

UTA INDUSTRY WATCH

Volume 6, Issue 1

Contact the UTA @ 1-877-GETS-UTA or www.uta.org

January 2004

President's Message...

The New Year is under way and the UTA Board didn't waste any time in starting off 2004 with a bang.

As promised, the Board met in Kansas City and we accomplished what we set out to do. We finalized a new Mission Statement and built a business plan for the organization.

We have set our sails in a direction that will increase membership, add benefits and solidify our financial needs. If the follow up is as positive as the results of our two-day workshop, 2004 will be a spectacular year for the Used Truck Association.

Each one of our members will be asked to take a part and make a commitment to help in some way. Please respond to the call. This is your association. You can make it what you want it to be. You can start the wind blowing by renewing your membership and signing up a new member today.

The Board has made a commitment to have 500 members by our November convention. That sounds aggressive but it's not if every one of our 326 members signed up just one new member. Join us in the excitement, **LET'S MAKE IT HAPPEN!**

We all must remember the words of (my favorite) coach Tom Landry: "**Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with the plan.**"

Good news about one of our flock: Jim Sundy is doing much better. He is getting stronger every day. Our thanks to Jenny and the many prayers from all of you.

George Stanton also had heart surgery. Keep him in your prayers as well.

December closed 2003 on a good note for used truck sales. Inventories were in line, margins were a little higher than normal and activity was on the plus side. Used truck

managers and buyers were looking for trucks to buy and orders to fill. What a way to start the New Year!

One of the UTA's goals for this year is to increase the communication between the independent dealers, the franchise dealers and the OEMs. I have touched on this issue a few times over the past year but we need to press the issue more. It can do nothing but benefit everyone, especially our customers. With the business everyone is expecting this year, the need is there.

Freightliner Market Development Corporation has agreed to a **test pilot program** with the UTA to provide spec information (line set) on used trucks when the serial number is provided. They have selected a few dealers to participate. This type communication will benefit everyone involved. Hopefully the results are what we expect and other manufacturers and OEM's will join in.

If you are not using our web site (www.uta.org), you should start.

We are adding benefits for our members, and if you're not taking advantage of them, you're missing out.

Your membership in the UTA will make you money - it isn't an expense.

Learn how to pull up the membership list from the web site. Know who are members. Do business with the members. Get to know them. Then in November, come to "the family reunion" (the UTA Convention) in Scottsdale. I can assure you, **YOU WILL ENJOY AND BENEFIT BY COMING.**

— Eddie Walker
UTA President



INSIDE THIS ISSUE

- 2 Industry News Briefs
 - 2 Board News & Views
 - 3 New Hours Of Service Regulations
 - 4 21st Century Sales Prospecting Workshop
 - 4 File Cabinet
 - 4 UTA Professional Education Alert
 - 5 Successful Selling Strategies
 - 6 2004 UTA Convention Information
 - 6 Industry Events Calendar
- How are **YOU** supporting the UTA?



STAY IN TOUCH

- Contact the UTA toll-free at: **1-877-GETS-UTA**
(1-877-438-7882).
- Visit the UTA's website at: www.uta.org.

INDUSTRY NEWS BRIEFS

Cummins has extended its Uptime Guarantee for all EPA-certified heavy-duty on-highway truck engines placed in service through Dec. 31, 2004. Under the guarantee - which covers Cummins ISM and ISX engines for the first 12 months of operation - Cummins will reimburse a customer for up to three days' truck rental for any failure on an ISM or ISX engine that cannot be repaired within 24 hours.



Goodyear has been named the standard tire supplier for Mack and Volvo trucks built for North America through October 2006.

Kenworth is offering an original equipment kit to convert its AeroCab sleepers to extended day cabs. With the kit, the sleeper is unbolted from the cab and a newly produced one-piece back wall assembly is moved into position. No major modifications are required to the cab structure.

Mack Trucks has received a contract through Southwest Research Institute to develop diesel hybrid electric technology that will ultimately be used in military and commercial vehicles. The long-term goal is to develop heavy-duty trucks that operate on a combination of electricity and diesel fuel. Anticipated advantages: better fuel economy, longer engine and brake system service intervals, reduced emissions.

Martin Marietta Composites has manufactured its first trailer - a 48-foot, live-floor transfer trailer said to be the first composite trailer of its type manufactured in North America. Built at the company's Sparta, NC, plant, the trailer is constructed of virtually all glass fiber-reinforced polymer materials, with the exception of the kingpin; landing gear; axles, wheels and brake components, and miscellaneous fasteners. Tipper trailers will be produced in the near future.

Oshkosh Truck was named one of the "Best Managed Companies in America" by *Forbes* magazine (Jan. 12, 2004 issue).

