

WVADA *News*

WEST VIRGINIA AUTOMOBILE DEALERS ASSOCIATION



Pandemic Perspectives:
Safety, Service and Smart Messaging
During Times of Crisis

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GO OPPOSITE IN THE FACE
OF UNCERTAINTY

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ACCELERATING DIGITAL SALES

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President's Message

WV Dealerships Essential — WVADA Aids Members Via Legal Defense Fund

On March 11, 2020 the World Health Organization labeled COVID-19 as a global pandemic, forever changing the economic landscape throughout the U.S. and abroad. WVADA understands how this has affected our local communities and more specifically, our franchised dealers.

WVADA and its members worked with the Governor's office to allow our members the flexibility to proceed accordingly, with business operations, due to the automotive industry being deemed "essential" in the March 16 Executive Order. Governor Justice understands the positive economic impact WVADA members have on our local and state economies. On behalf of WVADA and its members, we appreciate the governor's office in working with our industry during this unprecedented time.

West Virginia dealerships stepped up, abided by state issued protocols, and utilized innovative methods to selling and servicing their customer's vehicles. While this current

environment seems to be our "new normal," WVADA will continue to work with state officials to ensure that dealers have the necessary tools to remain competitive.

Furthermore, the WVADA Executive Committee and Board of Directors allocated \$15,000 from the Legal Defense Fund to aid dealers with COVID-19 issues from March 23 to May 30. This aid allowed complimentary legal guidance to all dealers in good standing of the Legal Defense Fund. WVADA gave dealers the ability to contact our preferred law firms, Pullin, Fowler, Flanagan, Brown and Poe and Jackson Kelly, to obtain guidance of a general nature regarding the new laws enacted by Congress surrounding the COVID-19 pandemic.

Additionally, the Legal Defense Fund sponsored two webinars hosted by Jackson Kelly: COVID-19 Issues for HR Professionals, and How to Maximize the Forgivable Portion of Your PPP Loan — What We Know Now. Slides and recordings from both webinars can be accessed on WVADA's COVID-19 resource

Since the inception of this Fund, WVADA has paid out over \$253,000 *defending* multiple issues affecting *West Virginia* dealers, with COVID-19 *-serving* as the latest.

page at wvcar.com/covid-19-2/. WVADA is committed to providing timely updates as new information and guidance is released, and I strongly encourage dealers to periodically check out our resource page and NADA's Coronavirus Hub at nada.org/coronavirus/.

Approximately 120 members participated in the webinars and 33 dealers utilized the complimentary legal guidance provided by the Legal Defense Fund. Since the inception of this Fund, WVADA has paid out over \$253,000 defending multiple issues affecting West Virginia dealers, with COVID-19 serving as the latest. Funds for the Legal Defense are generated from \$1 contributions for each new and used vehicle retailed quarterly.

In addition to aiding dealers during COVID-19, the Legal Defense is also assisting border dealers against the Ohio Department of Taxation regarding the Consumer Activity Tax (CAT), which is an annual privilege tax by gross receipts on

business activities. West Virginia dealers are receiving bills from the Ohio Department of Taxation for selling vehicles to Ohioans. To date, the Legal Defense Fund has spent more than \$63,000 defending our border dealers against this inequitable CAT.

This fund was created to protect our members and their investments for future legal costs incurred on behalf of the franchised dealers in West Virginia. One dollar per new and used vehicle retailed is a worthwhile contribution that has, and will continue, to defend our members' interests.

Again, I applaud Governor Justice for working with WVADA and all dealers throughout West Virginia for utilizing safe and innovative measures. WVADA stands ready to continue to represent and serve its franchised dealer members.

Be Well and Stay Safe,

Jared Wyrick ◀

DONATE A CAR CHANGE A LIFE!

It's easy to donate your car, truck, van, or fleet vehicles and help a West Virginia family get back on the road to work.





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The program is being presented with financial assistance as a grant from the West Virginia Department of Health and Human Resources registered with the West Virginia Secretary of State's Office.

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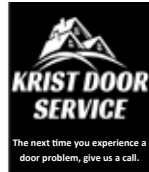
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West Virginia Region - Charleston, WV

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The Greenbrier Resort

WVADA 87th Annual Family Convention

SAVE THE DATE

September 11 - 14

Open Registration Now — September 1, 2020

Register by June 21st to Receive a 10% Discount

Dear WVADA Members,

This is a friendly reminder that the WVADA Convention has been rescheduled for September 11-14th, 2020 at the Greenbrier Resort in White Sulphur Springs, WV. If you have any questions or need help with registrations please contact WVADA.

Below you will find the links you need to register for convention and make a room reservation at The Greenbrier.



<https://wvcar.com/2020-convention/>



<https://wvcar.com/2020-convention/>



WVADA 87th ANNUAL FAMILY CONVENTION REGISTRATION FORM

The Greenbrier Resort

SEPTEMBER 11—14, 2020

Open Registration: Now—September 1, 2020



WVADA Registration Fees

Registration received AFTER September 1st will incur an additional 15% charge

REGISTRATION CUT-OFF DATE IS SEPTEMBER 4, 2020

PLEASE REGISTER THE FOLLOWING

Primary Contact _____ Guest Name _____

Additional Guest _____ Additional Guest _____

Child Name _____ Age _____ Child Name _____ Age _____

Dealership/Company Name _____ Phone _____

Address _____ City _____ State _____

Zip _____ Email _____

****DISCLAIMER—THERE WILL BE A 3% CHARGE WHEN PAYING BY CREDIT CARD.**

Payment Method: Credit Card Check

<u>ATTENDEES</u>	<u>Fees</u>	<u>Guest</u>	<u># of Guests</u>	<u>10% Discount</u>	<u>Total</u>
Dealer	\$250	+\$175	_____	_____	_____
Sponsor	\$350	+\$250	_____	_____	_____
Non Sponsoring Associate	\$625	+\$300	_____	_____	_____
Children Per Child (13-17)	\$175		_____	_____	_____
Children Per Child (3-12)	\$125		_____	_____	_____

*****In the event that a person should need to cancel—cancellation must be received by WVADA 14 days prior to convention for refund of fees**

WVADA SPONSORED EVENTS (FEES ARE PER PERSON & MUST BE REGISTERED TO PARTICIPATE IN SPONSORED EVENTS)

<u>FRIDAY</u>	<u>SATURDAY</u>	<u>SUNDAY</u>
<u>Evening:</u> Welcome Reception (No Charge) # of Guests _____ Casino Night (No Charge) # of Guests _____	<u>Day:</u> **Golf Scramble (WVADA Registration Fee - **\$150.00) OR Scavenger Hunt - \$25.00 # of Players _____ \$ _____ <u>Evening:</u> Block Party (No Charge) # of Guests _____	<u>Day:</u> **Sporting Clay Tournament - \$50.00 OR Bowling—\$50.00 # of Players _____ \$ _____ <u>Evening:</u> Chairman Dinner & Reception (No Charge) # of Guests _____

IN ADDITION TO THE WVADA REGISTRATION FEES, ATTENDEES WILL BE RESPONSIBLE FOR GREENBRIER FEES ASSOCIATED WITH GOLF, SPORTING CLAY, SCAVENGER HUNT & BOWLING.

