



March 2012

# Dateline: NH

a publication of the New Hampshire Automobile Dealers Association

## Boston TV Scrutinizes Dealer Fees

Peter J. McNamara, President

Do your employees know why you charge certain fees, like the admin or administrative fee? Do you have anything in writing explaining the fee? If the answer is "No," you better do some training and buy NHADA's admin fee disclosure form. See the checklist below!

Very recently the Massachusetts office of the Attorney General called dozens of dealerships to see what additional fees were charged as part of the sale and why. Some employees of a few Massachusetts stores claimed their dealer fees were state mandated. (Wrong!) Another claim was that fees were mandated following, and as a result of, the September 11, 2001 attacks. (Wrong!) See the news report at <http://bit.ly/zqtiIt>.

**Put in writing why you charge a fee.**

The following are a few reminders and *strong* recommendations as to how you should handle admin fees (if you do charge them).

**Put in writing why you charge a fee:** Give these to the customers and train your staff to know the reasons. NHADA sells an excellent brochure, which thoroughly explains why a fee is being charged. Call NHAD Services at 800-852-3372 or email us at [NHADServices@nhada.com](mailto:NHADServices@nhada.com) and ask for Form NHADS-1400.

**Be reasonable:** If you can't justify your fee, then you need to change it!

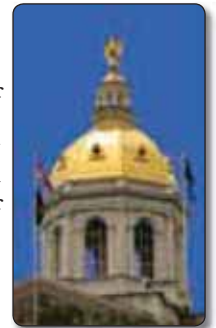
**Don't call it a doc or documentary fee:** The documentary fee is an official state fee and is limited to \$25 or \$27 depending on whether you handle title work.

**Don't disclose it separately on the retail installment contract:** The banking department  
*Dealer Fees – continued on page 15*

## State House Update: Two Months Down!

Daniel Bennett, Vice President Government Relations

By the time you read this the NH legislature will have been in session for at least two full months. The 2012 session opened with over 1,080 bills, constitutional amendments, and resolutions. A majority of the bills originated in the House of Representatives and that is where NHADA has focused much of its efforts so far this session. NHADA is supporting, opposing, or simply monitoring over 130 bills, with a handful of high priority bills.



The first deadline for bills that go to a second committee (those that have a financial impact on the state) has come

*State House – continued on page 9*

## NHADA Business Conference & Partner Expo Approaches

**Save the Date – May 22**

Peter J. McNamara, President

The NHADA's Association Partnership Program (APP) is now in its second decade. Over the past 11 years, the APP has grown considerably, offering an in-

creasing array of services to our members. This is a great benefit to members and to the association.

I encourage all members of NHADA to recognize our partners and to thank them

for the financial assistance they provide. A list of partners is always included on the back page of this magazine, and they are also listed on the website (visit [www.nhada.com/partners](http://www.nhada.com/partners)).

A great way to meet our partners in person is just around the corner: the upcoming NHADA Partner Expo will be held in conjunction with the NHADA Annual Meeting and Business Conference. Also offered will be topnotch educational workshops.

We will build ample time into the day for visiting partners' vendor tables, making contacts, signing up for raffle items, and enjoying camaraderie with fellow NHADA members. The event will conclude with a cocktail reception and

*Business Conference – continued on page 17*



NHADA business meetings and partner expos provide a great chance for networking as did our 2010 gathering. photo by Nat Stout

**NHADA Online Auction, March 12-23; [www.BiddingForGood.com/NHADA](http://www.BiddingForGood.com/NHADA)**

**2011-2012 NHADA OFFICERS**

- Chairman*  
Peggy Proko
- 1<sup>st</sup> Vice Chair*  
Donna Gaudet Hosmer
- 2<sup>nd</sup> Vice Chair*  
Andy Crews
- Treasurer*  
Holly Carlson
- Secretary*  
Eileen Sleeper
- President*  
Peter J. McNamara

**2011-2012 NHADA DIRECTORS**

- Roger Groux, Immediate Past Chairman
- Joseph "Jay" R. Alosa, Jr., Heavy Duty Trucks
- Marc Bourgeois, At-Large Franchised/Independent
- Michael Cooney, Independent Used Car
- Jim Fyles, Independent At-Large
- William Gurney, Independent Repair/Service
- Paul Holloway, Honorary
- Scott Holloway, At-Large
- George Mullin, Motorcycles
- Ken Plante, At-Large
- Chris Weiss, At-Large

**NADA DIRECTOR**

Jack Tulley

**AIADA DIRECTOR**

Peggy Proko

This publication is designed to provide accurate and authoritative information in regard to the subject matters covered. In publishing this newsletter, neither the authors nor the publisher are engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Advertisements appearing in *Dateline: NH* do not indicate a specific endorsement by NHADA of the products or services unless the NHADA endorsement symbol appears with the advertisement.



Published monthly at Bow, New Hampshire, by the New Hampshire Automobile Dealers Association. Mailing address: P. O. Box 2337, Concord, NH 03302-2337, 603-224-2369/ 800-852-3372.

**STAFF**

- Publisher* Peggy Proko
- Editorial Director* Peter J. McNamara
- Managing Editor* Nathaniel Stout
- Design and Layout*
- Advertising Coordinator* Lisa Lavoie
- Photographer* Michael Rosenblum

**ADVERTISING RATES**

Full Page:	Color \$700	B&W \$575
1/2 Page:	Color \$450	B&W \$375
1/3 Page:	Color \$375	B&W \$300
1/6 Page:	Color \$300	B&W \$250

www.nhada.com

**In Memoriam: John T. Grappone**

We are saddened to report that John T. Grappone of Grappone Automotive Group in Bow died Saturday, Feb. 4, after a brief stay in hospice.



John, a second generation owner, was born and raised in Concord, the son of Rocco and Emmanuella Grappone. According to the *Concord Monitor*, the first generation Grappones "in 1924 bought a Gulf filling station on North State Street and a year later began to sell cars there. John started working at 13 and took the helm of the growing auto-sales business in the 1950s, leading it as it continued to expand and moved its base of operations to Bow, where the Grappone Automotive Group is now New Hampshire's second-largest auto dealer."

John served as an NHADA director in the '60s, chairing the board in 1964-65.

In 1993 he was honored as NH's TIME Magazine Dealer of the Year.

John never missed a NHADA family convention and was joined by his children, grandchildren, and great-grandchildren at

NHADA's 2011 family convention at the Mount Washington Hotel.

In lieu of flowers, contributions in his memory may be made to the Friendly Kitchen or CRVNA Hospice House, two wonderful organizations that provide comfort and care to our Concord neighbors in need. The Friendly Kitchen, PO Box 373, Concord, 03302, is online at [www.thefriendlykitchen.org](http://www.thefriendlykitchen.org); and CRVNA Hospice House, is located at 30 Pleasant St., Concord 03301. Please reference John Grappone with any donations.

**Inside this Issue**

**Departments**

- From Your AIADA Director – January Shows Invigorating Numbers ..... page 4
- From Your NADA Director – Congress: Service Advisor Exemption Should Stay..... 6
- Claims, Benefits corners..... 12, 14, 21

**Compliance**

- Managed Care – Questions And Answers ..... 12

**Education**

- Scholarships Are Available from the NH Automotive Education Foundation!.. 21

**Environment**

- Energy Efficiency Audits for Your Business Make Sense – and Cents ..... 10
- Time To Give Your Facility an Energy Efficiency Tune-Up? ..... 18

**Features**

- Factory Image Programs and Return on Investment..... 3
- NHADA Endorses F&I Resources..... 10
- Read What You Sign..... 15
- Calculating Net Profit And Fixed Absorption ..... 16
- Page One Management: A Must for Today's Dealers ..... 17
- Internet Marketing and Dealership Licensing ..... 20
- A New Ban on Using Cell Phones While Driving..... 22
- NHADA's Ryan Hale Certified as Registered Environmental Manager ..... 23



### Factory Image Programs and Return on Investment

While new-car dealers see value in having clean and modern facilities, many have questions and, in a significant number of cases, are not convinced that the factory upgrades they are being asked to do will result in an increased return on investment, according to a new study by Glenn Mercer issued Feb. 4 at a press briefing during the 2012 NADA Convention and Expo in Las Vegas.


“These programs – intended to encourage dealers to invest in store expansion, modernization, and standardization – can place significant financial burdens on dealers, yet there is little hard evidence of the return on investment this spending might yield,” Mercer said.

