.
- Bill Clinton (D) and Ronald Reagan (R) were both populists. That is, they wanted to leave people alone and let them get on with managing their own lives. On the other hand, elitists are Obama (D), Hillary Clinton (D), Bush's 41 (R) and 43 (R), and Carter (D). That is, they want you to understand that they know where you are coming from, but they know better than you how to live your life and will *willingly* make those decisions for you.
- We are now using less to produce more. One case in point: Compare the efficiency of a Selectric typewriter to a laptop computer in labor and hard goods to produce one document.

Thursday Afternoon



Steve Hackett, The Brooks Group, told the 74 attendees there are two kinds of sales people: the quick and the dead. How do you determine which you, as a sales manager, have employed? By using the Sales Management Audit, of course. Sales people need to consistently produce high volume with high margins to make everyone more profitable. Prospecting involves understanding how customers want to buy not how we want to sell.

Does your ego allow you to be happy about and celebrate your team's successes, especially if they do better than you? If yes, then you are on your way to forming a highly productive team. Remember, your best people want to be held accountable; though, truthfully, they don't need you to do that because they hold themselves accountable. Always be teaching in a safe learning environment. Force the sales team members to teach other team members so that they can prove their skills.



Before hiring, follow the 8-Hour Rule. If you are unwilling to spend 8 hours with that person while meeting clients, don't hire them. Top organizations invest in training and they are not afraid to hire from outside the industry. As a sales manager, you will also need to understand that you must not ever stop the 8-Step Recruiting Process.

Sales managers must keep control of the sales process at all times by establishing expectations and providing feedback against those expectations. One necessary way to keep control of that process is to have each team member follow a linked, or sequential, selling process. This way you can ask which step in the sales process someone is in and ask them which step is next.

Thursday Evening



The *Vendor Fair* was highly attended with both vendors and members benefitting from the exchange.



Bobby Williams introduced the details of the revamped UTA.org website.

Golf Awards and door prizes were followed by auctions and raffles raised funds for the UTA-Jerome Nerman Family Foundation Educational Fund.

Drawings awarded more prizes from vendors.



Guitar Raffle was won by **Jack Lawrence** of NextTruck Magazine. George Strait and Reba McEntire each signed the Fender guitar.

The raffle raised \$ 5,867! Tim Ronan would like to thank everyone that purchased a raffle ticket for the guitar.

Friday Morning



Sales Training — Playbook for Success was one of the concurrent workshops this morning. Conducted by **Steve Hackett** of The Brooks Group, the purpose of UTA-specific sales training is:

- To raise the professional standards for selling in the used truck industry
- To provide salespeople with a methodology and repeatable system for driving sales
- To provide management with a playbook for coaching their sales team

Can you identify your most qualified prospects? Are you a strategic resource? Business consultant? Product salesperson? What do you need to know? Do you know who can pull the trigger on the deal? Who are your competitors and what are their strengths and weaknesses? What are your strengths and weaknesses? How will it benefit you to identify these? Can you conduct a successful demo? Do you know when and how to ask for the business?

These questions and more were answered in San Antonio for the 50+ attendees and will be asked and answered again in 2010 during more UTA-specific training classes conducted by The Brooks Group.



Moderated by **Bobby Williams**, the *Medium-Duty Truck Sales* workshop helped the 50+ attendees to maximize profit potential with winning strategies such as:



- What is the next life for this truck? Knowing when and how to reconfigure an existing unit or leave it as it stands. How to identify what a vehicle is and what it can become by assessing its complete specifications by: getting a factory line ticket for that unit to establish how it was built from GVW to rear axle ratio to frame information and more.
- Make sure the body company's estimate for reconfiguring is accurate otherwise you will be cheating yourself of profit.
- Plant the idea in your advertising copy that a particular unit can be reconfigured and for what. This will give customers the idea that you have a unit that can work for them.
- Getting a complete sales and use history. Where did it come from? What was it used for? How many times has ownership changed?
- Always spec' in a truck with: exact model number; serial number; cab-to-axle measurement; transmission: PTO adaptable — yes or no?; always call manufacturer to ask if an automatic transmission was built with or without a PTO gear.
- You must verify each vehicle's components. Inspect what you expect.
- Provide customers with an enjoyable customer experience in which they can be confident. Let them walk away with description and pricing in hand. Know they want to close the deal within 48 hours and take delivery in less than 3 weeks and that they want you to make a follow-up call both before and after the sale.

The two presenters were **Mark Fishel**, Vandeventer Truck Sales, and **Don Larkins**, International Truck and Engine Corporation's Midwest Regional Used Truck Sales Manager.

Dan Baker



Dan inspired us with his jokes, occasional-but-fitting bawdy humor, and gave us an overview of how attitudes have changed since World War II with each succeeding generation. Is the work ethic dead? No. Far from it. What has changed is the motivation behind the work ethic. Instead of shaking your head in frustration at a younger generation you don't understand, get to know them. When you find out what cranks their engine you will discover hidden horsepower in your company.