Player(s) Name & GOLF HANDICAP 1) _____ 2) _____ 3) _____ 4) _____

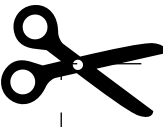
****Participants of the Sporting Clay Tournament will be responsible for Greenbrier fees of \$154.00, in addition to the \$50 WVADA fee.**

Player(s) 1) _____ 2) _____ 3) _____ 4) _____ 5) _____

Player(s) Name for Scavenger Hunt 1) _____ 2) _____ 3) _____ 4) _____

Player(s) Name for Bowling 1) _____ 2) _____ 3) _____ 4) _____

After registration form is submitted an invoice will be sent via **email**. Please provide an email _____



RESERVATION FORM

We are delighted your group has selected The Greenbrier and look forward to welcoming you. Many times, rooms become available prior to and following the official dates listed below. If you would like to enjoy a longer stay, please indicate below.

WV Automobile and Truck Dealers Assn

September 10th – 14th (Block Room Dates)

September 11th – 14th (Convention Dates)

Please print or type the following and mail form with deposit check to: Reservations Department, The Greenbrier, 101 Main Street, White Sulphur Springs, West Virginia 24986. FAX: 304-536-7818 E-Mail: cynthia_glover@greenbrier.com Phone: 1-877-291-5381

Name(s) _____

Firm Name _____ Phone Number _____

Address _____

City/State/Zip _____

E-Mail Address _____

Arrival Date _____ Departure Date _____ Transportation: Auto Plane Train

Accommodations shared with _____ Arrival Date _____ Departure Date _____

Please indicate preference of king bed or two beds. Guest room assignments are based on availability and will be honored in the order in which the registration form is received. All rates are based on the European Plan; meals are billed a la carte. *All Greenbrier accommodations are non-smoking.*

HOTEL GUEST ROOMS

Traditional Guest Rooms	\$265.00 per room, per night
Superior Guest Rooms	\$285.00 per room, per night
Deluxe Guest Rooms	\$305.00 per room, per night
Draper Suites	\$335.00 per room, per night
Spring/Paradise Row Cottage	\$385.00 per room, per night
One-Bedroom Suites	\$460.00 per room, per night
Multi-Bedroom Guest Cottages	\$285.00 per bedroom, per night*
Deluxe Suites and Estate Houses	\$460.00 per bedroom, per night*

*Based on all bedrooms occupied

Third person occupancy rate available upon request.

Please inquire about hotel suites and guest houses.

NOTE: Rates are available based on contracted block. After block if filled: additional rooms will be subject to availability at the prevailing rate.

DEPOSIT POLICY: A deposit in the amount of first nights stay and tax is required. The Greenbrier will accept deposits by check or major credit card. Rooms will be available only to those requests secured by deposits. Please indicate method of payment: Charge my deposit in the amount of \$ _____ to AmEx Visa M/C Discover Card Diner's Card. Card # _____ exp. date _____. Check for deposit enclosed. Amount \$ _____. Your deposit is applicable to the fulfillment of your designated length of stay. When requesting reservations, **please note arrival and departure dates carefully. LATE ARRIVAL or EARLY DEPARTURE causes forfeiture of deposit, unless cancellation or changes are made 14 days in advance of your scheduled arrival date. Please make checks payable to The Greenbrier. Reservations will be filled in the order in which they are received and must be received by August 11, 2020.**

RESORT FEE: A resort fee of \$20.00 per room, per day is added to your account for service provided under the European Plan. This includes local and toll-free phone calls, wireless internet access, daily newspaper delivery Monday through Saturday, on property ground transportation, use of the swimming pool, fitness center, historical tours and slide presentations. Bellmen, doormen and others who render intermittent personal services are not included in the service charge.

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CHECK-OUT TIME: 11:00 NOON

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Attending Events Safely



Videoconferencing has become one of the realities of lockdown isolation. Although it is undoubtedly better than not having any communication with people outside your home, at some point, people get tired of video chats. Several factors make video meetings less than ideal:

- People like variety. If the only way you can connect with other people is by using a computer screen, that becomes old fast.
- Meetings can be glitchy. Speech transmission delays can cause you to unconsciously think that other people are not as conscientious, attentive or extraverted as they really are. Of course, the same is true in reverse.
- Gaze duration can become an issue. Looking directly at someone for more than three seconds is something that most people only feel comfortable with if the person they are looking at is someone they trust. But during a video conference, when you are automatically less relaxed than you would generally be, the amount of time that you can look comfortably at another person is reduced. This problem subconsciously affects your on-screen interactions.
- Participants are more self-conscious than they would be at an in-person meeting. You are likely to see yourself on the screen as well as the other people who are there. It is tiring to have to pay attention to the way you look as well as to what you have to say. There's an element of self-consciousness that detracts from what you are trying to accomplish.

If the idea of meeting in person feels like a luxury, that's understandable: nobody has had many opportunities for that lately, when everyone is trying to practice social distancing. Watching videos of crowds seems like something from another time. But what are the benefits of actually meeting in person?

If the idea of *meeting in person* feels like a *luxury*, that's *understandable*: nobody has had many *opportunities* for that lately, when everyone is trying to *practice social distancing*.

- Networking is best done in person. There's something about being in the same room and sharing an experience, like a meal, that cannot be replicated online. Informal networking isn't what happens on the main stage of a conference. It takes place in the halls, bars and restaurants, or before and after an official event.
 - Education is best done in an interactive environment. If you've ever learned a new skill by watching a video, you already know it isn't as effective as having a teacher. Teachers can take a look at what you are doing and give you the immediate feedback you need that is often the difference between failure and success.
 - Inspiration is a group activity. Imagine being surrounded at a concert by people who love the music you are listening to. It's not the same as listening to the same music all by yourself. Being in a group of like-minded people is a powerful experience. It gives you a sense of being part of something larger than yourself. It creates a mutual bond.
 - Recognition means more when it isn't a solo activity. If you have worked hard for something, and you are given an opportunity to be recognized for that effort, you want more than a video on a computer, no matter how well-done that video is. Just ask the 2020 high school and college graduates. Students who had an opportunity to walk, even though the walk involved being in a car and keeping a distance from others, had a better experience than those who were limited to having their picture displayed.
 - Food is an important part of socializing. Honestly, that's why some people even show up. They know they will get to eat good food without having to prepare it or clean it up. The only people who don't value food are people who've never been involved in the preparation or the cleanup. Even snacks can be a motivator for attendees.
 - A change of scenery and routine can be a great escape for most of us. If we are in our office, as usual, it's easy to interrupt us. That's harder to accomplish if we are out of the office. If you want to get something done and think it is important, the first step is moving the event away from your usual location. You won't attend if you don't value it. If you do value a conference, being present in person automatically marks it as worth your time and attention.
 - Professional advancement becomes more likely when someone without a lot of experience can demonstrate their skills by participating at a conference. It's also an ideal environment for an informal interview or as a way to lay the foundation for a job offer after everyone has gone home.
 - Conferences, for many organizations, are the foundation of the budget. If no conference takes place, the organization has to rely on other ways to earn its money. Any budget that depends on conference fees is likely to be struggling if those fees don't materialize.
- Physical events can still be held safely, even in a COVID-19 world. What can attendees look forward to experiencing?
- Brands that are being showcased in an immersive, real-time experience that can't be matched digitally.
 - Genuine and immediate two-way engagement with other people. There won't be a digital moderator or a chatbot getting in the way.
 - Lead generation is easier to do in person than through digital analysis. No matter how sophisticated the digital analysis is, it relies on indirect evidence, and it can never be as accurate as someone telling you directly, "This is what I want. If you can give it to me, I will happily buy it from you."
 - A good platform for digital sharing. When you have a physical audience, you have to create content for that audience. You can amplify the effect through digital platforms.
- Live events are better than virtual ones. After all, where would you rather be? In front of a computer screen that shows someone you admire and respect, or actually sitting in the same room? We hope to see you at our annual convention this September. If you haven't already, take a moment to register today! ◀