In response to dealer concerns, NADA commissioned last August the “Factory Image Programs” study to provide an objective, unbiased, and neutral analysis of the various factors that drive the economics of facility programs.

“The NADA research project brought all the various perspectives on this issue out into the open by speaking with a wide range of industry participants,” Mercer added. “Our goal was to open up a dialog in which all parties could discuss facility requirements on a more rational, informed, and fact-driven footing.”

Based on numerous interviews and discussions with automaker executives and a diverse selection of dealers, recommendations were provided to both parties, such as working together to reduce some of the tensions that exist over these issues.

*This article was originally published at [NADAFrontPage.com](http://NADAFrontPage.com).*

If you have any questions, please contact Peter J. McNamara, NHADA president, by email at [pmcnamara@nhada.com](mailto:pmcnamara@nhada.com) or call him at 800-852-3372. 

## GOLD ASSOCIATION PARTNER

### The New Hampshire Union Leader

...Open Up New Hampshire

For more information, please contact Dave Rousseau at 668-4321 x 241 or by email at [drousseau@unionleader.com](mailto:drousseau@unionleader.com).

# NEW HAMPSHIRE UNION LEADER

Open up New Hampshire.



Dave Rousseau

## Driving Our F&I Success



“Our relationship with Protective has helped drive profitability and customer satisfaction throughout the Ron Tonkin Family of Dealerships. Our team knows they can rely on Protective to provide us with strong F&I products and best-in-class service we need to be successful.”

-Edward “Ed” C. Tonkin  
Vice President of Ron Tonkin Family of Dealerships  
Portland, Oregon

### We Listen • We Care • We Have Solutions

Vehicle Service Contracts | GAP Coverage | Credit Insurance  
Lifetime Engine Warranty | Limited Warranty | Dealer Participation Programs  
F&I Training | Advanced F&I Technology

Start driving your F&I success! To learn more, contact Protective’s New Hampshire representative, **George Spatt**.

**Protective**   
Asset Protection Division

**866.478.9242**  
[www.protectiveassetprotection.com](http://www.protectiveassetprotection.com)

Lifetime Engine Warranty, Vehicle Service Contracts (VSCs) and GAP are backed by Lyndon Property Insurance Company in all states except NY. In NY, VSCs are backed by Old Republic Insurance Company. GAP and Lifetime Engine Warranty are not available in NY. Credit Insurance is backed by Protective Life Insurance Company in all states except NY, where it is backed by Protective Life and Annuity Insurance Company.



FROM YOUR AIADA DIRECTOR

American International Automobile Dealers



Peggy Proko

Dear Friends, Our year is off to an excellent start and dealers are laying the groundwork for what I hope will be a positive year for auto sales. The auto industry as a whole

was up 11.4 percent over January 2011. International brands were up 14.9 percent and occupied 55.8 percent of the U.S.'s January auto market.

As dealers, numbers like these are invigorating. During AIADA's 42nd Annual Meeting in early February, the general mood of dealers and industry leaders was energetic and upbeat. As AIADA focused on the Legacy of Leadership that has laid the foundation for today's resilient dealer community, it was clear that our industry will continue to produce the leaders it needs to confront the challenges of the coming years. During the meeting, AIADA's 2011 Chairman, Jim Smail of Pennsylvania, passed the gavel on to 2012 Chairman Ray Mungenast of Missouri. As he operates the St. Louis-based Mungenast Automotive Family alongside his brothers, Ray is carrying on a Legacy of Leadership in his own rite. Finally, AIADA was joined by Lexus Group Vice President Mark Templin, who shared some of the hallmarks of today's dealer-leaders, and what we must do to continue the legacy we have received from those before us.

Despite the good news of sales and AIADA's annual meeting, Washington continues to dole out challenges for international dealers. The National Labor

January Shows Invigorating Numbers

Relations Board's (NLRB) "Ambush Election Rule" will take effect April 30. A lawsuit has been filed challenging the rule's legality, and there have been several congressional efforts to hinder its enactment.

Also on the radar screen was Japan's efforts to join the Trans Pacific Partnership (TPP). Automakers in Detroit oppose Japan's inclusion because they believe Japan isn't prepared to open its market to more vehicle imports. At the request of the United States Trade Representative, AIADA recently submitted comments in support of Japan's inclusion. The U.S. must keep the lines of communication open with its trading partners and be willing to engage in a global economy. The next round of negotiations for TPP will take place March 1 - 9 in Australia.

Right to Repair legislation is beginning to make waves at the state level; a referendum on the issue currently exists in Massachusetts. Although it hasn't surfaced yet, AIADA expects to encounter it at the federal level at some point. Automakers work very hard to make high-quality cars and trucks, and their reputations stand to be jeopardized if consumers feel they can't use the service and repair shop of their choosing. Stay tuned for more on

the topic as it develops.

Finally, the Death Tax continues to threaten dealers and their businesses. Small businesses, including many dealerships, spend an average of \$9,000 per year on estate planning and \$28,000 per year on life insurance premiums to prepare for the tax. It's an issue that impacts all of us. Your help in making your elected officials aware of the impact the tax has on your dealership will greatly help AIADA as it continues to advocate for a full repeal. Visit AIADA.org/issues today to learn more.

In upcoming events, registration is now open for AIADA's spring Auto Summit in Washington, D.C. on May 23 - 24. This year's event will focus on how dealers can secure the future of their dealerships by engaging Washington on the issues that matter most. The two-day summit will feature congressional leaders and Washington insiders and the industry executive panel discussion. Dealers will also have the opportunity to apply what they've learned and meet with their elected representatives on Capitol Hill. Save your spot today for AIADA's 6th Annual International Auto Industry Summit by visiting AIADA.org/events.

As always, it is a pleasure to serve you. 🇺🇸

SILVER ASSOCIATION PARTNER

**Cars.com**  
Online automotive advertising

Cars.com helps you reach serious, in-market car shoppers by making it easy for them to find your new, used, and certified vehicles. For more information visit dealers.cars.com.

Confidence Comes Standard.®

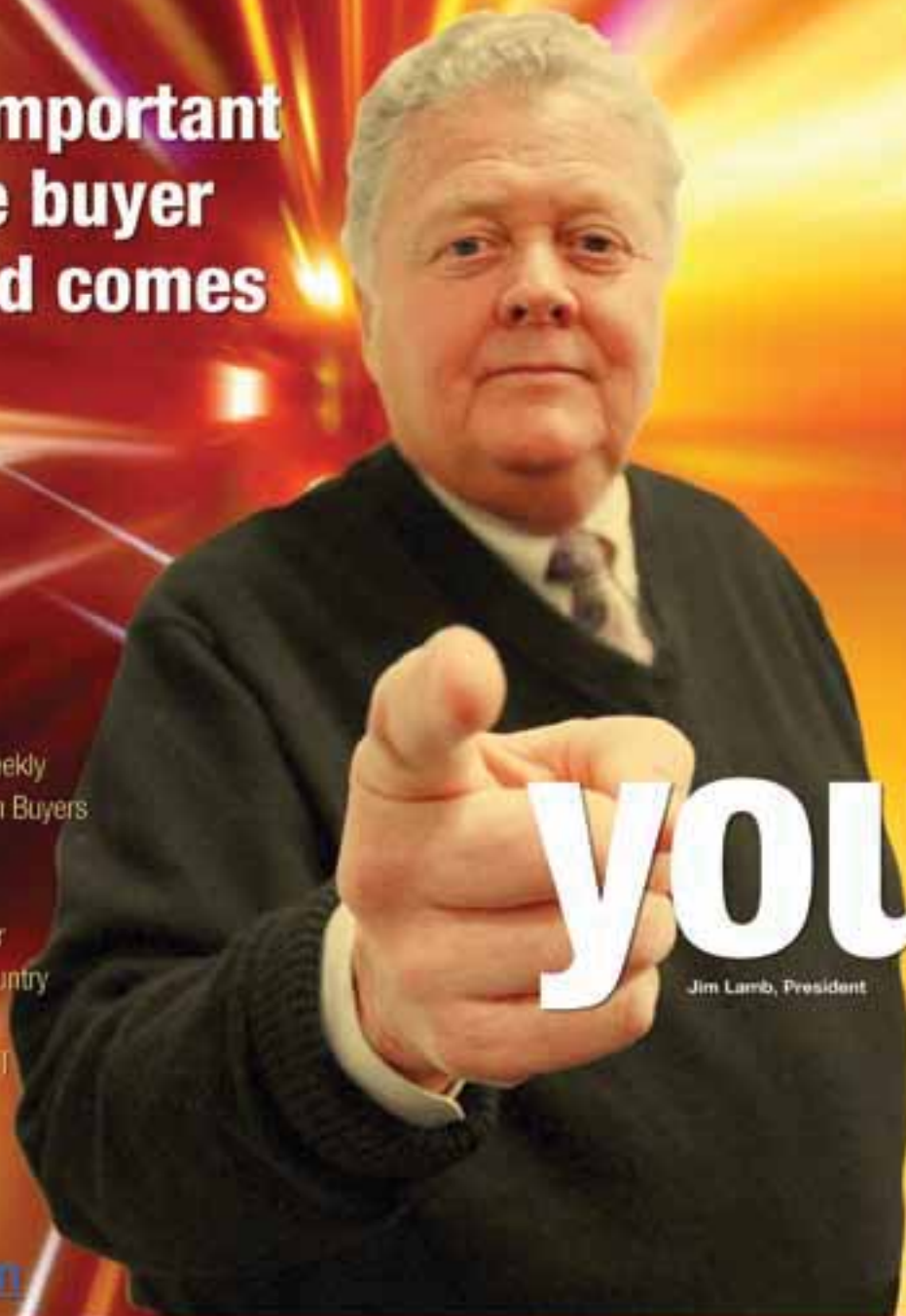
Greater Boston's  
**LYNNWAY**<sup>TM</sup>  
**AUTO AUCTION INC.**