Family Feud

The UTA Family Feud brought the house down with drama, laughter, and winners and losers. Though truth be told, everyone who was at the convention was a winner.



Friday Afternoon

Market and Advertise Your Business for Maximum Return was lively and informative for the 100+ attendees. **Professor Edward G. Cole**, Director, Small Business Institute, St. Mary's University, provided a marketing plan that can be downloaded from the UTA website.



Cole also provided an overview of what marketing was all about, how to effectively produce and use a marketing plan, and what the benefits and purpose of it are. From situation analysis to strategies and objectives to tactical programs and budgets to performance analysis and implementation, Cole's coverage of the nuts and bolts was quite useful.

Following the professor was **Luis Sandoval, Jr.**, Social Media Coordinator of Gray Web Technology + Design, who spoke to us on the new marketing opportunities available; social media reaches all ages. Social media — that is, Twitter, LinkedIn, Facebook, and others — have grown in use 83% this past year.

What can social media do for your brand if anything? Should you use every method of social media there is? No! Instead you should decide on the relevancy of communicating to a particular group. Ask yourself if this is where your market is. Is your product or service timely and appropriate for that audience?

Also, how comfortable are you in that medium? Sandoval gave us real-world examples of huge companies with deep advertising and marketing budgets who totally screwed up their first — and sometimes their second, third, and fourth — foray into social media. Some ended up with public relations nightmares on their hands.

Social media was followed by a presentation moderated by **Angela K. Durden** and compiled from information provided by Commercial Truck Trader, SOARR, Truck Paper/TruckPaper.com, and Target Media. **Mark Bondi, Ethan Nadolson, and Lee Chapin** were on hand to give in-depth answers to audience questions.

We have huge opportunities coming our way, but do we know how to use the tools we have? Tools such as: websites, branding, community activities, advertising data, and social media. From conducting an analysis of website hosting services to the consistent use of logos for branding — including the use of the UTA logo to add credibility to your dealership — were covered in detail.

Are you and your business interesting enough to be on social media sites? What is the time and investment costs for these sites? Do you know the mindset and outlook of those who use the different types of social media? Have you formed a strategic intent for each outlet?

Are you using your website to best advantage? Online space is unlimited yet many only put one picture of any unit on their site. Remember: a picture speaks a thousand words. More than one

picture of each unit and fuller descriptions will allow your online “voice” to be heard more loudly and clearly.

The UTA Member Technology Use Survey results were interesting. Fifty percent of member respondents use Facebook while 12% do not use any sort of social media at all. Five percent use it to establish new business contacts while 21% use it for socializing only. Forty-five respondents agreed their sales team members’ phones had texting capabilities and that most were computer savvy. Still, the use of these technologies can be mined to better effect for business.

Think Tank Round Table



It’s back! The topics this year stirred up the crowd. Lively questioning and conversation as well as friendly debate could be heard as each topic was brought to the table. Hosted by **Bobby Williams** and **Terry Williams**, the topics were: Bootlegging Trucks; Best Bang for Your Buck; Roll the Dice; and The 4 R’s in Value.

Bootlegging trucks by definition is when *people attempt to sell equipment while pretending they own it*. This is happening more frequently. Some of the solutions to handling it were:

1. See copy of title. Find out who the real owner is.
2. Know the broker or who you are dealing with.
3. Does the broker know your business?
4. Copy the front and back of the title. Has it been signed over?
5. Establish “trade terms” before the sale.
6. On the internet, put retail prices on ads and code your stock numbers.
7. Spread the word about who the bootleggers are as you come across them.
8. Ask them if they are a UTA member, then go to the website and look at the member list to confirm their membership.

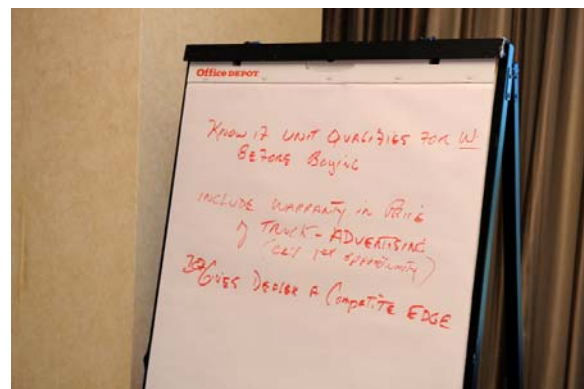


Getting the Best Bang for Your Buck in marketing brought out the following tips:

Getting the Best Bang for Your Buck in marketing brought out the following tips:

1. Don't cut your advertising budget in slow times.
2. Monitor your advertising's results.
3. Advertise only what you can sell and then sell what you advertise.
4. Show multiple photos of each truck on your website.
5. Show every unit in a group and the web crawlers will bring up more hits.
6. Vocational and targeted publications: use call tracking to see which is bringing in more leads for your dealership.
7. Call tracking: services will provide recordings of those calls and will allow you to listen to how your sales force is representing your company.
8. Track print vs. internet.
9. Using direct mail is working. (NOT email.)
10. Video on Facebook drives traffic to your site. (It doubled one dealer's hits to their website.)
11. Use UTATrucks.com
12. Keep website current.
13. Be consistent in use of advertising.
14. If possible, have a dedicated marketing person.