Expense Management

By Tasha Sinclair
Vice Chairperson, AutoCPA Group



Without a doubt, the global market has been negatively affected by the coronavirus pandemic and will most likely affect your business if it has not already. You have probably read numerous articles advising you to manage expenses in today's economy. But what exactly does that mean? In addition to cutting out the "non-essentials" in a downturn, consider the following suggestions for managing your essential costs.

Obviously, employment costs are the largest expense of a car dealership. Making sure the work force is the right size, has the right individuals, and awards the right compensation is key to managing employment costs. Compensation includes benefits. If you were to poll your employees, I imagine many of them could not name all the benefits you provide them. An example may be a profit-sharing contribution. Many employees do not look

at their retirement statements and recognize a contribution was made on their behalf, let alone appreciate the contribution. Most employees recognize a cash bonus and appreciate that. So maybe a cash bonus instead of a profit-sharing contribution is the more effective way of creating goodwill with employees. The key is determining what is important to your work force and adjusting accordingly.

Vendor relationships are arguably just as important as employee relationships. Look at your vendor list. Do you know what product or service each one provides and why they are your supplier? If you haven't established an approved vendor list, you may be surprised by what you find. You may find that you are purchasing from multiple vendors in an expense category or that you are paying an outside party for work that could and should be done internally. For instance, you may have a body shop that has the capacity, but because of poor communication between the

used car department and fixed operations, you are paying someone else for dent removal on your used units.

When evaluating your vendor relationships, assess whether you are "overbuying." For instance, think of your cell phone. Like most people, you may not utilize many of the features you paid for. You may be doing the same with some of your vendors. The options sounded good at the time you purchased them, but now you realize they just aren't practical. Trim the list to the options you use.

Lastly, don't be afraid to negotiate for a better price. If you determine you have been purchasing the same product from multiple vendors, you may be able to negotiate a better price with one by promising them more of your business. Also, look for new competitors you haven't considered before. Even if you don't want to switch vendors, a competitive price to take to your current vendor is a good bargaining tool.

Expense management takes time and effort and is an ongoing process. If you would like assistance in establishing a plan and getting the ball rolling, please feel free to contact us. ◀

Tasha Sinclair is a member of Tetrick & Bartlett, PLLC where she has been providing accounting, tax, and consulting services to automobile dealers since 2002. She also serves at the current Vice Chairperson of the AutoCPA Group. thartley@tetrickbartlett.com. 304-624-5564.



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Advertising: An Overview, *Part 2*

By *Johnnie E. Brown*
Pullin, Fowler, Flanagan, Brown & Poe, PLLC



Our previous Counselor's Corner provided an overview of deception and unfairness within federal advertising law. This time, let's discuss more practical applications by discussing "trigger terms" in retail and leasing advertising.

The Truth-In-Lending Act has two very important sets of regulations dealing with advertising. The first is Regulation Z, dealing with retail installment sales, and Regulation M, which applies to consumer lease transactions. Both of these regulations contain provisions that require specific disclosures when advertising a retail installment sale or lease offer. Trigger term compliance within the Truth In Lending Act, Regulations Z and M, is one of the most easily and frequently checked matters by federal and state regulators. If credit or lease terms are advertised, the advisement must meet the specific requirements of the Truth-In-Lending Act.

In the context of retail installment sales, an advertisement must include four separate disclosures. These are as follows:

1. The amount of or percentage of any down payment;
2. The number of or periods of repayment;
3. The amount of the monthly payment; and
4. The annual percentage rate (APR).

If one of the first three disclosures (down-payment, length of repayment, or monthly payment) is advertised alone, that "triggers" the disclosure of the remaining three. However, federal law states that if a dealer only advertises an annual percentage rate, that does not "trigger" the other three. Consequently, a minor exception occurs when only advertising a percentage rate when it pertains to Regulation Z compliance, but don't forget to include other disclaimers, such as, "for qualified buyers only."

A common violation that I see is when a dealer, or even major manufacturers, advertise, for example "0% financing for 60 months," without any further disclosures. The period of repayment, i.e. 60 months, actually "triggers" and requires the two remaining disclosures of monthly payment and the amount or percentage of down payment to be included. A more compliant way to advertise this type of promotion is to simply leave out the time frame and use a phrase such as "limited term financing."

Of course, dealers can advertise the amount of time for the finance terms so long as the proper disclosures are included in the advertisement. For example, some promotions will include a proper disclosure which will read as follows for 60-month financing: "\$16.67 per month per \$1,000 financed with 0% down payment on approved credit." Please remember that this disclosure must be clear and conspicuous so that a reasonable consumer can see it. Also, advertising such

terms as deferred payments and balloon payments have to be clearly identified along with amounts and due dates of those payments.

Turning to leases, similar requirements exist under Regulation M of the Truth In Lending Act. I am only going to address closed-end leases as most dealers do not offer open-end leasing, which has additional disclosure requirements. Like retail installment sales, lease advertising is about “trigger terms.” If you advertise either a monthly payment or anything about the drive-off cost (i.e. capitalization cost reduction, security deposit, “no down payment” etc.) it “triggers” the need for the following disclosures:

1. A clear statement identifying the transaction as a lease;
2. The number, amounts, and period of scheduled payments;
3. The total amount due on or before delivery; and
4. A statement indicating whether or not a security deposit is required.

An example of a valid lease disclosure with “trigger terms” would be “Lease for \$419 a month for 36 months. \$1,999 due at lease signing. No security deposit required.”