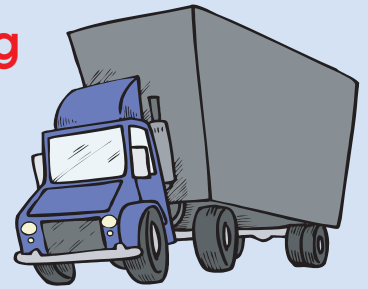
Ryder System plans to purchase Ruan Leasing, the Des Moines, Iowa-headquartered truck leasing, rental and contract maintenance company. Ryder has also reached an agreement to acquire General Car and Truck Leasing System, a commercial truck leasing, maintenance and rental company headquartered in Davenport, Iowa. Both companies will operate under the Ryder name.

Sterling has received the highest overall ranking for conventional medium-duty trucks in the 2003 J.D. Power and Associates Medium-Duty Truck Customer Satisfaction Study. The study, based on interviews with more than 1,400 principal maintainers of two-year-old Class 5, 6 and 7 duty trucks, analyzes customer satisfaction in three main areas: product, service and parts; and covers criteria including vehicle performance, product quality, interior and exterior design, dealer service and parts availability.

Western Star Trucks has added new dealers: Truck Centers, Morton, IL; Truck Country of Iowa, Dubuque, IA; Duckett Truck Centers, Calvert City, KY, Farmington, MO, Poplar Bluff, MO, and Sikeston, MO; Midway Truck Center, Kansas City, MO; Around the Clock Group, Dallas, TX; Beaudry and Lapointe Ltee, La Sarre, Quebec, Canada; Sherwood Freightliner, Sterling & Western Star, Tunkhannock, PA.

BOARD NEWS & VIEWS

A Challenging Market Represents Opportunities For "Used Truck" Sales



In our current market, we are seeing used truck values on the increase, nice equipment is becoming very difficult to purchase or trade for, customers are keeping their units longer and there is a noticeable increase in the amount of high-mileage vehicles coming back into the marketplace. The list of challenges goes on and on and each of you know what these challenges are.

When we are faced with challenges we must look through them to find the opportunities, and they do exist!

First of all, we are currently in market conditions where we are finding a strengthening demand for good used equipment. Customers, for example, are looking for medium duties, heavy duties, vocational units, trailers and nice matched groups of regional spec'd units. If you are accustomed to selling just "over the road" equipment, realize that this represents some of the opportunities which exist for you to expand your business.

Secondly, when you are able to locate equipment which your customers are looking for, you have an opportunity to totally recon those units and bring them up to a "higher standard" which will bring in extra dollars for those units. This gives you the opportunity to meet and exceed customers' expectations and to further strengthen the business relationship.

As challenges in business increase, some tend to sit back and just try to "ride out the storm." For others, those who plan to move forward in these opportune times, I am sure you will reap the benefits of your efforts.

Lastly, look for additional opportunities every day. Network with people you haven't done business with before. Let the UTA be a source of assistance in your business. Continually look for ways to improve how you are already doing business. Make that effort to personally be more professional yourself and to make a contribution to this industry.

May you have a successful and prosperous New Year.

Tom Horne
Board Member
Hunter's Truck Sales & Service

New Hours Of Service Regulations

January 4 of this year marked the start of the U.S. Department of Transportation's revised Hours of Service (HOS) regulations. These new rules - the first major changes since the 1930s - apply to all employers and drivers of commercial vehicles involved in interstate commerce.

Essentially, there are four major changes:

1. Maximum on-duty time is reduced from 15 to 14 hours.
2. Allowable driving time is increased from 10 to 11 hours.
3. Rest time, required after reaching the maximum 14 hours on-duty time, is increased from 8 to 10 consecutive hours.

Drivers may take their mandated 10 hours off-duty time in a sleeper berth and can still split that time into two periods provided:

- Neither period is less than 2 hours.
 - Driving time before and after each sleeper period, when added together, doesn't exceed 11 hours.
 - On-duty time before and after each sleeper period, when added together, doesn't include any driving time after the 14th hour.
4. Off-duty time for rest breaks, meals, maintenance, delays at shipper/receiver, etc., are now included in the 14 hours of on-duty time. However, this time is not logged in the total hours on-duty in the 7-day or 8-day work week.

The maximums of 60 total hours on-duty in a 7-day week or 70 hours in an 8-day week remain unchanged.

The 60-hour 7-day and 70-hour 8-day workweek can be restarted after 34 hours of continuous off-duty time.

Drivers who violate the new HOS regulations may be put out of service until they accumulate enough off-duty hours to be back in compliance.

The Federal Motor Carrier Safety Administration may levy civil penalties on drivers and carriers from \$550 to \$1,100 per violation, depending on the severity of the violation. State and local law enforcement officials may also access fines.