The most important  
automotive buyer  
in the world comes  
to LWAA...



Brand New 58 Acre Facility  
8 Lanes / Over 1500+ Cars Weekly  
Over 1000 Weekly Auto Auction Buyers  
Wednesday 9:00 am Auction  
Thursday 4:00 pm Auction  
Management Team on the Floor  
The Best Auctioneers in the Country  
Located right off RT 495  
Servicing MA, NH, ME, VT, RI, CT  
Online Simulcast for All Lanes  
Awesome Auction Giveaways  
Helpful Courteous Staff

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



**you!**  
Jim Lamb, President



Our new facility is located off RT 495/RT 3 - 400 Charter Way, North Billerica, MA 01862  
Call us: (781) 596-8500

## FROM YOUR NADA DIRECTOR



Jack Tulley



### Due to NADA Efforts, Congress Halts Inconsistent Rule on Service Advisor Exempt Overtime Status

In April 2011, the U.S. Department of Labor – without any advance warning – issued a notice indicating that it intended to reverse its position on the overtime-exempt status of service advisors. Doing so would have overturned three decades of regulatory interpretation and a consistent line of federal and appellate court rulings that service advisors are exempt from overtime. It would have forced dealers to make disruptive compensation and staffing changes and would unnecessarily complicate regulatory compliance. NADA argued that these changes would expose dealerships to unnecessary litigation and were not properly justified. After pursuing regulatory remedies, NADA sought assistance from Congress. The recently signed fiscal year 2012 Omnibus Appropriations Act preserves the exempt status of service advisors for one year, until Sept. 30, 2012. With the appropriations bill now on the books, Congress has sent a clear message that the exemption should not be altered in the future. For more information contact Doug Greenhaus of NADA Regulatory Affairs at 703-821-7040.

### Dealer Alert: NADA Reminds Dealers to Protect Their Data

As part of NADA's ongoing efforts to

## Congress: Service Advisor Exemption Should Stay

promote compliance with the full range of legal and regulatory obligations affecting franchised dealers, NADA has sent a brief memo to all NADA members that underscores the importance of protecting their electronic data. Additional educational resources on this and other regulatory compliance topics are available at [www.nadauniversity.com](http://www.nadauniversity.com) and [www.nada.org/regulatoryaffairs](http://www.nada.org/regulatoryaffairs).

### CAFE: Dealers Know What Sells

*Editor's note: The following letter to the editor by NADA Chairman Stephen Wade was published in the Jan. 23 issue of Automotive News.*

To the Editor:

The Jan. 16 editorial about fuel economy ("NADA must be reasonable about CAFE proposals") overlooks a few key points:

- The NADA supports both continuous improvement in fuel economy and a single national standard to help get us there.
- When it comes to determining what sells in the showroom, auto dealers are in the best position to offer relevant comment.

We know firsthand, for example, that for the overwhelming majority of Americans fuel economy is not a major factor when deciding what car to buy. Price matters most. So when we learn that the proposed standards could add at least \$3,200 to the price of the average car, we are naturally concerned.

The proposed rule requires a leap of faith, a sort of build-it-and-they-will-come approach, which may work in the movies but not in real life. In testimony at the EPA/National Highway Traffic Safety Administration public hearing in Detroit on Jan. 17, for example, manufacturer

after manufacturer cautioned that there is no certainty as to how consumers will respond. It's no wonder that even they called for a strong midterm review in 2018.

The manufacturers may be able to produce the right product mix, but it is the dealer who will have to pay for the product and then hope there are interested consumers. Dealers have already lived the nightmare of empty showrooms. To reap the societal benefits of higher fuel economy, government policy should encourage fleet turnover, not shrink the dealers' customer base.

Also, on Monday, Feb. 1, NH Rep. Frank Guinta (R-NH District 1) spoke



- \* DEAC is one of the top-20, all-time, financial supporters of U.S. House and Senate candidates.
- \* DEAC is one of the top-five association political action committees in the nation in terms of both total fundraising and candidate donations.
- \* DEAC contributed \$2.5 million to House and Senate candidates during the 2010 congressional election cycle.
- \* DEAC financially supported 364 candidates that ran for Congress in 2010.
- \* 86 percent of DEAC-supported candidates won their races in 2010.
- \* In 2010, New Hampshire raised \$25,580 for DEAC, finishing seventh overall in the DEAC state rankings.
- \* The \$25,580 was raised by 39 contributors; of those seven were DEAC Presidents Club members.



NADA – continued from previous page

on the floor of the House on the effects of government regulation and CAFE standards on the NH economy, auto dealers, and small businesses. Find the video online at <http://bit.ly/xFJV8G>.

**In legislative and regulatory news...**

**Arizona Repeals California Fuel Economy Rules**

NADA praised the Arizona governor's move last month to repeal its adoption of California's fuel economy program, which duplicates existing federal mandates, calling it "a victory for consumers." Arizona is the first state to repeal adoption of California's fuel economy law. "These duplicative rules would have made it more expensive for working men and women to find affordable transportation," NADA said in a statement to the press. "Duplicative state-based fuel economy

programs like those in California hurt consumers by limiting vehicle choice without providing commensurate environmental benefits. With two distinct federal standards already imposed by the Environmental Protection Agency and the Department of Transportation, these rules were unnecessary. Auto dealers in Arizona and across the nation support fuel economy increases under a single, national fuel economy standard."

**In other NADA news...**

**Used Prices Start the Year**

**On a Positive Note**

Dealers' preparations for the spring selling season pushed AuctionNet wholesale prices over the first half of January in a familiar direction – up. At a segment and model year level, January's results make for an interesting juxtaposition as

vehicles at opposite ends of the efficiency spectrum – large SUVs, mid-size cars, and compact cars – outpaced all other segments in terms of month-over-month price appreciation, according to auction data supplied to the NADA Used Car Guide® through its partnership with the National Auto Auction Association (NAAA). A -40 percent year-over-year drop in AuctionNet supply, combined with normal seasonal demand, pushed large SUV prices up by an average of 1.3 percent compared to December. Car prices on the other hand, are benefitting both from the reduction in supply and the elevated level of fuel prices. As a result, mid-size and compact car average prices grew by a collective 1 percent over the first two weeks of the month. Regarding price declines, only luxury car segments

NADA – continued on page 8

**Call The Experts**

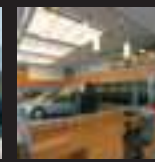


**JEWETT  
AUTOMOTIVE  
DESIGN & CONSTRUCTION**

*The Most Qualified Staff in New England*

**New Dealerships, Renovations & Additions  
Pre-Engineered Service Bays  
Green Buildings**

*With Over 40 Automotive Projects Under Our Belt*



68A Route 27 • P.O. Box 405 • Raymond, NH 03077 • (603) 895-2412 • [www.jewettautomotive.com](http://www.jewettautomotive.com)



NADA – continued from page 7

saw prices fall from December levels. But the average drop of -1 percent was close to a one-point improvement over what is normally seen for the period.