Again, please remember that all the above disclosures must be clear and conspicuous. Also, please be aware of the “equal prominence rule,” which we discussed previously. This advertising principle generally states that if you state anything about a component of the drive-off cost, such as “no down payment,”

then the total amount that is due at the time of delivery must be disclosed “no less prominently than any such component.”

I do appreciate and recommend that mileage restrictions and mileage overage charges be clearly disclosed, but they do not fall under the purview of “trigger terms” within regulation M.

Consequently, with leasing, I encourage dealers to make very clear that the car being advertised is a lease and that if there are any other disclosures, that similar size font be used to describe any drive-off cost. Failure to do so can result in violations of Regulation M under the Truth-In-Lending Act.

Regulation Z and M are very specific and unintentional mistakes can be made. Please make sure that you choose counsel experienced in advertising law.

I certainly hope that these two Counselor’s Corner have provided you some guidance in this ever-complex world of advertising that we operate. The next Counselor’s Corner will conclude our advertising series by addressing the West Virginia Prize and Gift Act. ◀



Mr. Brown serves as General Counsel for the West Virginia Automobile Dealers Association. If you have any questions, you may reach him at (304) 344-0100 or jeb@pffwv.com. www.pffwv.com. Best of luck out there.

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Pandemic Perspectives:

Safety, Service and Smart Messaging During Times of Crisis

By Michael C. Keenan, President,
Keenan-Nagle Advertising, Inc., Allentown, PA



At this writing, the coronavirus pandemic continues in full swing, multitrillion dollar relief packages are en route from our federal lawmakers, and small businesses from Maine to Malibu are hunkered down, feverishly working to balance safety and service for their customers, co-workers and community. Not exactly another day at the office.

Thankfully, common sense — that increasingly rare element of human nature — is richly embedded in the small business owner's DNA and it helps to chase the shadows of uncertainty during times like these. Few decision-shaping algorithms

have ever trumped common sense. But for those searching for more programmatic practices to help sustain both safety and service during times of crisis, here are some recommendations from our marketing professionals.

Keep Your Communications Plan Framed but Flexible

Painful as it may be, the coronavirus experience has delivered some valuable lessons for America's small business operators. Not the least of which is to have a well-framed emergency communications strategy in place and ready to deploy at a moment's notice.

Understand that no plan will be perfect. All require on-the-fly content adaptations to address ever-changing news, policies and crisis circumstances. So stay flexible on the messaging. But it is vital to have the core framework, tools and technology ready to roll out rapidly. Be trigger-ready.

Time Is Trust

We all saw how fast this COVID-19 crisis blew up. When the crud is flying at the fan, there's no time for the usual meetings and rounds of approvals prior to production and dispatch. Being one of the first out there in the market with a meaningful message also serves to keep you first in minds and hearts ... not to mention in future decisions on consumer spending preferences. Whether your market has a multimillion population or a handful of hamlets, it's still a neighborhood. Neighbors talk (especially with today's social media channels) and have strong memories. They don't quickly forget about the caring words, advice and perhaps some financial latitude offered promptly by a foul weather friend. Time may be money when the sun is shining, but in a crisis: time is trust.

Showcase Your ONLINE Products

Nobody likes a business that exploits emergency situations. But let's face it, during times of homebound isolation, you can make a lot of local lives better if more customers (and prospects) had your online sales services at their fingertips. So don't be shy about marketing them.

In your communications — traditional print and broadcast, or tightly-targeted digital media — frame the appeal by the fact that “You finally have enough time to learn how easy it is to shop online with us ... so let's do it!” Clinging to paper transactions is often motivated by fear of change. Even the biggest technophobes will see the wisdom of 24/7 access once they get past their underlying apprehensions and give it a shot.

To mollify resistance points, stress the fact that it's easier than many folks initially thought, given your simple step-by-step sign-on pathway — there's no rush, no “timing out” and no chance of personal embarrassment. To convey the ease of your online inventory review, inquiry process and phone connections to a knowledgeable, empowered sales rep, do a simple video that shows them the step-by-step process. Hopefully, you have such a process and it is streamlined without any of the “gotchas” that red-flag online visitors quickly. Online visitors are TVcentric to begin with, so don't ignore video power. It doesn't have to be a Francis Ford Coppola production. Just a straightforward three or four step walk-through of your online experience. Scroll a number at the bottom of the screen that they can call (during regular business hours) for friendly human help from your own online advocate. If you don't have one, get one ... even if it's you. A little hand-holding is an incredibly powerful opportunity to start a conversation and customer relationships.



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There are many *creative* directions to fit the *unique culture* of any business. Whatever your team's *rallying cry* may be, it is valuable to have a *succinct motivational* message that can *bring people together* as a *united force* determined to *overcome* a common, formidable challenge.

Blanket Online Security Concerns, Especially During Times of Unrest

Security is another resistance point for the non-online set, especially during times of social unrest. Address this head-on with a one-sided handout sheet and identical web page. Content should center on bulleted points that hammer home the fact that your online service is built with best-in-industry security technology: local service, world-class security. Even if your front-end web presentation is basic, most businesses have strong back-ends from larger organizations with multiple firewalls, particularly for transactional functionality. Adapt some of their super security techno facts to this purpose. If you need help shaping up this message, get outside marketing professionals on the project. You will be asked about security. Have this tool ready to blanket concerns from prospects. Win their trust and online utilization volume will follow. Sure, many of us are “kick the tires” businesses, but the process starts online and that trend will only increase in the future.

For Employees: A Motivational Team Message

We've all seen the famous, stiff-upper-lip British message that exhorts readers to “Keep Calm and Carry On.” It was produced to motivate the English population to stay strong in spirit during what became “The Blitz” bombings of London during World War II.

Given the war we are currently engaged in with an insidious viral enemy, we offer a version of that message for small business employees, many of whom may be sequestered at home: Stay Connected and Carry Through.

The first part of the message is obvious — we all have to stay connected through our wealth of digital tools in order to continue doing our jobs and serving our customers. The second part is a gentle reminder that, despite the change in work environment, performance expectations remain high and, now more than ever, it is important to “carry through” on all work

responsibilities. It ain't a snow day, kids ... there's real work to be done.

A simple messaging device can serve to galvanize employee spirit and focus on the tasks at hand. There are many creative directions to fit the unique culture of any business. Whatever your team's rallying cry may be, it is valuable to have a succinct motivational message that can bring people together as a united force determined to overcome a common, formidable challenge. Remember the Alamo.

Three More Crisis Communication Absolutes

1. **A centralized communication hub** (Landing page/dark site): It's vital that all of your outreach efforts are presented separately from your standard web content so people can quickly find only information conveyed within the crisis context and timeframe — specifically, what your business's current policies and practices are, and how to connect.
2. **Ongoing and up-to-date messages** (e-mail, social media, etc.): Don't make customers and community members come to you; continue the outreach and gain new social media and email followers by providing regular, relevant communication.
3. **Focus your advertising efforts** (Digital advertising, OOT, pre-roll video, etc.) Make sure that your messages are showing up where the audiences are during the shelter-at-home mandates — online. Budgets are tight, so make sure your media spends are tracked with analytics to ensure ROI. ◀

Michael C. Keenan is the president and CEO of Keenan-Nagle Advertising, Inc. Based in Allentown, Pennsylvania, with an integrated team of creative, media, web, analytics and client service professionals, the Keenan-Nagle firm has been in continuous service since 1954 and is the longest-serving advertising/marketing agency in Pennsylvania's Lehigh Valley region. For more facts, visit www.KeenanNagle.com or call 610-797-7100.