In addition, violations can adversely affect a carrier's safety ratings and insurance premiums.

The trucking industry's reaction to the new HOS regulations is mixed as to whether the regulations will improve or decrease driver productivity.

An analysis by RoadStar Magazine editor Steve Sturgess provides some insight into this matter: *Under the new HOS rules, a driver can run out of hours after just five days (14 hours x 5 days = 70 hours). If the driver took a 34-hour restart, he'd be driving again after 6.417 days. That means in a year he could get $365/6.417$ driving periods = 56.880 driving periods totaling 3981.6 hours. Currently, a driver can work $(365/8)$ 70 hours = 3193.75 hours. So, under the new rules a driver has an extra 787.85 hours in a year to work. By my calculation, that's an extra 20%. But that is all kinds of work in a 24-hour day.*



Now, let's try it using just driving a total of 70 in 8 days: If a driver drove 11 hours and only used 1 hour for breaks, checks, fuel, etc., he could run 12 + 10 for each day, starting 2 hours earlier each following day. That would mean he'd be out of hours after 10 hours on the sixth day (with 65 hours total driving). If he took a 34-hour restart, he'd be back driving 4 hours before the end of day 7, or 4 hours and a day earlier than under the old rules.

In fact, he could work those 4 hours plus another 8, take a 10-hour rest, then work 6 hours before the end of the 8th day, so he'd get 18 more hours. That's $18/70 = 26%$ more work hours in the 8-day period. Under the old rules a driver could drive 10 hours every day, logging off for breaks. The maximum driving is also 70 hours under the old rules. In this example the driver's driving hours add up to $65+11+6 = 82$. That's $12/70 = 17%$ more driving hours.

If a driver worked a 60-hour 7-day workweek, he'd be out of hours (12-hour day) at the end of the 5th day. Take a 34-hour restart and he'd be driving again with 12 hours on the 7th day for a total working time of 72 hours in 7 days or $12/60 = 20%$ and total driving hours of $55+11 = 66$ or $6/60 = 10%$ more driving hours.



"Twenty-First Century Sales Prospecting" Workshop

Pictured here are the dealer sales reps, managers and owners who successfully completed the UTA's "Twenty-First Century Sales Prospecting" Seminar in Chicago on January 19, 2004. Pictured from left to right are Bob Smith, SelecTrucks of Grand Rapids; Mike French, I-65 Truck Sales; Polly Thomas, Chicago Kenworth; Steve Curtis, Freeway Ford; Ron Verner Jr., SelecTrucks of Grand Rapids; Chris Plager, Freund International; George Anderson, City International; Mike Jacques, Peterbilt of Northern Illinois; Chris Kuchler, Lakeside International; Scott Whelan, Chicago Truck Sales; Tony Graziani, Chicago Mack; Dan Wolf, EmJay Sales & Leasing; Hank Fredrickson, Coffman Truck Sales; Juan Menjivar, Freund International; Ken Lewandowski, Freund International. The dealers' composite evaluation of this program ranked the workshop as "highly effective." The next session of this workshop will be held on April 5 in Atlanta. To register, contact the UTA through the HDMA Academy at 336-643-1961.



FILE CABINET

New Jersey - Is the first state in the nation to officially classify "sleep-deprived driving" - defined as driving without sleeping in more than 24 hours - as reckless driving. Punishment is a fine and, potentially, a prison term.

E-Mail Marketing - Free information on e-mail marketing is available from GasPedal, an e-mail marketing strategy company. Visit www.gaspedal.net.

Air Ride Suspensions - Hendrickson International Trailer Suspension Systems' is offering its latest edition of *Understanding Air-Ride*. Among other things, the expanded booklet covers air-ride technology, roll stability, ride height and sliders. For a copy, call 1-866-743-3247 or visit www.Hendrickson-intl.com.

Lost Productivity - The American Medical Assn. reports that nearly 13% of American workers lose productive time from everyday aches and pains, and that lost productivity adds up to more than \$61 billion per year. Headaches were responsible for the most amount of lost time - 5.4%, followed by sore backs - 3.2%.



UTA PROFESSIONAL EDUCATION ALERT

Next UTA training sessions:

Professional Used Truck Management

Who: Designed for managers having used truck responsibility and management candidates.

What: Focus is on developing sales and marketing skills, inventory control and employees.

Where: Ft. Lauderdale, Florida

When: Feb. 18-20, 2004

Why: To increase sales, profits and turns; lower costs; improve employee performance.

Cost: UTA members \$610.50;
non-members \$675.00

To register or for more information: www.UTA.org; www.hdmainsc.com; HDMA Academy (336) 643-1961.

Fundamentals of Used Truck Sales

Who: Designed for new or inexperienced used truck sales reps and sales rep candidates.

