



## INSIDE HADA

As our industry begins the journey into 2009, we recognize that you face the most challenging times experienced by a generation of new car dealers. Mac DeLaup, 2009 HADA Chairman and HADA staff feel that there's never been a more important time for involvement in your association and be better informed as to the many services that your association provides. Through **HADA Today**, we hope to provide a communication tool of best practices from which our members can learn from each other. We would also like to inform you about what is going on at HADA; spotlight a dealer in our community, update you on Legal and Legislative News, Calendar of Events and any other important news that affects the local Houston area franchise dealer.

As an HADA member, you will start to receive this publication on a regular basis with helpful tips from fellow dealers and important issues that affect your dealership. We welcome any of your comments, ideas or suggestions at [info@houstoncardealers.com](mailto:info@houstoncardealers.com)

## CHAIRMAN'S CORNER



### "The 3 P's"

Hello Dealers, Associate members and friends of H.A.D.A. I thought the "Dog Days of Summer" started in July, but they have come early this year as we are seeing near record heat and humidity!

Along with the summer heat, auto sales are heating up with a better April than March, a better May than April, and June is anticipated to exceed May! Economic automotive recovery is a multi stage process and truthfully we can not compare ourselves to last year's numbers, we have to compare ourselves month to next

month, quarter to next quarter and ultimately year to next year. Typically, March exceeds April sales and May exceeds March, but in today's economy each month seems to be getting better since we managed to get the frightful first quarter behind us!

Talking to dealers throughout the region, many are seeing a lot of success and even talking that "we are better today than we were a year ago." Not meaning sales and gross is better, but that they have developed better processes through these tougher times. Remember the 3 "P's"? People, Processes and Product—and if you have all three, you have a successful dealership? Well, it stands more true today than ever before, as we develop better People, better Processes, and our manufacturers develop even better Product. We have managed in unmanageable times; we have managed in unprecedented times and we are weathering in an unmanageable, unprecedented time! Stay the course! Continue to develop good People, Processes, and stay on our manufacturers to build cars that people want. The things going on around us we have no control over, but we do have control of our house. Keep it clean and productive!

Good luck and good selling dealers and associates. The worst is behind us. Imagine how good we'll be next year, and the year after and the year after and the year after.....

Mac DeLaup

Email us your Best Practice Ideas or Comments to [info@houstoncardealers.com](mailto:info@houstoncardealers.com)

If you have a dealer that you would like to nominate on our dealer spotlight, for our next issue of HADA Today, please email your suggestion to [info@houstoncardealers.com](mailto:info@houstoncardealers.com)



**HADA Today**

Houston Automobile Dealers Association  
PO Box 16550  
Sugar Land, TX 77496-6550  
[info@houstoncardealers.com](mailto:info@houstoncardealers.com)

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**DEALER SPOTLIGHT****Alfred Anderson of Anderson Ford Mercury**

Alfred Anderson was born and raised in Shreveport, Louisiana and studied accounting and finance at Northwestern State University. He began his career in the auto industry in high school as a service station attendant. After college, he became a car salesman. Then, in January of 1996, he moved to Conroe as managing partner for Tony Gullo at Gullo Ford Mercury of Conroe. When the opportunity arose to purchase the Ford Mercury store in Cleveland, Alfred jumped at the chance. In March of 2001, he called a family meeting and told his children (2 daughters and 2 sons – 3 of whom work at the dealership, along with a daughter-in-law and a grandson) there would be a place for them if they wanted to come work with him. “It was a lifelong dream to have my kids work along side me in the car business,” says Alfred. They must be doing something right because Anderson Ford Mercury has earned the Better Business Bureau of Southeast Texas’ Torch Award for Marketplace Ethics as a winner or a finalist for six years in a row. The dealership has also been a two time recipient of the Pinnacle Award for Excellence from the Better Business Bureau of Greater Houston, and a five time Winner of Distinction!

Alfred believes strongly in supporting the communities that support him and he and his children are all active in the Cleveland community and surrounding areas. Alfred has served two terms as Chairman of the Board of the Greater Cleveland Chamber of Commerce, serves on the Board of the Cleveland Economic Development Corporation, as well as the Conroe Industrial Development Corporation. He is also on the Board of Directors of the Houston Area Ford Dealers Advertising Fund and the Better Business Bureau of Southeast Texas. Anderson Ford Mercury is also an accredited business of the Greater Houston Better Business Bureau and is a member of six area Chambers of Commerce.