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Go Opposite in of Uncertainty

By Daniel Burrus



the Face

As COVID-19 uncertainty spreads around the world at an exponential pace, the global community is finding out that reacting quickly to the societal and economic disruptions that the virus creates, no matter how agile a reactor you are, is not good enough and quite frankly, is simply not working.

With disruptive changes moving so fast, everything seems to be uncertain, and that uncertainty can cause us all to “wait and see,” which is the exact opposite of what we should be doing now! The only way individuals, entrepreneurs, business and government leaders can get ahead of the spread of the virus, and get control of its speed and devastating impact, is to stop focusing on reacting quickly, or “pivoting,” as some have called it, and start becoming anticipatory by separating the Hard Trends that will happen from the Soft Trends that might happen and can be changed.

You cannot change a Hard Trend, but you can see it coming, and by knowing what will happen before it happens, you can create strategies to take advantage of that trend, giving you certainty and the confidence to make bold moves as you move ahead. Another major advantage of Hard Trends is that they allow you to identify the problems that are ahead and solve them before they occur.

Pandemic Uncertainty Problem

The coronavirus pandemic has leveled the playing field. The exponential uncertainty it brings with it has forced increasing numbers of people to live day-by-day as they try to protect what they have in an effort to combat what might happen as this highly unusual year unfolds.

However, it is important to note that the exponential spread of COVID-19 as it doubles every three days is a Soft Trend, meaning that the exponential spread can be changed! Anticipatory government and business leaders saw the predictable exponential spread of the virus and the potential human and economic impact. They realized it was a Soft Trend that could be changed and took action to slow and eventually stop the spread by closing nonessential businesses and implementing strong social distancing measures in order to flatten the curve, save countless lives, and save millions, billions, and even trillions of dollars.

As we lock down, work remotely and do our best to remain healthy and safe, realize that everyone is hurting and with that, there are enormous new ways to make a bigger difference as you simultaneously grow your business.

This is the *perfect* time to redefine and *reinvent* what you do and how you do it. *Redefining* and *reinventing* are core principles of *Anticipatory Leaders*, and as we see, current systems, such as how we *deliver* healthcare and the global supply chain, buckle under the load.

So how do you innovate when everyone's mindset is to wait out the storm? You Go Opposite; take the road less traveled to take your organization from success to significance and turn this pandemic disruption into opportunity.

Going Opposite

I've written about this anticipatory principle in the past; I call it the Law of Opposites. By looking for a solution to a problem or a new opportunity in the exact opposite direction from where you are currently looking, you will see amazing solutions and opportunities that were outside of your view. From a strategic standpoint, when everyone goes one way, Anticipatory Leaders often go the other and take the road less traveled.

There isn't a better time to do this! The pandemic and lockdowns already are a road less traveled, one in which many will sit on the sidelines and wait and see what will happen. In many ways, the world seems to be hitting a pause button as the vast majority goes into a hold position. By doing so, they will not be ready for the identifiable certainty that the pandemic will end.

Many might think that having a wait and see approach is less stressful, but the opposite is true. As you wait, you will see others moving ahead, intuitively knowing that while others are moving ahead, you're falling behind. The stress of waiting for months will mount, making it harder to start moving again.

I'm sure you have heard the old saying: "an object at rest tends to stay at rest, while an object in motion tends to stay in motion." Admittedly, it's hard to move forward when you can't see ahead. That's why you should start with the opposite; observe what you can see instead of focusing on what you can't see. Instead of looking at all the things you aren't certain about, ask yourself: What are you certain about? Instead of looking at all the things you can't do, ask yourself: What can you do now? Why not do the opposite while everyone else sits and waits?

Redefine and Reinvent Everything!

This is the perfect time to redefine and reinvent what you do and how you do it. Redefining and reinventing are core principles of Anticipatory Leaders, and as we see, current systems, such as how we deliver healthcare and the global supply chain, buckle under the load. The fault lines in our systems become highly visible and the systems become ripe for reinvention.

The fact is that every system is ripe for reinvention, and the best time to do it is now. When times are good, transformational change can be put off, but when the world and everyone in it is hurting, people are much more open to new, innovative ideas. It's time to double down on redefining and reinventing your products, services and customer experiences before someone else does, and if you do this while helping others through the crisis, you will find a lot more help along the way!

Focus on Becoming a Positive Disruptor

The news, which has been quite dark lately, is focused on the virus, what it has done and is doing. It's imperative to look beyond the news and to look ahead at what we do know!

I would like you to consider becoming a positive disruptor, creating the transformations that need to happen to make the future better for everyone. This is not as hard as it seems, because perfection is impossible; everything can be improved. Everything has facets to it that can be changed for the better. A positive disruptor has the power to unite people and help humankind move forward in a positive and productive way.

A New Beginning

In this new year, new decade and global pandemic, where do you start? It's simple; find certainty by identifying the Hard Trends that will happen and the related opportunities to move forward. Remember, trends by themselves do not have power until you attach them to an opportunity, which is when they burst into actionable light. And positive disruptors use Soft Trends to their advantage, because they can change them if they're undesirable.

When everyone is stuck in one mindset, go opposite! If you anticipate instead of reacting, redefine and reinvent instead of waiting, move forward instead of standing still, and focus on significance over success, you will put yourself and your organization much further ahead than ever before.

In this time of unprecedented uncertainty, actively shaping your future by becoming an Anticipatory Leader has never been more important. ◀



Daniel Burrus is considered one of the world's leading futurist speakers on global trends and disruptive innovation.

The New York

Times has referred to him as one of the top three business gurus in the highest demand as a speaker.

He is a strategic advisor to executives from Fortune 500 companies helping them to develop game-changing strategies based on his proven methodologies for capitalizing on technology innovations and their future impact. He is the author of seven books, including The New York Times and Wall Street Journal best-seller Flash Foresight, as well as the international best-seller Technotrends. His latest book, The Anticipatory Organization: Turn Disruption and Change Into Opportunity and Advantage, is an Amazon #1 Hot New Release for Business.

Identifying Hard Trends

A well-worn cliché says there are only two things you can be certain about: death and taxes. With apologies to those who agree with that statement, there are many, many more examples of out-and-out certainties. Was Sunday followed by Monday last week? Absolutely. Will that be the case next week? You can count on it.