**All-Star or Rising Star,  
NADA U Wants Your Story!**

Did an idea you picked up at an NADA Academy or 20 Group spur a change that upped your bottom line or stopped a nagging headache? Did a webinar or workshop, Driven guide, or online course help you do business better? We want to hear your “60-Second Success Story!” Go to [www.NADAUAllStars.com](http://www.NADAUAllStars.com) for how-to’s and examples from All-Stars like you!

**Mark Your Calendar: NADA-Google**

**Learning Hub Series Free to Members!**

NADA University and Google are presenting a series of four webinars, offered free to NADA and ATD members. The first webinar, “The Smartphone Revolution,” is activated on-demand for members in Learning Hub, in the internet category. Other dates and topics will be announced.

**NADA University’s 2012 ATD  
Performance Measurement Update  
Coming to Resource Toolbox**

The 2012 ATD Performance Measurement Update is expanded to provide heavy-duty truck dealers with more relevant and comparative performance guides as well as new parts, service, and body shop information.

The new publication offers analysis of 60 Critical Operating Variables (COVs) from ATD 20 Group members for calendar year 2010 and October YTD 2011. The COVs are proven financial performance measures – both leading and lagging indicators – of economic performance for a heavy truck dealership. The COVs are grouped according to two categories – All-Dealers Average and Best-of-Class Average. Look for the 2012 edition soon in Resource Toolbox, Industry Information.

**Phone Fundamentals Online Course  
Posted to NADA U Learning Hub**

“Phone Fundamentals: Use Them or Lose Customers” is now available in the new fundamentals category on NADA University’s

# We want to be your

## Sub-Prime Retail Lender!

## Floorplan Company!



**Featuring:**

- ▶ Easy Self Approval
- ▶ Strong Retail Advances
- ▶ Quick and Reliable Funding
- ▶ All Retail Advances are Non-Recourse



40 years of auto financing.

[floorplansales@autouse.com](mailto:floorplansales@autouse.com)

**800-873-2907**

**Featuring:**

- ▶ 100% Auction Advance
- ▶ 120 Day Extendable Term
- ▶ Lien Payoff Programs
- ▶ Checkbook Program for Non-Auction Purchases
- ▶ On-line Auction Purchases



NADA – continued from previous page

Learning Hub. Other courses coming soon to Learning Hub are “Automotive Accounting,” in the business management category, and “Cash Flow Management Basics” in the fundamentals category.

**Reserve Your Seats in NADA Academy 2012!**

Department managers can enroll in any individual class week. Call 800-557-6232 for more information and visit [www.NADA.org/nadauniversity/academy](http://www.NADA.org/nadauniversity/academy) to download schedule and applications.

- Dealer Candidate Academy (DCA): May 7; June 25; Sept. 10; Oct. 22.
- General Dealership Management Academy (GDM): May 21; Sept. 17; Oct. 8.

NADA – continued on page 14

State House – continued from page 1

and gone and the next big deadline is crossover. This is when bills that originate in the House (HBs) and those that originate in the Senate (SBs) must be voted on by that body and, if passed, moved over to the other legislative body for their review and vote.

The crossover date this session is: Thursday, March 29. NHADA annually holds a legislative reception on or around crossover to thank our legislators for their hard work and support. It is always a popular event and a chance to blow off some steam halfway through the legislative year. This year the reception is planned for Wednesday, March 28.

By now you will have heard from us on a number of bills in our State House Report, including high priority bills such as:

- HB 1693: to move vehicle (car, light truck, and motorcycle) inspections to every two years;
- HB 1585: to move commercial truck inspections to once a year;
- HB 1442: to limit motorcycle sound emissions; and
- HB 1503: to end the state motorcycle rider education program.

Thanks to all of you who have helped out and attended committee meetings, testified at hearings, and called and written your Representatives on these issues. Your grassroots efforts and contacts help us succeed!

Look for our bi-weekly State House Report that has updated information on the legislative action that NHADA is following to help serve and protect your business. 📌

**SILVER ASSOCIATION PARTNER**

## Devine Millimet

**Labor, employment, employee benefits, immigration**

Call 603-695-8582 to access their free Employment Law Hotline.



Mark Broth, Esq.

**DEVINE MILLIMET**  
ATTORNEYS AT LAW

**Thousands of Quality Foreign & Domestic Cars and Parts Located in TAX FREE Candia, NH.**

**NEW ARRIVALS DAILY**

**www.carworldused.com**

**CAR WORLD**

**“YOUR USED PARTS SUPER MARKET” SINCE 1970**

**TOLL FREE Nationwide**

**800-500-USED(8733)**

**Affordable Repair Options For Your Economy Minded Customers**




# NHADA Endorses F&I Resources



Michael Rosenblum, Executive Vice President, Finance & Administration

NHADA is pleased to announce the association's endorsement of F&I Resources of Southborough, MA.

After careful review of four other companies, it became apparent that F&I Resources has the most to offer our association members by optimizing profitability, offering dealer participation programs, and providing compliance assistance.

This opportunity benefits small- and midsize-volume dealers with their own F&I program. For those who may not be familiar with them, here is a short summary of the highlights of F&I Resources, which led to NHADA's endorsement.

1. They have a full suite of F&I products including; VSC, GAP, Tire and Wheel, and ancillary products, all with superior coverage and 100 percent backed by Allstate under a cost effective, retro program.
2. Their dealer participation programs allow all dealers the option of participating in the underwriting of profit



regardless of volume.

3. They specialize in forming and managing reinsurance companies (CFC or NCFC), reinsurance evaluations, audits, and full tax recommendations by their staffed CPAs.
4. Several of our dealers and board members have benefited significantly from their training and support, which consists of beginner to advanced F&I training, sales training, BDC training, save-a-deal training and monitoring, and sales manager mentoring.
5. Menu selling and compliance support is the cornerstone of everything they do. All of their implemented procedures are reviewed on a regular basis by means of performing compliance audits to ensure adherence.

6. A program is also available to power-sports and repair facilities members.

For more information, we encourage you to contact Jason Bayko directly at 508-624-4344. Not only will you benefit from a healthier bottom line, you'll be supporting your association as well.

Jason will conduct a seminar April 11, from 9 a.m. to noon entitled "Perfect Menu Selling," and topics will include: the pre-interview, the initial presentation, handling objections, conducting menu audits, qualifying the customer, listening to the customer, and proper documentation.

Stay tuned to *Dateline: NH* for other announcements as F&I Resources will host other various training seminars throughout the year. Space is always limited, so book early!

If you have any questions or would like more information, please contact me by email at [mrosenblum@nhada.com](mailto:mrosenblum@nhada.com) or call me at 800-852-3372. 📌

## Energy Efficiency Audits for Your Business Make Sense – and Cents (A Whole Lot of Them!)

NHADA is proud to partner with the Retail Merchants Association of New Hampshire (RMANH) on a great, innovative new program to highlight energy efficiency opportunities at your business.



Businesses all over NH are discovering the benefits of the RMANH Energy Efficiency Program: "Giving Power Back."

The goal is to help NH businesses lower their energy costs, and free up

those dollars to be invested in business growth!

### Find out how much you can save!

Start with a *free* basic energy savings evaluation. It will provide you with a comprehensive summary of your energy usage heat, electric, mechanical, building envelope, etc. It will help to identify areas that can be improved; and give you basic estimates for project costs and energy savings.

There's no obligation, and you'll know what the potential savings will be!

### Act Now!

This program is grant funded and available for a limited time only to a limited number of participants.

Call Dan Bennett, environmental affairs specialist, at 800-852-3372 or at [dbennett@nhada.com](mailto:dbennett@nhada.com) today to start saving energy, reducing your environmental impact, and saving money!