Alfred and his wife Dollie, have been married 40 years and live in Conroe. Even though they are both from North Louisiana, they plan on “retiring” in Texas!

**BEST PRACTICES****DO YOUR CUSTOMERS KNOW YOU APPRECIATE THEM?**

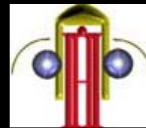
*By Alfred Anderson*

Here at Anderson Ford Mercury our motto is “Come Experience the Anderson Difference... It’s about higher standards, lower prices and good people!” We want to make car buying fun again and we understand all too well that how we treat our customers affects how they treat us. Every one of our associates understands and practices what I call “the 10-foot rule” - if any one of them comes within 10 feet of a guest they should speak and call that person by name if they know it. Each associate also carries a credo card which is given to them upon employment. It states our mission and vision statements, the Anderson Ford Mercury Basics for customer satisfaction and the statement “We are ladies and gentlemen serving ladies and gentlemen.” As you can see, the customer is always #1 at Anderson Ford Mercury!

When our customers visit our dealership, whether for sales or service, they are offered refreshments. We have an ice cream freezer in the showroom stocked with complimentary Blue Bell ice cream treats, we always have freshly popped popcorn, Starbucks coffee and an assortment of cold drinks and bottled water.

In an effort to convey our commitment to ethics, we adhere to the National Auto Dealers Association Code of Ethics and require that all of our salespeople as well as management staff become (and stay) NADA Certified.

Any comments, thoughts, ideas or suggestions are welcomed at [info@houstoncardealers.com](mailto:info@houstoncardealers.com)

**CALENDAR OF EVENTS**

<u>DATE:</u>	<u>EVENT:</u>
JUNE 2009	HADA Scholarship Recipients Notified Via Mail
JULY 2009	HADA Board Meeting (location TBA)
AUGUST 1, 2009	Red Flags Rule Enforcement Federal Trade Commission ( <i>delay</i> )
OCTOBER 2009	HADA Luncheon (location TBA)
DECEMBER 2009	HADA Christmas Gala & HADA Board Holiday Lunch (location TBA)
JANUARY 29, 2010	Auto Show Sales Rally Breakfast & Auto Show Preview Night Reliant Center
JAN. 30–FEB. 7, 2010	Houston Auto Show Reliant Center

## LEGAL NEWS

By Karen Phillips

**ARBITRATION DECISION**—Isuzu Motors America, LLC v. Quality Suzuki-Isuzu of Austin, Ltd. d/b/a quality Suzuki-Isuzu of Austin, U.S. District Court, Western District, Case No. A-09-CA-090-SS.

Isuzu filed an application to the U. S. District Court, Western District, pursuant to the Federal Arbitration Act (“FAA”) seeking to compel arbitration. Quality opposed the application and filed a motion to dismiss.

The court concluded that there is no valid arbitration agreement in this case and Texas state law gives exclusive jurisdiction to the TMVD, which is the appropriate forum to resolve the dispute. Quality’s motion to dismiss is granted on this ground.

Isuzu has filed a Notice of Appeal. If you have any questions, please call Karen Phillips at TADA 1-800-749-8232.

## LEGISLATIVE NEWS

By Rob Brazier

The 81st Session of the Texas Legislature concluded Monday June 1, 2009. You will find below a quick summary of the action taken on TADA’s major initiatives this session and where they stand as of June 1. I will get back with you again after June 21, 2009, which is the last day the Governor can sign or veto bills passed during the session, to provide a final update. In addition, you should expect a memo from TADA later this summer detailing the changes in law becoming effective on 9/1.

### TADA Legislative Agenda Priority Issues:

- I. Texas Department of Motor Vehicles - HB 3097 (Rep. Ruth Jones McClendon-Author, Sen. John Carona-Sponsor)
- II. Manufacturer/Dealer Franchise Laws - HB 2640 (Rep. Todd Smith-Author, Sen. Kirk Watson-Sponsor)
- III. Dealer Documentary Fee - HB 3621 (Rep. Burt Solomons-Author, Sen. John Carona-Sponsor)
- IV. Transportation Code Revisions - SB 1617 (Sen. Jeff Wentworth-Author, Rep. Wayne Smith-Sponsor)
- V. Finance Code Revisions - SB 2387 (Sen. Harris), HB 3659 (Rep. Flynn), HB 2438 (Rep. McCall)

All the TADA Priority Issues were passed and have been sent to the Governor. For more information on these bills, go to [www.tada.org](http://www.tada.org)

## MEMBER NEWS

### CONGRATULATIONS TO DON MCGILL TOYOTA OF KATY

Don McGill Toyota of Katy has won **Toyota Motor Sales** U.S.A.'s President's Award for outstanding sales and service. The dealership, located at 21555 Katy Freeway, has won the award twice before.