A more timely and, in some ways, comforting example involves the ever-changing situation we find ourselves in today with COVID-19. This pandemic has seemingly pressed pause on time, stifling businesses in many ways and rattling humankind as we're told that each day is fluid, and we're not sure what the next day will bring. Monday will still follow Sunday, but will it be business as usual? Right now, the answer is no.

But, if Hard Trends, or future certainties, are as easy to identify as I maintain, what is the Hard Trend in all of this? It's as obvious as my days-of-the-week anecdote above: This virus will end, and that is a fact that will happen. Because of this, you better believe that, aside from the length of the coronavirus's impact, there are still Hard Trends in every industry, plus plenty of opportunity in the disruption that is this global pandemic.

In order to be able to identify Hard Trends during these unprecedented times, we must diagnose the very concept of Hard Trends and how they can lead to significant game-changing opportunities for you and your organization.

What's a Hard Trend?

As previously stated, a Hard Trend is a future certainty, in that it is something we know is going to occur whether we want it to or not. Opposite of Hard Trends are Soft Trends, which are future possibilities that may or may not take place. In the case of Soft Trends, these can be changed to your, and your organization's, benefit.

To further explore my Hard Trend Methodology and how it can help you be more anticipatory during times like we currently face, I have grouped Hard Trends into three primary categories for identification purposes.

- **Demographics.** This can be age, race, gender, or any other defining characteristic of a group. During this pandemic, an example is an older generation like the Baby Boomers. The fact that they are more susceptible to COVID-19 is a definite Hard Trend.

- **Government Regulations and Oversight.** For this category, a broad question immediately comes to mind: As a general rule, will there be more or less government regulation in the future? If we've learned anything from the coronavirus pandemic, it is that there will definitely be more. As new innovations emerge amid the lockdown, new governmental regulations will evolve in response to them. This is true, regardless of the industry or organization, making this a Hard Trend.
- **Technology.** From the ever-increasing accessibility of 3D printing to holographic telepresence, technology is inevitably going to become more functional, more sophisticated and more widespread. In addition to how we have learned to use already-existing technology during the pandemic, this makes technology in any capacity a Hard Trend; we will always be finding a newer, better way to accomplish a task or create something.

Why Hard Trends Matter

Knowing that something is a future certainty means so much more in times like these. It's central to your organization's planning and subsequent execution of innovation, even during an economic shutdown.

In terms of government regulation, coupled with the ever-changing spectrum of this pandemic and subsequent lockdown, being aware of the Hard Trend of growing government regulation allows you to become more anticipatory with those additional guidelines foremost in your mind, allowing you as an organization to continue to progress and grow.

Leveraging Hard Trends to your advantage is how you can also pre-solve problems before they exist. Case in point: When the United States government mandated a stay-at-home order, closing the physical operations of many nonessential businesses, many threw up their hands in frustration, while others decided to adapt and overcome, taking advantage of opportunities to continue to operate during a shutdown — and profited accordingly.

What you can expect is that Hard Trends — identified and acted upon — can offer enormous opportunities for those organizations with the mindset of always keeping their eyes open to the future.

Is your organization identifying and acting on the visible Hard Trend certainties in your industry during COVID-19? Better yet, are you learning how to be an anticipatory leader in all of this?



Accelerating Digital Sales

By Gabe Garroni, Senior Vice President of Sales, Ally Insurance

Nationwide and in West Virginia, dealers are shifting to digital auto sales — ready or not.

It's a big change from a traditional dealership structure that encourages departments to operate in silos, sometimes causing coworkers to compete with each other instead of the store across the street. As dealers work to simplify operations in today's environment, it's smart to take a closer look at how digital resources can seamlessly link different steps of the sales process through a single point.

Dealers who do it right in the next few months could be well-positioned to succeed in the long term. To successfully update your dealership's approach, be sure to keep the following top of mind:

Make a strong virtual impression

You wouldn't let the cars in your showroom be unwashed or parked haphazardly. Make sure your website reflects the same clean, organized look a customer would expect from a physical dealership.

Start by conducting an online audit to get a sense of how your dealership is displayed virtually. A quick Google search will provide a good idea how customers are viewing your products and services. Verify that search results are accurate and up to date. Are your hours of operation and staff photos current? Do you have promotions listed on a “specials” tab? This is a good time to update it with service and F&I specials.

Integrate F&I and sales

Traditionally, F&I was a specialized department. But, as car shopping moves online, savvy dealers are aligning F&I with the remote sale and digital process.

Income from F&I as a share of profit has been steadily rising as more dealers realize its potential. Data from NADA shows that the income from F&I departments accounted for 25.5% of total profits on sales in 2018, up from 24.9% in 2017. You may not be able to physically walk your customer over to the F&I or service departments, so it’s important for every salesperson to be comfortable explaining the benefits of financing and protection products. Just like online vehicle inventory, F&I products should be promoted on your website for customers to research and compare.



Stay connected while socially distant

According to JD Power, more than 40% of Americans are reporting their financial situation has been at least somewhat hurt by the Covid-19 crisis. Customers aren’t feeling good, mentally or financially, which means it’s more important than ever to maintain the personal touch via virtual communications.

Personalize communications so shoppers know they’re interacting with a human and not a computer. Thank them for choosing your dealership and compliment their choice of vehicle. Respond to their specific questions promptly and offer opportunities to “test” the vehicle through different mediums. Find out whether your customer prefers email, phone, text or video chat conversations. These are just a few ways to make customers more comfortable with an unfamiliar process.

Making your customer feel at ease in your digital environment should remain one of your top priorities and requires some creativity. Take this time to focus on your people and make meaningful shifts that will help ensure your dealership is positioned for success in any situation. ◀

our difference is our people.

We know that your business is all about connections. That’s why, at Ally, we believe in ongoing relationships with dealers and their communities. In this increasingly digital world, it’s more important than ever to maintain real human connections, and keep your business moving forward. Contact your local Account Executive for more information.



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Back to Business: Recovering From COVID-19

A NADA Dealership Lifeline Webinar



Although the U.S. economic climate is now far different (and far worse) than anyone expected at the beginning of the year, the ability to pivot and adjust to the current situation has never been more critical. Restrictions to prevent the spread of COVID-19 are loosening up in the U.S., but the crisis is still fluid. If states see an increase in diagnosed cases, then the country could go back to shutdowns across the continental U.S. In the fall, experts are warning people to expect a second wave of disease. Although scientists are working hard to create a vaccine, no one knows when (or if) they will succeed.

Early results are promising, which is good news, but you have a dealership to run, and you can't afford to wait for the scientists. The first goal is to survive. If you can accomplish that much, what can you do to maximize your efforts so your dealership can be as profitable as possible?

NADA has launched a Coronavirus Hub at nada.org/coronavirus to help dealers. Instead of in-person training, NADA is also working on a series of Dealership Lifeline Webinars. A webinar about how to create a plan to reopen your dealership took place on May 15, 2020. (To access the webinar, visit nada.org/comprehensive-planning-for-re-opening-form/.) The webinar was taught by Ian Grace, Senior Manager, Partner Performance, who works at automotiveMastermind.