In the **Roll the Dice** segment, aftermarket warranties were determined to be an easy sell because of the complexity of engines. Customers need to understand that this is a necessary evil. Yet, what value does a used truck warranty have to your dealership? Do finance companies place a value on it?



1. These are a profit center but you must know if a unit will qualify for a warranty before you buy it.
2. Include warranty in the price of the unit when advertising. This will get you the first opportunity with the buyer.
3. Aftermarket warranties help move inventory therefore they are a good selling tool.
4. Don't overpromise. Fully explain the warranty details. Have them sign that they fully understand the details of this warranty.
5. Independent warranty companies associated with the UTA are better than the others.
6. Easier to sell when the realities of the costs of repairs is explained.
7. The finance companies will show it as a positive to the deal but do not assign a dollar amount of it to the deal.

What value does it bring to your customer? It will assist buyer in securing financing; protects the dealer as well as customer; but the dealership needs to stand behind the warranty.

The 4 R's in Value

Real Value — How to Valuate

Residual Value — Establishing Residual Values

SCR vs EGR in 2010 — Impact on Values

Anything that is 2010 in California will not be subject to retrofit requirements per California emissions. Exporting to those places that do not use this technology will need to remove before exporting. Can swap out the ECM to eliminate the PM filter change. Be aware of Euro standards because they are catching up to US standards.

How can I be aware that the filters and the ceramics in these systems are not broken? Go into the history of the ECM and see what the information is. If you see any smoke coming out of the pipe, then you have a problem with this system. You cannot physically look at the filter or ceramics and determine if working or broken. Is the ECM-reading software available to the dealership? If not, it is worth investing in this technology so that you can accurately appraise a trade.

Filter will go 500,000 miles before it needs to be cleaned (exchanged). If it is cracked it is replaced with a reconditioned one.

Filter standards are mandated by the EPA. OEM of filter is on the hook for that performance. After so many regenerations of the filter, it has to be replaced. If you have to revamp the entire system, you certainly shouldn't pay more for it than what it costs when it first was fitted to the truck because you are not replacing everything, just the part that is bad. To service these is only around \$300-\$400. The DPF can go up to \$3500 for a reconditioned unit. To replace can cost more. Therefore, you must know what you have.

How do these affect future values?

1. SCR = Select Catalytic Reduction
 - a. Less than or equal
 - b. Designed for the life of the vehicle.
2. EGR = Exhaust Gas Recirculation
 - a. Most beneficial to values and no up-front costs and no life cycle issues.
 - b. With the truck shortage coming soon, pre-buy trucks will be coming back soon so EGR should increase residuals.

A very large thank you goes out to the 2009 member contributors to the *UTA Industry Watch*:

Judy Hall, *KISS Marketing*; **Niki Desai**, *Niki Logistics, Inc.*; **Chris Visser**, *NADA*; **Paul Youngkin**, *gevity.com*; **Frank Oliveira**, Arrow Truck Sales Canada, and **Lee Wallace and Carl Heikel**, *Arrow Truck Sales*; **Steve Nadolson**, *Bear's Tracks to Success*; **Randall Smith**, *Great American Trucker's Insurance*; **Marguerite Jensen and Lynn Murphy**, *PREMIUM 2000+*; **George Barnett**, *Truck Remarketing Services*; **Jim Doster**, *Bank Leasing Corp.*; **Sean Kilcarr**, *American Trucker*; **Don Baldwin**, *Michelin, NA*; **Mark Fishel**, *Vandeventer Truck Sales*; **Bradley Everett**, *Caterpillar*; **Ron Lipman**, *Truck Enterprises*; **Norman Coletti**, *Truck Central-Atlanta*; and **Karen Stumbaugh**, *Opperman & Son*.

If you are a knowledge source and want to share with your fellow members, please contact Angela K. Durden, Editor, at editor@uta.org or call 404-358-0951.

Friday Evening

2009 Scholarship Winners



Bradley McNamara is attending Ramapo College majoring in marketing and finance. He is involved in Varsity soccer and was named 2009 Athlete of the Year in high school. "Upon completion of college, it is my goal and dream to work for and eventually own a truck dealership," he said.



Ashley Noel is attending Anderson University majoring in secondary education. She is involved in photography and sports. “God blessed me with an amazing family and I enjoy spending time with them,” she said.



Alyssa Nadolson is attending Ohio State University and is on a pre-pharmacy track. She is involved in intramural volleyball and leads a high school girls’ Bible study class. “I love Ohio State football games!” she said.



Kyle Dunleavy is attending DePaul University majoring in film. He is involved in making short films. “I plan on pursuing a Master’s degree in education where I can share my passion with others,” he said.

See you all in Jacksonville, Florida, November 3-6, 2010 for the 11th Annual UTA Convention.