
UTA INDUSTRY WATCH

Volume 3, Issue 4

April 2002

UTA Points of Contact

* You can now contact the Used Truck Association toll-free at: 1-877-GETS-UTA (1-877-438-7882).

* You can keep up-to-date on the latest developments with your association by regularly checking the UTA web site at: www.uta.org.

* We encourage you to visit with any member of the UTA's Governing Body. The officers and their telephone numbers are listed on the last page of this newsletter. Your thoughts, ideas and suggestions are always welcome.

INSIDE THIS ISSUE

- 2** Nominees Sought for Industry Honor
- 3** Board News & Views
- 4** UTA Governing Body

What are YOU doing to support the UTA?

President's Message

The Mid-America Trucking Show (MATS) has come and gone, and if you missed it, you missed a good show. I am always impressed with the number of actual truckers that turn out for this show.

The UTA had its annual board meeting Saturday morning at MATS, and we enjoyed almost a 100% attendance, missing only one board member. The major topics addressed were membership, this year's convention, communications and benefits.

Membership is increasing, thanks to the efforts of the membership committee, the general membership and the partnership agreements we have with different entities that offer incentives to individuals and companies to join our organization.

Our 2002 convention - the third annual - is shaping up nicely and is destined to be more exciting and worthwhile than the previous two.

Communication is getting better, especially with our now monthly newsletter, produced by UTA Director David A. Kolman.

We would like to expand the newsletter, but to do that, we need submissions and material from you, the members.

Please send anything you think is worthy for our newsletter to David at: 18521 Brick Store Road, Suite 400, Hampstead, MD 21074.

All of our committees are continuing to

continued on page 2

Nominations Sought for Industry Service Award

The UTA is seeking nominations for its annual award that recognizes individuals who have made significant contributions to the used truck industry.

To qualify for the UTA's Marvin F. Gordon Lifetime Achievement Award, a candidate must have a proven career record of accomplishments within the used truck industry, have demonstrated his capacity for maintaining the highest business practices and standards, and have advanced the goals and objectives promoted by the UTA.

Nominations for the Award may come from anyone, including the nominee. Membership in the UTA is not a requirement.

The UTA created the Award to recognize, as well as commemorate, Marvin Gordon's extraordinary accomplishments and his lifetime achievement in the used truck industry. He was the recipient of the inaugural Award, presented in 1999.

Presentation of this year's Lifetime Achievement Award will be made during a dinner banquet at the UTA's third annual convention, set for Nov. 8-10 at the Arlington Resort Hotel & Spa in Hot Springs, Ark.

Past winners of the Award are:

1999 - Marvin F. Gordon

2000 - Jerry Nerman, Arrow Truck Sales

2001 - Jim Sundy, Nalley Motor Trucks

To request an Award nomination form, visit the UTA's web site at www.uta.org or contact UTA Vice President Doug Dressen at 651-260-6878.

The deadline for nominations is Aug. 23, 2002.

President's Message (continued)

work on projects that will benefit our membership.

The UTA web site - www.uta.org - is being rebuilt under the direction of Ethan Nadolson. The objective is to make the site more valuable by providing more information.

Look for a big change there. Our thanks to Ethan and his staff.

Used truck sales are still slightly increasing, inventories are declining and financing remains as tough as it has been, but I feel there is still hope that it will get better as weeks go by.

We need to promote the reuniting of dealers and the finance communities. Together we stand, divided we struggle.

By working together, we can stabilize pricing, better service our customers and get the inventories on our lots back on the highways where they belong.

We have faced a number of obstacles over the past two years and we are looking at more in the near future. By being more united we can overcome the talked about engine crisis in October, the rumors of higher operating costs and all the other obstacles that plague our industry.

The UTA is doing its part in promoting this unity.

Don't forget our "402 in 2002" membership drive. We want 402 members by year's end. It's a goal I am certain we can reach if everyone helps.

If not before, I'll see you at the convention.

-- H.E. "Eddie" Walker
President, UTA

Board Views & News

What is the biggest challenge that we as dealers face today? I think we'd all agree it is getting customers financed.

In the last two to three years we've come to realize supply and demand not only applies to truck inventory, it also applies to financing. Right now there is more need for financing than there is financing to be had.