When times are good, paying attention to maximizing your resources may not matter. You may not need to care about what you missed as long as you still have plenty of sales taking place. But that is not the current market. As Ian Grace pointed out, now is the time to make sure you don't miss any opportunity to make money, because those missed opportunities will determine whether you can stay in business. Do not neglect them.

You may have furloughed staff. Going forward, you are going to need enough staff so that each department can work efficiently, but you might want to consider staggering shifts. Be sure that whatever you do is compliant with health recommendations.

As you work to motivate your team, you will want to make sure that all employees are doing the same things:

- Practicing social distancing
- Wearing masks and (in some cases) gloves
- Not shaking hands with potential customers
- Rearranging work areas to allow more room than was allowed previously

This year has become a difficult one for selling automobiles. As you *ramp up* your efforts to sell, *review* every aspect of your business for thoroughness, *efficiency* and *excellent customer service*.

You will also want to review sales quotas, goals and pay plans. What used to be realistic a few months ago may not be reasonable now. Adjust accordingly.

That done, turn your attention to your customers. Communicate with customers on all external touchpoints, but focus on the ones that are most likely to reach them.

- Schedule an event such as an email blast to tell them what your plans are.
- Don't neglect the obvious. You want to attract people who are driving by. Now might be the right time for some balloons on the lot.
- People are often at home now, which means this is an excellent time to send direct mail, such as magazines, to customers.
- Radio advertising may not be effective since people are not driving as much.
- Television is more limited because of what isn't happening in the sports world; people are most likely to watch sports on live television, but since that has shut down, they are less likely to see your ads.
- Your chances of reaching potential customers are better with digital communication.

Customers will want to know whether they can buy a car safely from you. They will want to know about any process changes you are making to eliminate or reduce the need for in-person contact.

- Update your website, if you haven't already, to include information about COVID-19 as it affects your dealership and any special offers you can give them to encourage them to buy.
- Make 60-second videos that walk them through the dealership and show them the safety measures you are putting into place. Show them free masks and hand sanitizer at entrances, as well as the way you have rearranged the dealership. Tell them how you are cleaning customer lounges and bathrooms and any other protective measures you are taking, such as disposable seat covers and EPA-approved cleaners.
- Give everyone the VIP treatment as much as possible when it comes to picking cars up and then returning them.
- Continue to do what you can to make it easier for people to get things done without visiting the dealership.

Most dealerships have worked hard to offer online sales during the COVID-19 shutdown, which means online sales jumped forward three to four years more than would have been the case without the shutdown. That jump is not going to reverse itself. Many business activities that used to require in-person communication can and should move to video conferencing when possible. People can buy cars in person, remotely, or some combination of the two. The F&I manager, for example, can talk to the customer by phone. Also, service advisers can offer customers video calls for initial diagnostics.

Other important steps are as follows:

- As you prepare to open up again for business, you will want to conduct a physical inventory of every vehicle on the lot. All dealer tags need to be accounted for.
- Update pricing based on current MMR and used car values.
- Analyze current and incoming inventory and decide whether you need to adjust pricing to match market demand.
- Review the leases that matured during the closure. Many OEMs extended leases, but you need to understand what the situation is for each lease.
- Schedule deliveries for vehicles sold during the shutdown.
- Go through the DMV paperwork. Make sure to replace temporary registration with permanent registration.
- Look at who reached out to you during the closure. Now is the time to start reaching back.
- If you paused data-mining software, relaunch it.
- Consider investing in telecommunication software.
- Put your business development center to work.
- Make sure your loaners are accounted for, washed and fueled. Think about adding to them.

The service department was probably open during the shutdown. Service departments have always had an important role to play in taking care of customers and building brand loyalty, but that is even more important than it used to be. They present a new way of doing business at both ends of the company, front and back.

This year has become a difficult one for selling automobiles. As you ramp up your efforts to sell, review every aspect of your business for thoroughness, efficiency and excellent customer service. The fundamentals of hard work, attention to detail and service have always worked in the past, and there's no reason to think that they won't continue to work now. ◀

The 35-Point Checklist You Need For Reopening Your Dealership

As dealers prepare for the day that they can reopen their showroom doors post COVID-19 shutdowns, many may feel uncertain about where to begin. As a follow-up to our 36-Point Checklist If Your Dealership is Mandated to Close, we have compiled a comprehensive checklist to run through if you receive approval to open your showroom back up for business. We encourage you to create your own action plan using these suggestions now, so that you will be ready to take quick action when the time comes.

Inventory Management

- Conduct a physical inventory of every vehicle
 - New, used, loaners, trade-ins, lease returns and customers' cars with open repair orders
- Ensure all dead batteries are charged, vehicles are clean and ready to drive off the lot
- Pull your new, used and wholesale vehicle inventory against current Manheim Market Report (MMR) and used car values
 - Consider what to keep and what to get rid of, and adjust pricing accordingly
- Analyze current inventory vs. incoming inventory to determine how supply/demand is going to impact marketing pricing
 - Reach out to dealerships trying to get rid of inventory to increase your supply for pent up demand
 - Ensure all dealer tags are accounted for

Sales Team

- Conduct sales meetings to sure up your team and help set expectations
 - Communicate any immediate operational changes
 - Be sure to answer any questions your team may have to set them at ease
- Ensure your team is ready to tackle any challenges (and opportunities) ahead
 - Ensure salespeople understand the need for a more empathetic approach when communicating with customers
 - Consider additional phone and sales training
- If paused, re-launch any data/equity mining technology software and marketing
- Review deals sold prior to the shutdown and update the website with any new incentives that became available
- Schedule deliveries for vehicles sold during shutdown
- Ensure all DMV paperwork has been sent out for cars delivered prior to shutdown
 - What deals need registration data confirmed by the state?
 - Who is driving on unregistered temporary tags?
- Conduct a Contracts in Transit (CIT) review and determine what contracts have been paid to the dealer and which are still outstanding
 - Collect any outstanding stipulations for unfunded deals
 - Determine if there are deals where paperwork needs to be re-signed
- Follow up on any outstanding payoffs on trade-ins
- Follow up on DealerTrack, RouteOne, or captive unapproved deals, holds and/or comments
- Conduct follow up calls to any sold customers who took delivery before closing

Prepare for a Successful Re-Opening

- Plan a “Re-opening Sales Event” and create an email blast to your customer base
- Communicate re-opening on all external channels
 - Create clear messaging about the new ways of doing business and how it impacts customer experience
 - Ensure website, social media, and all third-party sites have your updated hours
- Consider balloons or other eye-catching decor outside to draw attention to your re-opening

Sales Department Relaunch

- Focus on reigniting your sales team and aligning your strategy
 - Create a sales bonus/contest for units sold to get the team motivated and re-engaged
 - Drive a culture of appointment setting, consider setting spiffs on appointments that show
- Review and consider modifying your current sales quotas, goals and pay plans
- Review all leads that came through in last 60 days
 - Send them a personalized email that store is open
- Review what leases were scheduled to mature during the closure
- Ensure alignment on socially distant customer interactions
 - Staff wearing masks, maintaining social distancing, not shaking hands, etc.