What: Instruction on trucks and their components; performance calculations; basic prospecting; sales process; financing; goal setting; time management.

Where: Columbus, Ohio

When: March 15-18, 2004

Why: To shorten the learning curve; increase performance; increase employee satisfaction; reduce turnover

How much: UTA members \$715.50;
non-members \$785.00

SUCCESSFUL SELLING STRATEGIES

Effective Planning: Hurry Up and Slow Down



Over the past 20 years or so, it seems as though I have more to do in much less time. What ever happened to the time we had before we were reading and writing the reams of e-mail? I thought computers were supposed to save us time and work, not make more. I remember a time, when I called my customers on the phone and we would actually spend some time visiting. We really got to know each other; we liked it and didn't feel guilty about it. Try and do that today and you'll drive people away, not bring them closer.

So with time pressing heavily against us, we need to get things done - NOW! So if you're at all like me, when you're smacked in the face with a new problem, you just can't wait to sink your teeth into it and get started on solving it, and "By golly let's get it done RIGHT NOW." Am I right?

Well actually WRONG! When we immediately put our problem-solving hat on, we'll come up with a solution all right, but is it the very best one? Perhaps you've heard the expression: "The enemy of the Best is the Good."

Do we take the time to think through the problem? Do we dig for the root causes, or do we just treat the symptoms? Do we consider alternatives? Do we go directly to open heart surgery, when aerobic exercise might be the real solution?

Let me share with you some findings from an extensive research study completed recently by a major university on problem solving. The researchers gathered a large diverse population of volunteers and randomly divided them into three distinct control groups. Participants in the three control groups were then randomly assigned to small work teams. Each team, regardless of control group, was given an identical problem to solve. They all had the same amount of time to come up with workable and reasonable solutions to the common problem.

The researchers gave all the work teams in Control Group 1 the problem and simply told them they have "X" amount of time to come up with a workable solution or solutions.

Teams in Control Group 2 received the same problem and instructions as Control Group 1, except the researchers suggested to these teams that they might want to do some planning before they started working on a solution.

Control Group 3, like the first two, was given the same problem, time period and objective, but the researchers required them to spend at least one third of their total time in planning before they could actually begin problem solving.

The results of this study are quite interesting. The teams in Control Group 1 generally spent most of their time debating individual ideas and typically came up with only one solution, which was frequently agreed to in haste immediately before the deadline.

The teams from Control Group 2 generally talked a little about planning, but most teams discarded the suggestion because of the time constraints placed on them. Consequently, they jumped into problem solving very early on. Control Group 2's results were quite similar to Control Group 1's.

Because of the requirement to spend a third of their time planning, Control Group 3's teams, in general, actually spent somewhat more than a third of their time in planning activities. The real differences however were in the results. Control Group 3's teams invariably came up with better solutions, often developed several solution options with well-defined implementation plans, timetables, budgets, assignments of responsibility and measurements. And most surprising, these teams generally finished before the allotted time.

The message here is pretty clear. Exercise-disciplined patience and plan before you problem solve, and you'll come up with better solutions, fewer mistakes and most importantly superior results.

Planning requires clearly identifying and understanding the problem, establishing an objective or multiple objectives for what is to be accomplished, determining the real causes of the problem, exploring alternatives for addressing the causes of the problem, evaluating the likelihood of success for each alternative, developing implementation timetables, budgets, and measurements of success.

So I guess the timeless wisdom we've all heard is true: "All good things come to those who wait." Be Patient, plan and prosper.

I welcome your comments.

Paul Spokas
UTA Board Member
Heavy Duty Marketing Associates
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INDUSTRY EVENTS CALENDAR



March 3-5, 2004 — The Work Truck Show

Baltimore Convention Center • Baltimore, MD
(800) 441-6832
www.ntea.com

March 25-27, 2004 — Mid-America Trucking Show

Kentucky Fair & Exposition Center • Louisville, KY
(502) 899-3892
www.truckingshow.com

April 17-19, 2004 — ATD Convention and Exposition

Seattle, WA
(703) 821-7116
www.nada.org

April 29-May 1, 2004 — North American Truck Show

Baltimore Convention Center • Baltimore, MD
(800) 225-1577
www.truckingexpo.com

June 16-18, 2004 — 2004 Truck Blue Book Seminar

Orlando, FL
(800) 654-6776
www.usedtruckseminar.com

Mark Your Calendar

NOVEMBER 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

UTA's 5th Annual Convention



NOV. 3-6, 2004



Scottsdale, Arizona

For information and sponsorship opportunities
contact Sue Dorso at **(941) 492-2429** or
dorso@verizon.net

- Quintessential Quote -

"The secret isn't counting the beans, it's growing more beans."
Robert Goizueta, Coca-Cola CEO