A few years ago, we OEM dealers took financing for granted. We thought our OEMs would finance anything we bought or traded for.

I remember a day when the OEM finance groups would not finance a truck unless you traded for it. I remember when 30% was a standard downpayment. I watched the downpayment drop to 20%, then 15%, then 10%, then to 0%. As downpayments went down, sales went up. Likewise, risk went up.

Times were good, sales were good, finance companies were nervous.

The finance companies' fears became reality in 1999 when fuel prices started up and repos started coming in. What caused it and who is to blame will be truckstop talk for years to come.

But one thing is for sure: we all paid a price. We all lost our innocence. The truck business will never be the same as it was in 1998 and 1999. Financing will never be that easy again.

What did we learn?

- We learned that there are more than two markets: a buyers market and a sellers market. There is also a financiers market. We are in one today. The finance companies are, to a large degree, controlling the value of trucks nowadays. They are determining what can be financed on trucks which in some cases is all that the trucks can be sold for.

- We learned that customers who can be financed are an invaluable commodity. These customers of ours must be treated well and nurtured.

- OEMs learned that used trucks are very important to the sale of new trucks. When used trucks stopped selling, new trucks stopped selling.

- We learned that we all need each other in this business for it to survive.

Most dealers agree that things are looking brighter for this year. We still face some big

- We need to help raise the values placed on trucks by the value guidebooks. These numbers are too low in many cases and have a dramatic effect on whether or not we sell the truck. You can help by forwarding your monthly sales results to the value guide companies.

We need to make peace with the finance companies

work on projects that will benefit our

challenges for 2002. Among them:

- We need to help raise the values placed on trucks by the value guidebooks. These numbers are too low in many cases and have a dramatic effect on whether or not we sell the truck. You can help by forwarding your monthly sales results to the value guide companies.

- We need to make peace with the finance companies and work with them to develop a system to share the financial risk on a deal. Perhaps a percentage of recourse on a deal relative to the financial strength of the customer or relative to the selling price verses book value or relative to the percent of downpayment.

The UTA is your tool to help you deal with these challenges. With your support, your UTA can open a dialog with the financial institutions and help develop better working relationships.

Most of the major financial and the value guide groups are members of the UTA and are very interested in the prosperity of this industry.

For 2002, let us set aside the "us against them" attitude and take up the "united we can" UTA attitude and work together to make this a great year for all of us.

-- Marty Crawford
UTA Board Member

= = = = = =

CORRECTION

In last month's newsletter, UTA Board Member Lee Chapin was not identified as the author of the *Notes On Exporting* article.

= = = = = =

Health & Welfare Committee Formed-

Volunteers are needed to serve on this new committee, organized to share health and welfare news of industry individuals. Contact UTA President Eddie Walker at (817) 439-3900.

Upcoming Training -

Fundamentals of Used Truck Sales, May 8-11, Cleveland, OH. Discount on tuition for UTA members. For details, contact Paul Spokas at Heavy Duty Marketing Associates at 336-454-5599.

UTA GOVERNING BODY

Chairman - Steve "Bear" Nadolson, Arrow Trucks,
740-964-6600

President - H.E. "Eddie" Walker, Best Used Trucks, 817-439-3900

Vice President - Doug Dressen, Dressen Truck & Trailer, 651-260-6878

Secretary - Justina Faulkner, *American Trucker*, 317-297-5500

Treasurer - Vince Anselmo, National Truck Protection, 800-950-3377

Director - David A. Kolman, Newport Communications, 410-374-0852

Board of Directors:

- Lee Chapin, *The Truck Paper*, 402-479-2140

- Marty Crawford, Waters Truck & Trailer, 662-328-1575

- Al Hess, Wholesale 911, 816-472-7775

- Mike Jackson, Volvo & GMC Trucks of Atlanta, 404-363-8390

- Bruce Jodarski, Best Used Trucks of TN/First Appraisal Marketing Service, 931-456-6400

- Paul Spokas, Heavy Duty Marketing Associates, 336-454-5599

- Jim Sundy, Nalley Motor Trucks, 404-622-1921

- Terry Williams, Blue Book Values, 913-967-7507

Used Truck Association
P.O. Box 603
Indianapolis, IN 46206