Setting Up the Service Department

- Ensure you're prepared to accommodate service customers in the new dealership experience
 - Offer VIP treatment with services such as vehicle pick-up and drop-off
 - Take stock of your telecommunication and technology needs
- Have your BDC begin service dials prior to opening
 - Ensure as many service appointments are scheduled/confirmed
 - Consider offering service specials to drive traffic and promote re-opening
- Institute video calls with service advisors for initial diagnostics and evaluations to boost consumer confidence
- Expand precautionary measures, such as vehicle disinfection before re-delivery and utilizing disposable seat, floor mat and steering wheel covers
- Review any open or unaccounted for transactions and receivables
 - Review parts receivables and consider putting some accounts on COD
 - Review warranty receivables
 - Audit and review age of open repair orders
 - Consider lost opportunities such as overdue open recalls — Consult with OEM, CARFAX, etc.
- Ensure all service loaner cars are accounted for, washed and fueled

Human Resources Considerations

- Create a plan to bring back furloughed staff

While dealerships reopening their showroom doors is a positive sign, the market is and will remain financially vulnerable for some time.

- Ensure when you reopen that you've got enough staff to run each department
- Consider running staggered shifts to account for demand
- If necessary, alert HR vendors for staff's return
- Communicate and ensure the sales staff fully understands draw/draw payback scenarios
- Ensure your HR team is fully up to speed on the changes to state/national employment laws

Facility Management Considerations

- Communicate reopening plan and date to all in-store and third party vendors
- Start having virtual meetings the week before with each department
 - Assign a list of high priorities to each department to start on Day 1 of reopening
- Ensure you have adequate supplies to serve the volume of impending business
 - Take stock of cleaning supplies, personal protective equipment and protective materials such as steering wheel covers
- Prepare for the return of physical sales inside the dealership
 - Ensure all bathrooms have been cleaned and are adequately stocked
 - Consider offering free gloves and masks upon entrance
 - Place hand sanitizing stations throughout the dealership
 - Replace all refreshments with individually packaged/sealed snacks

While dealerships reopening their showroom doors is a positive sign, the market is and will remain financially vulnerable for some time. The ability to identify customers with the highest likelihood to purchase a new or pre-owned vehicle with the message of either potentially lowering their payments or saving them from penalties or fees will be well-received. Now, more than ever, it is important that dealerships have the right tools to re-engage their teams quickly and sell cars more efficiently. ◀

For more information from automotiveMastermind about resources related to COVID-19, go to their website at <https://resources.automotivemastermind.com/auto-dealership-covid19-resources>.



Q&A With Ian Grace of automotiveMastermind

What are your thoughts about the auto industry and COVID-19?

I've been in the industry for the lion's share of my career. No one has seen anything like COVID-19 before. It has been an unforeseeably trying time and has changed us in a way that I think is forever. Many of us expected to see a move away from traditional brick and mortar stores towards more digital engagement on what we thought was a horizon of 12 or 15 years. This pandemic and the absence of a vaccine during this Carmageddon has forced us to leap forward three or four years into that future as we wait for a vaccine to feel truly safe. The model going forward, at least for the near future, is going to be on the internet and digitally based. People will be talking by phone, not walking the lot in person as often as they were doing before. We will have to be more transparent as we won't always be able to meet in person. The winners will be the dealers who are willing to be flexible and adapt to the new environment, which includes meeting the demands of new consumer behaviors.

If you were a car dealer today, what would you do?

I would be doubling down on all the proactive forms of communication that I can use. Automotive technologies such as

Market EyeQ by automotiveMastermind can empower sales staff to:

- Make informed calls to customers.
- Send direct mail pieces that are microtargeted based on consumer needs.
- Market through personalized email.
- Make social media posts.
- Use digital retargeting. For example, if you sent direct mail to the people on a list, utilize the same list to market digitally on social media.
- Enhance the dealership's website.

I would put my time and resources toward any form of proactive communication I could to my customers, so I am not waiting for them to come to the lot. While consumers are hungry to buy cars, they may not be too excited about physically walking through the door. That means creating my own traffic and reaching out to existing and potential customers and not waiting for the phone to ring or door to swing.

I talk to *dealerships* and dealer relations managers around the country every day. Many dealers had a *better May 2020* than they did in May 2019. Stores that are *willing to adapt, and have adapted*, are not only doing well and surviving, they are also *thriving*.

What are your thoughts about recovery? How long will it take and what will it look like?

That's a tough one. A lot of what we are seeing will be based on when states open up, dealership inventory, individual state policies, and consumer confidence and response. In the next 90 days, it will depend on what states are doing on an individual level. In New York state right now, sales are by appointment only. Once dealerships are allowed to open, the next question is whether they have enough inventory because inventory has been delayed. With that said, now is a good time for dealers to focus on their pre-owned inventory and move what they can from that lot. Also, we don't know right now whether there will be a second wave of the pandemic. I recommend that dealers put together two sets of plans, one for the next 30-90 days and a second for the next 90-180 days.

Dealer plans should concentrate on the following:

1. When their state fully opens things up
2. The individual state policies toward auto dealers
3. Inventory availability
4. Consumer confidence and response
5. Contingencies should there be a second wave of COVID-19 in the fall or winter

If you could give the dealers any good news, what would it be?

I talk to dealerships and dealer relations managers around the country every day. Many dealers had a better May 2020 than they did in May 2019. Stores that are willing to adapt, and have adapted, are not only doing well and surviving,

they are also thriving. When someone can out-sell year over year, that is very encouraging to hear. Despite everything that is going on, I am hearing about real successes on a micro level throughout the country. As I mentioned before, consumers are ready to buy cars again — you just need to meet their new demands of convenience and personalized experiences before the competition does.

Would you condense your experience in advising dealers into three pieces of advice?

My work for automotiveMastermind has taught me the following:

1. Proactivity is king. Don't wait for your customers to come to you or the lot. Reach out to them.
2. Embrace digital transparency on your website.
3. Be willing to accept the fact that things are changing and be ready to adapt to those changes.

Do you have any parting thoughts?

Things are potentially forever changed in our marketplace, but that doesn't necessarily need to be a bad thing. Evolution can be a good thing. It provides opportunities. If you embrace those opportunities, you will find success. ◀



Ian Grace has nearly 20 years of experience in the automotive industry. He began his career back in 2002 working in retail automotive sales, management and finance for five years. From there, he went on to work in indirect auto & consumer lending for 10 years before joining automotiveMastermind as a Dealer Relations Manager in 2017. In his current role as Senior Manager, Partner Performance, he and his team are responsible for optimizing partner performance and retention. Ian lives in Pittsford, New York, with his wife Courtney and son Tanner.

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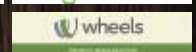
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