# SULLIVAN TIRE

WHOLESALE DIVISION

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

## Express Wholesale Tire Centers

S. Windsor, CT	(Toll Free)	866-737-5750 860-610-0099
Sagamore, MA	(Toll Free)	800-554-9802 508-833-8594
Sudbury, MA		978-443-0859
W. Bridgewater, MA	(Toll Free)	800-464-1144
Woburn, MA	(Toll Free)	800-755-7188 781-933-5794
Bangor, ME	(Toll Free)	877-422-0262 207-947-5327
Scarborough, ME	(Toll Free)	800-244-6909 207-885-4510
Manchester, NH	(Toll Free)	866-451-3455 603-634-5070
Portsmouth, NH		603-334-3309
W. Lebanon, NH	(Toll Free)	866-300-0353 603-790-8193
Warwick, RI	(Toll Free)	800-422-4560



## EQUIPMENT DIVISION

Servicing all of New England

[www.liftworks.net](http://www.liftworks.net)

Toll Free - 800-392-6330

Locations in Lee NH, W. Bridgewater MA, & Warwick RI



CLAIMS CORNER

Managed Care – Questions And Answers

Peter Sheffer, WCT Director and Marta Robbins, Nurse Case Manager

1. What is Managed Care?

In 1991, the NH Legislature passed a managed care pilot program as part of a workers' compensation reform bill. Managed care was successfully utilized in other states to help control workers' compensation costs by using Injury Management Facilitators (IMF or Nurse Case Managers) to help the injured worker access the most appropriate medical treatment available within a network of providers. The providers within the network have been trained to treat injured workers promptly, even in areas of specialty, which can otherwise be difficult to access on a timely basis. The network of providers also offers varying percentages of discounts. Based on the success of the pilot program, in 1994

the NH Legislature passed legislation making managed care part of the workers' compensation statute. Currently, there are seven managed care organizations working with approximately 9,000 employers in NH. Approval to operate a managed care organization is granted by the NH Workers' Compensation Advisory Council on the recommendation of the Department of Labor. RSA 281-A: 23-a of the workers' compensation statute and Labor Department Regulation, Lab 700 govern managed care in NH. (See RSA 281-A online at <http://bit.ly/zKjyCB>.)

2. Why do employers participate in managed care?

In NH, managed care has proven to help control workers' compensation costs.

Reducing workers' compensation costs helps to reduce the premium that employers pay for workers' compensation coverage. The discounts provided by medical providers in the network are one piece of the cost containment puzzle. Equally important is the understanding of medical providers of the importance of returning injured workers to work in a safe and prompt manner. The IMF's relationship with the injured worker and the medical providers is also critical to the success of the program. That relationship allows the IMF to assist the injured worker with prompt medical appointments within the appropriate the medical specialty. In turn, the injured employee receives the best treatment available and returns to work in a timely manner.

www.aane.com

## "Creating Liquidity in the Automobile Marketplace"



Every Thursday 9:15AM Londonderry, NH



- Six Lanes 1,200+ Vehicles
- Fleet/Lease 275+ Vehicles
- Sale Day Promotions!

**General Manager**  
Dave Blake

**Dealer Relations**  
Michele Pierog  
Jim How  
Ted Finn

**Operations Manager**  
Rob Ross

**Controller**  
Linda Griffin

**Office Manager**  
Donna Olsen

**Safety & Compliance Manager**  
Sal Morando

**Director Fleet/Lease**  
Bill Hoover

- Transportation
- Full Recondition
- Service Department
- Guaranteed Checks and Titles



**Auto Auction of New England**

Conveniently Located at Exit 4, Rt. 93  
8 Action Blvd., Londonderry, NH 03053  
10 min. south of Manchester, NH  
Tel: (603) 437-5700 Fax: (603) 437-5800





**ServNet**



INDEPENDENT AUCTION GROUP



**ACCESS**



auCTIONpipeline



### 3. What is an Injury Management Facilitator/Case Manager role?

The IMF or nurse case manager is charged with assisting the injured worker access the best and most appropriate health care provider within the managed care network of providers. The workers' compensation advisory board approves IMFs. They provide case management services to the injured worker in a managed care program. Their role is to coordinate between the injured worker, the health care professional, and insurer to provide the employee with timely, effective, and appropriate health care services in order to achieve a safe and expeditious return to work and maximum medical improvement.

### 4. Is it legal to tell employees where to treat for a workers' compensation injury?

If the employer is a participant in a formal managed care program, their injured workers must treat within the managed care network. Within the network, the injured worker has choices of medical providers. There are some special circumstances, outlined in Lab 700, in which an injured worker may treat outside the network; these include prior treatment for a same or similar injury within the last six months or if the specialty they require is unavailable within the network. Except in the case of special circumstances, the workers' compensation carrier will not cover treatment outside of the managed care network.

### 5. What if an injured worker is unhappy with the physician they choose?

Not everyone "clicks" with every provider. An advantage to having an IMF is that they are there to assist the injured worker with this situation. Transfer of care or a second opinion is available to the injured worker within the network of providers. The IMF can assist the injured worker

with finding another provider or in verifying the network status of another one in whom they are interested. An injured worker may not treat with more than two like providers within the managed care guidelines. Injured workers should always contact their IMF if they are interested in changing physicians.

### 6. What can NHADA-WCT members do to get the greatest benefit from our managed care program?

Employees need to be trained in advance of an injury so that they know they are participants in a formal managed care program, and they need to know what to do when an injury occurs. Employees must be provided with the NHADA comp mc managed care tri-fold flyer at the time of hire and the NHADA comp mc managed care poster should be posted in clear view of all employees. Employees and NHADA members must remember to call the NHADA WCT IMF – Nurse Case Manager Marta Robbins – immediately after an injury occurs so that she can help the employee chose the best network provider based on the injury. Employees' knowledge of Managed Care and appropriate reporting requirements will ensure that they follow the appropriate protocol after an injury occurs and get off on the right foot immediately. NHADA members who are prepared to take injured workers back to work in advance of an injury will have the best outcomes after an injury occurs. NHADA-WCT Vocational Rehabilitation Specialist Bernie Hecht can help members prepare for temporary alternate duty. He can also provide members with posters and the tri-fold flyer as needed, and provide members with training on how best to educate and inform employees of the managed care and workers' compensation process. When injured workers are aware of managed care

and the workers' compensation process, they can have their injuries promptly treated with the most appropriate specialty provider, which results in faster healing, and a prompt return to work and normal activities.

### 7. When completing the Employers First Report of Injury (Form 8WC), how should NHADA-WCT members fill out box #47?

Box #47 reads: "Managed Care Program: Y or N?" If yes, the name of the provider is comp mc. Comp mc is the NHADA WCT current managed care program, and we utilize their network of providers. Marta Robbins is our IMF and can be reached at 800-852-3372 or by email at [mrobbins@nhada.com](mailto:mrobbins@nhada.com).

**BRONZE ASSOCIATION PARTNER**

## Auto Auction of New England

**Licensed dealer wholesale automotive auction**

For more information, please contact Dave Blake, General Manager at 603-437-5700.



*Dave Blake*



**BENEFITS CORNER**

# How Much Could You Be Earning In Rewards?

Laurie Churchill, Account Producer

In order to serve our health insurance members better, NHADA and Compass SmartShopper have worked together to bring about changes to the Compass program that will enhance user experience and help earn more rewards.

**Services:** Remicade infusion therapy has been added to the growing list of services that you can shop for in order to save money and earn rewards. Over 35 services are available for incentives, like CT Scans, and MRIs just to name a few. The complete list of services is available on the Compass SmartShopper website. Feel free to contact Compass whenever you are scheduling an

elective procedure and a health cost adviser will be available to assist you.

**20-Mile Search Radius:** To ensure that you are given convenient locations near

*No hassles, just rewards.*

your home for your procedures, Compass has narrowed the geographic search radius to 20 miles from your home.

**Higher Rewards:** The maximum reward has been increased from \$100 to \$250 per procedure. There is no limit to how many incentives you can earn. To maximize your potential rewards, the program has been moved to a tiered

incentive format, effective January 1, 2012. This means that you will earn a maximum reward when you visit the most cost-effective location identified during your search. Incentives will then step down for the other cost-effective facilities listed in your search.

Remember, the program is quick and simple. No hassles, just rewards. Shop with Compass at least 24 hours prior to having an elective procedure, then visit a cost-effective location identified during your search to earn your incentive. The website address is [www.compassmartshopper.com](http://www.compassmartshopper.com) and the toll-free number is 800-824-9127. 📌

**CAR DEALERS**  
**MAKE MORE SALES: TAKE MOTORCYCLES IN TRADE!**  
**Bank your bikes with us!**

- ✓ Instant quotes while your customer is in the showroom.
- ✓ We're check writers for all powersports vehicles.
- ✓ No need to deliver; we'll pick it up.
- ✓ All makes, models, years, and conditions considered.