The President's Award "pays homage to Toyota dealerships throughout the U.S. that achieve high standards of performance in all facets of the automotive dealer profession, including vehicle and parts sales, service and customer satisfaction," Toyota said in a recent news release. Toby Hynes, President and General Manager, Gulf States Toyota, Inc. said:

Don McGill Toyota of Katy earned one of Toyota's highest tributes, the President's Award, through its outstanding professionalism and commitment to quality. Their team achieved exemplary standards of performance in sales and service, and most importantly, in satisfying our customers' needs.

Toyota Motor Sales has recognized dealers with the President's Award annually since 1986.

Source: *Houston Chronicle, InsideKaty*

## HADA WELCOMES NEW MEMBER

### Classic Chevrolet Sugar Land, LLC

13115 Southwest Freeway  
Sugar Land, TX 77478  
281-491-9000

[www.classicchevysugarland.com](http://www.classicchevysugarland.com)

Tom Durant, Don Kerstetter



### **Please note:**

If your contact information changes or you have updates on mailing addresses or emails, please send us the updates of any changes to [info@houstoncardealers.com](mailto:info@houstoncardealers.com)

## SELECTING IT VENDORS – Cautionary Points

When shopping for an IT vendor to meet your dealership's business objectives, beware of:

**“Whiz Bang Features”** - It may seem great that you can pick from a palette of 256 colors to configure your screens, and each screen can be a different color. Ask yourself, do you really need it? Will it make the application more efficient, or will it prove a drain on the help desk?

**Showing you what they want you to see** - A vendor wants to present his or her product in the best light. This can mean showing you all the impressive features and not showing you the things that you might not like.



**Cheap Software, Expensive Implementation** - An implementation can cost you two to ten times the cost of the software. Be sure to inquire about the cost of implementation.

**Concurrent License versus Named Users** - Make sure you understand the license terms before going too far down the sales process. You do not need a surprise just before closing the deal.

**Help Desk** - Does the vendor have a help desk with 24/7/365 support? Do the help desk personnel have strong communication skills?

**Real References** - Check the references to make sure they have had dealings with the vendor. Request references only from the retail auto industry.

**Research and Development Cutback** - A good indication of an organization's financial condition is the level of spending on R&D. Ask the vendor about the organization's plans for future upgrades and the current commitment to R&D.

**Other Software** - Always find out what other software is required. It can cost a significant amount of the overall price of the software if you have to buy user licenses for other software.

**Maintenance Costs** - Assume that the list price of a piece of software is \$100,000, but you buy it for \$70,000. Maintenance is quoted at 15 percent. What would you expect to pay next year for maintenance? Is it 15 percent of \$70,000? Is it 15 percent of \$100,000? Is it 15 percent of \$100,000 plus 10 percent for inflation? Is it 15 percent of \$150,000 because of a major price rise?

**Throwing Mud** - Most vendors will not directly attack their competitors, but instead create doubt about the competition and its product. Feel free to ask direct questions as to what the vendor can deliver that its competitors cannot match.

**Ask the Expert** - In many situations, the salespeople have only a superficial understanding of the software. They rely on technical people to actually demonstrate and answer technical questions. It is always best to focus on the technical person in a presentation and direct questions to that person. The technical person is there to demonstrate what the package can and cannot do. He will have to install and support the software so is more likely to foresee ongoing problems you might have.

**Contract Surprises** - Make sure you get a copy of the contract before you make a commitment to buy and have your legal people review it. The contract is open to negotiation until it is signed.

**Not in the Contract** - Do not rely on verbal assurances. Deal with vendors on the basis that if it is not in the contract, it does not exist.

**Swapping Technical Staff** - Begin the evaluation period with the same technical people who will be responsible for implementation. Have the implementation team specified in your contract.

**Conclusion** - At the end of the day, you want to be partners with the vendor. A partnership is not achieved by either side trying to win points against the other.

*This article is excerpted from A Dealer Guide to Selecting IT Vendors (BM40), which can be ordered online at [www.nada.org/mecatalog](http://www.nada.org/mecatalog) or by calling NADA at 800-252-NADA, ext. 2. This new publication is available exclusively in downloadable PDF format. Members can log in at [www.nada.org/ITguide](http://www.nada.org/ITguide) to download the guide.*