---

To find out how to be added to our dealer network, call Nate at (603) 491-1939 or email [nsanel@nationalpowersports.net](mailto:nsanel@nationalpowersports.net)



**701 Riverwood Dr.  
Pembroke, NH 03275**

NADA – continued from page 9

– ATD Truck Dealer Academy: June 11.  
**New NADA 20 Groups Forming!**  
New NADA 20 Groups are forming for Honda dealers and for Internet Managers (all makes). For information, call 703-749-4744. 📌

**2012**  
**SAVE THE DATES**

**Upcoming Seminars**

- March 13** Strategic Hiring Strategies (free to NHADA WCT members)
- April 5** Hazardous Materials Three-Year Certification Training
- April 11** F&I: Perfecting Menu Selling
- April 24** NH Title Regulations

Register online at <http://members.nhada.com>

## Read What You Sign Better Yet, Have Your Lawyer Read It!

Peter J. McNamara, President

I was informed that Ford Credit has added a term to one of their agreements that is quite punitive. If you sign this agreement and then leave them to go to another finance source in the next two years they charge the dealer a 2 percent fee of the new line approved amount.

For a dealer with a \$5,000,000 line of credit, this would amount to a \$100,000 payment when you leave them.

They can force you to pay since you will need their "release" of security interests to switch floor plan lenders. Apparently, GMAC/Ally did something similar to this in the past with a "termination fee." I would discuss this agreement with your legal counsel and seek advice as to whether the clause should be deleted or amended.

It is a good practice is to have your outside counsel review all your legal documents – especially those with the manufacturer or floor plan lender. The few dollars you spend up front to review these often dense agreements will be worth it in the long run!

If you have any questions, please email me at pmcnamara@nhada.com or call me at 800-852-3372.

Dealer Fees – continued from page 1

ment will force you to refund the fee. Do disclose it on the buyer's order or some other document and then include the fee in the cash price.

**Treat credit and cash customers the same:** Cases have held that charging more to credit customers than cash customers is a violation of the Federal Truth-in-Lending act. If you charge a fee, charge the same fee to all customers.

**Check your contracts:** Make sure the admin fee is not separately disclosed on the contracts. The people who program your computers screw this up all the time, especially whenever contracts are modified. *Check them today.* I can't emphasize this enough.

Admin fees are not required by law.

If you have any questions please call me at 800-852-3372 or email me at pmcnamara@nhada.com. 📧



**L & B Construction Management, LLC**  
Automotive Division

**171 Londonderry Turnpike  
Hooksett, NH 03106-1977**

**Concord Nissan** recently completed  
26,000 square-foot new construction  
**Betley Chevrolet** beginning in  
December 2011 – addition/renovation  
**Dave's Auto Body** - In progress

Contact:  
Paul Lemire, 603-234-1326  
Peter Bouffard, 603-630-5517

# Calculating Net Profit And Fixed Absorption

The first step to reaching your service potential is knowing where you stand, and where you should stand. Bottom line, you'll want to earn the best net profit you can. This means ascertaining that expenses are in proportion and under control. Use your financial statement to subtract total expenses from total gross; the result is your net. As a rule of thumb, personnel expenses (which may appear on your statement as personnel, variable, or selling expense) should amount to 45-50 percent of the gross. All other expenses should run 25-30 percent of the gross. In general, successful service departments should net 20 percent after absorbing their share of administrative or indirect expenses. If your expenses are greater than 80 percent, and the culprit is not gross retention, concentrate on lowering expenses – common costs to rein in include shop supplies, policy work, uniforms, and parts washers. You can achieve a 20 percent net; like a small increase in gross, a small decrease in expenses can have a big impact on sales needed to make your best net.

Fixed absorption is yet another area to scrutinize. Fixed absorption is the extent to which the fixed departments (service,

parts, and body shop) can cover the entire dealership's adjusted overhead expense (i.e., total dealership expense less expenses directly attributable to vehicle sales – commission, delivery, and policy).

$$\begin{aligned}
 &\text{Gross profit} \\
 &(\text{parts dept} + \text{service dept} + \text{body shop}) \\
 &\div \text{dealership overhead expense} \\
 &= \text{absorption percentage}
 \end{aligned}$$

Absorption, important in any sales climate, becomes critical when vehicle sales slide. Variable income flow goes down, but expenses increase. The more of the debt load you can take off variable operations, the easier it is for them to sell vehicles. Aim for as close to full (100 percent) absorption as possible. NADA 20 Group guidelines, which include used-vehicle gross in the formula below, recommend 100 percent absorption. NADA Academy, basing its guidelines on the experience of the top 20 percent of dealers who are successful in all departments, recommends 75 percent absorption, with or without a body shop. If your absorption is low, look at your grossing patterns. Service should

be holding 70 percent, parts should be holding 38 percent, and body shop should be holding 65 percent on labor, 30 percent on paint and materials. If you're holding gross in all these areas, examine expenses. Advise the general manager or sales manager if you find that the service department is in the position of absorbing costs it cannot control (i.e., floor plan interest on and advertising of aged inventory).

Calculate your fixed absorption using the numbers from your financial statement in this formula:

$$\text{Gross profit (parts dept + service dept + body shop)} \div \text{dealership overhead expense} = \text{absorption percentage.}$$

*This article is adapted from Service Department Performance Analysis. Please sign in to [www.nadauniversity.com](http://www.nadauniversity.com) and visit Resource Toolbox to access this and other Driven guides. You can call NADA U Customer Service at 800-557-6232. 📌*



### Getting Started...

Each franchised and independent member of NHADA now has an account created in NADA University and the ability to log in and access the vast array of resources available.

Username and passwords have been provided to principal contacts; a form is available for you to identify key personnel to access NADA University's resources.

Contact either Jean Conlon or Lisa Lavoie at 800-852-3372 with any questions or to obtain your username and password.

## BRONZE ASSOCIATION PARTNER

### Auto Use

Sub prime retail and inventory financing

For more information, please contact them at (800) 873-2907 or go online at [autouse.com](http://autouse.com).





## Page One Management: A Must for Today's Dealers

People are talking about dealers online, but do you know what they're saying and where they're saying it?

According to Les Abrams, NADA Academy Instructor, dealers must act to protect their reputations. "Google is assembling the reviews it finds and putting them into Google Maps," Abrams said.

"They're integrating Google Maps into standard Google, so dealers and customers alike can see the reviews and ratings in one place. If you want to see what is being said about you, look at Google Maps."

He pulled Google Maps up on his screen. "Here's a review that reads, 'It was a wonderful experience.'" But here's another: "I wish I could rate this place even lower."

Abrams urges dealers to Google their dealership name regularly. They should see the map and what shows beneath their name. "We call it Page One Management," he said.

Abrams knows whereof he speaks. He is the Academy's lead instructor for Variable Operations 1, which includes brand management.

Abrams said that often you'll see a

negative YELP review right beneath the dealership's name. He showed a review that read, "Worst car service I have ever dealt with" and explained, "Customers have virtually no choice – they'll click on it to check the dealer out. Meanwhile, the dealer isn't even aware that this review is there!"

That's not an isolated instance. Abrams said web review sites make themselves very visible to the search engines.

So what should dealers do?

"Dealers can take charge of their Page One Management and create sites that will optimize better than these review sites," Abrams said. "An example would be videos. Google owns YouTube. If I were a dealer with a negative review, I would

flood YouTube with quality videos."

Another Page One Management technique is to solicit written customer reviews to develop a library for future customers.

Watch the video on this Pain Point to learn more. Visit [www.nadauniversityblog.com/brand-management/](http://www.nadauniversityblog.com/brand-management/).

*This article was adapted from NADA University's "Dealer Pain Points" series, in which various issues, concerns, and dealer compliance obligations are addressed in short video segments with NADA U experts. The experts "resolve" each Pain Point and then the viewer is directed to the wealth of NADA U resources on the topic. Find the entire library at [www.NADAuniversityblog.com](http://www.NADAuniversityblog.com).*

*Business Conference – continued from page 1*  
the always much-anticipated distribution of Workers' Compensation Trust rebate checks.

Watch for registration information and register yourself and key managers to attend. If you have any questions or wish to discuss the APP or the upcoming event, please contact either APP and Events Coordinator Jean Conlon or me at 800-852-3372 or at our respective emails, [jconlon@nhada.com](mailto:jconlon@nhada.com) or [pmcnamara@nhada.com](mailto:pmcnamara@nhada.com).

**Manheim**  
Your Advantage

As New England's premiere auto auction, we provide you with MORE opportunities to buy and sell every week.

- 12 Lane sale Tuesdays at 9:30am
- 4 Lane sale Thursdays at 6:30pm
- 2,000 Dealers weekly
- 43,000 square foot body shop
- 3 Lane Reconditioning Facility
- Indoor Condition Report Facility
- Simulcast in all sale lanes

Conveniently located between Boston, MA and Providence, RI

123 Williams Street North Dighton, MA 02764  
P: 508.823.6600 F: 508.823.0006

**Manheim**  
New England

Proud to be **Your Advantage.**

MORE  
BETTER  
EASIER

## Multiple Funding Sources Drive Savings

Could it be time for you to give your facility an energy efficiency tune-up?

Dan Bennett, Vice President of Government Relations and the Environmental Affairs Specialist for the New Hampshire Automobile Dealers Association (NHADA), points out simple steps to get started. Bennett suggests, "First, adopt an Energy Star procurement policy. It makes no sense to buy equipment that is not certified to be the highest efficiency available."



heating season, we rely on a computer program to monitor temperatures inside and outside and determine how many boilers need to run to maintain a steady, comfortable indoor temperature."

This sentiment is supported by Andy Crews, president of AutoFair Automotive Group and the Manchester Collision Center. States Crews, "If you reduce your energy consumption and, thereby lower your operating costs, you can save money. And that saves jobs."

Bennett also suggests installing controls and timers on items like workstations that use energy even when they are not needed. He also recommends scheduling a lighting audit.

Lighting has a tremendous impact on dealerships' energy bills, as Bennett notes, since lighting can create the mood that elicits a response from the buyer. He states, "Now that LED lighting delivers excellent color rendition along with remarkable longevity, dealers can enhance the appearance of their lots and reduce energy consumption and maintenance costs."

Douglas Miles, President of Seacoast Volkswagen, replaced 56 400-Watt metal halide parking lot lights with 120-Watt LEDs. PSNH provided an incentive to complete the project. In addition to saving nearly 56,000 kilowatt hours per year, the project will reduce maintenance costs. Miles reports, "I was spending \$2,000 annually just replacing the old bulbs. Since switching to LEDs, energy bills for the lot lighting have dropped to one third of the cost of the metal halides and the lights boast a 50,000 hour lifespan."

Both Miles and Roland Gamelin, director of operations for AutoServ Dealerships in Tilton, are elated with the reduction of light pollution that resulted from the LED conversion. LEDs illuminate where they are aimed and accentuate the cars without lighting up the sky.

In addition to lighting retrofits, some energy savings applications have become a standard across service centers, like waste oil furnaces. Even so, Dan Bennett reminds dealerships to look for premium efficiency units that also meet higher air quality standards when planning remodels or replacements.

Seacoast VW president Miles has applied principles of efficiency and economy to his dealership since its construction in 2003. "I have incorporated elements that make sense," states Miles. In addition to aggressively insulating the building, Miles introduced radiant heat in the floor and passive solar for interior heating and natural lighting. Seacoast even has a Water Recycle System that processes their car wash water.

Miles also utilizes three premium efficiency natural gas fired boilers to heat his 15,000 square foot building. Explains Miles, "During

To help with the economics of efficiency projects, Miles made full use of efficiency programs offered through the utilities and the State of NH. When he built his facility in 2003, PSNH and Northern Utilities (now Unitil) rebates allowed him to purchase energy efficient lighting and heating equipment. He upgraded to even more efficient interior lighting in 2009 through PSNH's Small Business Energy Solutions program, and utilized the rebate programs again to help fund the outdoor LEDs last year. Along the way, he erected a wind turbine and installed solar panels with advice from NHADA and financial help from the NH Community Development Finance Authority and the NH Public Utilities Commission.

AutoServ's Gamelin also preaches the value of using the incentive programs. He notes that many businesses start loan applications through sources like the Council of Development Finance Agencies (CDFA) working with the Office of Energy and Planning, and he cannot understand why many never complete the process.

There was never any question that Gamelin would see the application to completion to secure a loan offering 0% interest for five years, followed by a low rate of 2% APR.

Gamelin's message is, "Find a program and stick with it. The pay-off is worth it in the end."

AutoFair's Crews adds, "Get your employees involved in the movement, too."

So, with business being driven by quarterly sales results, how do you adopt efficiency programs company-wide? Crews suggests ensuring top-down support for efficiency endeavors by forming a "Green Committee" that includes executives.

With guidance from the NHADA's Bennett, AutoFair's committee initiated projects that lead to a national Energy Star award from the EPA for small business efficiency in 2010. Someday, Crews hopes to see an Energy Star category specific to the automotive industry.

As for return on investment, Crews sees AutoFair's movement toward being "green" as a marketing investment since, as he points out, "More consumers are choosing to do business with companies that embrace environmental responsibility."

Now he feels AutoFair has legitimacy in participating in the Granite State Clean Cars Program. Crews states, "With all of the projects undertaken by the Green Committee, I no longer feel like it would be hypocritical of AutoFair to ask our customers to buy more fuel-efficient and less polluting vehicles."

And he can expect to get a lot of mileage out of that.



# Thank You New Hampshire Auto Dealers



1955 • 81 South Main St. • East Windsor, CT



**20 Lanes • Every Wednesday • Since 1947**

For more information, contact  
Beth, Lisa or Maribeth at 860-292-7530

**saa.com**

# Internet Marketing and Dealership Licensing

Peter J. McNamara, President

There has been much discussion about internet marketing companies like TrueCar and whether New Hampshire law requires these types of companies to be licensed as dealers in NH. In early January, NHADA wrote to the Director of the Division of Motor Vehicles seeking an opinion as to whether a company like TrueCar would need to be licensed as a dealer. Once a response is received, NHADA will inform the membership. The following is a summary of what was written in early January.

NHADA had noted that RSA 259:89a, creates a “rebuttable presumption that any person who sells or acts as an agent of a

seller for five or more vehicles at retail to the general public in a 12-month period is a retail vehicle dealer.” Under RSA 261:103a, any person that is a dealer (defined by RSA 259:18, which includes 259:89) must be licensed by the Dept of Safety and, if selling new vehicles, must have a franchise agreement with a manufacturer. In addition, the person must have a license for each location at which they are doing business in the state.

At the time of the letter, TrueCar’s business practice appeared to be thus: when a customer indicates interest in a particular make and model vehicle, TrueCar will guarantee a specific price for that vehicle. The customer will print off a guarantee certificate to bring into the dealership. If the customer buys the vehicle, the dealer will pay \$299 to \$399 to TrueCar. The only time money is exchanged between TrueCar and dealers is when the car is sold.

As further evidence of how much control TrueCar has over the sale of the vehicle, consider the following clauses in the contract: The dealer cannot haggle with the customer, dealer must refund an additional amount charged; dealer must use Zag to resolve all customer complaints; dealer agrees not to present competing offer unless at customer’s request; dealer must accept minimum amounts down on the American Express credit card; dealer must accept USAA loan financing; dealer may offer additional products (like extended warranty) only if requested by customer at time of sale, and dealer shall sell aftermarket parts at below-market prices.

There are many online companies that act as lead generators whereby a dealer pays the company for each lead or

name passed on to the dealer regardless of consummation of a sale. There are also online companies that essentially act as classified advertisements (Craigslist.com for example) where the car is listed with price. Unlike TrueCar, these business models are not intimately involved in the sale of the vehicle or obtain payment tied to successful sales.

In applying NH law to TrueCar’s practices, it appears that TrueCar is acting as “an agent of a seller,” as dealers pay TrueCar for each car sold through the TrueCar process. As such, TrueCar would need to be licensed as a dealer and if selling new vehicles would need a franchise agreement. This is not significantly different than a sales person employed by and working at the dealership who makes a guaranteed offer to a customer, has the offer accepted, and is paid a commission.

Since this letter was sent, TrueCar has made multiple national announcements about how it has changed or plans to change its business practices. For example, it is now apparently offering a monthly subscription service versus a per-car fee; however, I was told by one dealer that the monthly fee changes depending on how many vehicles were sold through the program in the prior month. If that is the case, it appears to be no different from the commission-based fee. As noted above, once a response is received from the DMV, the membership will be notified. If you have any questions, please call me at 800-852-3372 or email [pmcnamara@nhada.com](mailto:pmcnamara@nhada.com)

**BRONZE ASSOCIATION PARTNER**

**Bellwether Community Credit Union**

**Indirect lender/retail financing**

For more information, please contact Nancy A. Boilard, Dealer Relationship Manager, at 603-645-8108 or by email at [nancy.boilard@bccu.org](mailto:nancy.boilard@bccu.org)



*Nancy A. Boilard*



**DealersEdge**

Discounted Webinars Help Your Business

<http://bit.ly/l2UFHG>



**CLAIMS CORNER**

# Upcoming Strategic Hiring Seminar Free to WCT Members

Pete Sheffer, WCT Director

Workers' Compensation risk management begins during the hiring process. Hiring the wrong person for the job can have adverse affects on employee morale, productivity, health insurance experience, and workers' compensation experiences.


Please join us on March 13, 2012 at NHADA Headquarters, the Daniel B. McLeod Center in Bow, for a morning with employment law specialist Jennifer

Moeckel from Cook, Little, Rosenblatt and Manson, and Dr. Sally Garhart from Bedford Occupational and Acute Care, who will present invaluable information pertaining to the hiring process and pre-placement drug testing.

NHADA WCT members are mandated to perform pre-placement drug testing. This seminar will help all employers hire in a legally appropriate manner. It will be especially helpful to WCT members to ensure that they are

taking the appropriate steps in the hiring process, particularly as it involves pre-placement drug testing.

I highly recommend that you plan to send key personnel to this informative seminar, free to NHADA WCT members.

Visit [members.nhada.com](http://members.nhada.com) to register online. For assistance with member login, please contact either Jean Conlon or Lisa Lavoie at 800-852-3372 or at their respective emails, [jconlon@nhada.com](mailto:jconlon@nhada.com) or [llavoie@nhada.com](mailto:llavoie@nhada.com). 

## Scholarships Are Available from the NH Automotive Education Foundation!

Do you know deserving students who are attending or plan to attend a New Hampshire Community College for either automotive technology, collision repair, or mobile equipment technology?

If yes, please remind them that the New Hampshire Automotive Education Foundation provides scholarships to both first- and second-year students, who are NH residents pursuing automotive careers through the Community Colleges System of NH.

Students need simply go online to visit "NHADA Automotive Scholarship Opportunities" on the NHADA website. The link will walk students through all the requirements and allow them to download the application. Typical scholarship awards range from \$750 to \$1,500, depending on demand and student quality.

For more information, please contact Jean Conlon by email or call 800-852-3372 .

## NHADA Communications Survey – We Invite Your Thoughts

Take a few minutes for a chance at winning one of three \$50 gift cards when you complete the communications survey online at <http://bit.ly/vZmDTv>.

**March Online Store Specials**  
**15% Savings**

**Vehicle Deal Folders**  
**Accounts Payable Folders**

Accounts Payable Envelope  
Vehicle Deal Envelope (Color)  
Vehicle Deal Envelope (Buff)  
Vehicle Deal Envelope (Color)

[www.nhada.com/store](http://www.nhada.com/store)  
or call 800-852-3372

**DELTA DENTAL**



**Dental benefit administration isn't your top priority.**

Oral health is so important to overall health, that's why we make it ours.

Call Laurie Churchill at the Association Office at 603-230-2167 or 800-852-3372 for information on the dental program customized for NHADA members by Northeast Delta Dental.

  
Endorsed by NHADA



# A New Ban on Using Cell Phones While Driving

Ryan Hale, Loss Prevention Consultant

Cell phone use while driving continues to be a hot topic at both the state and federal law-making level. More and more states are outlawing cell phone use while operating vehicles. Currently there are about ten states that require hands-free cell phone use and another 35 states have outlawed texting while driving.

New Hampshire has no law requiring drivers to use hands-free devices while talking on the phone, but we do have a law banning drivers from texting while driving. Drivers face fines of up to \$100 per citation.

NH also has somewhat of a catchall law called the "Distracted Driver" law, which allows police officers to levy additional citations if a driver is found to be distracted (changing the radio, eating, talking on the phone, etc.) while in the act of driving. *Forbes* magazine reported in 2008 that this law is one of the harshest laws in the country with fines being levied at \$1000 per citation and loss of license for a year.

The Federal Motor Carrier Safety Administration (FMCSA), the governing body that regulates drivers with commercial drivers licenses (CDL), has recently

enacted a law banning truck drivers with CDLs from using cell phones while operating commercial vehicles (vehicle weighing greater than 26,001 pounds for commerce).

As of January 3, 2012 employers and operators must comply with this law. Drivers are subject to penalties of up to \$2,750 and employers are subject to penalties of up to \$11,000. Operators may also be subject to loss of license if they have two or more infractions of this nature on their record.

This law only applies to NHADA's members with CDL drivers, but cell phone use while driving, though not illegal in some applications, is still extremely dangerous. The use of cell phones while operating company or customer vehicles (whether talking or texting) should be

strictly prohibited by employers. This is not only for employee safety but for the safety of the general public.

In today's business culture cell phones have become a necessary evil. We now have instant contact with our employees, coworkers, and customers. Cell phones have made our jobs easier and more efficient. The problem is, when we use cell phones while operating vehicles, we increase our risk significantly of being involved in an accident.

Harvard researchers reported in 2009 that one in 20 accidents were the result of a driver using a cell phone. They also reported that approximately 2,600 people are killed and 330,000 are injured every year in accidents where a driver was using a cell phone.

Employers should ensure they have

2011 Unemployment Rates by Area			
	Oct	Nov	Dec
United States	8.5%	8.2%	8.3%
New England	7.1%	6.8%	6.9%
Connecticut	8.2%	7.9%	7.6%
Maine	6.6%	6.7%	7.0%
Massachusetts	6.8%	6.4%	6.5%
New Hampshire	4.9%	4.9%	4.9%
Rhode Island	10.2%	10.4%	10.7%
Vermont	4.6%	4.7%	4.9%

Safety/OBD II Inspections Statistics				
Safety Inspection Results	Jan '12	% of Total	YTD '12	% of Total
Total *	100,631	100.00%	100,631	100.00%
Passed	78,114	77.60%	78,114	77.60%
Corrected	12,507	12.40%	12,507	12.40%
Rejected	5,990	6.00%	5,990	6.00%
Untested	4,020	4.00%	4,020	4.00%
OBD II Inspection Results (1996 and newer)				
Total	86,694	100.00%	86,694	100.00%
Passed	76,677	85.50%	76,677	85.50%
Rejected	9,131	10.20%	9,131	10.20%
Untested	3,886	4.30%	3,886	4.30%
<b>* Total numbers include OBD II Inspections</b>				
Statistics provided by Gordon-Darby				

## NHADA's Ryan Hale Certified as Registered Environmental Manager

NHADA Environmental Health and Safety Consultant Ryan Hale has become a Registered Environmental Manager (REM), following certification from the National Registry of Environmental Professionals (NREP).



Candidates for REM certification are measured against standards that reflect competence in the role as it is practiced today.

Professionals with REM designation passed a 150-question, closed-book exam with a scaled score of 700.

A REM candidate has demonstrated the skills and knowledge to coordinate and manage major environmental health and safety (EH&S) projects and programs including environmental auditing, hazardous materials, management and transportation, and real estate environmental assessment.

The nonprofit NREP is dedicated to the promotion of legal and professional recognition of individual training and experience as environmental managers, engineers, technologies, scientists, and technicians. This recognition is supported by the NREP registry, which offers a central source for the public, government, and insurers to confirm environmental professional credentialing.

Ryan joins fellow NHADA staff members, Brian Duplessis, and Dan Bennett as an REM.

REM designation assures the public that the professional earning it has demonstrated an established level of competence in environmental management.

To learn more about the program, contact Ryan directly by email at [rhale@nhada.com](mailto:rhale@nhada.com) or call 800-852-3372.

*Cell Phones – continued from previous page*

a comprehensive cell phone policy for their employee drivers. If not, the loss prevention department can assist you in developing one. We have sample policies

that are extremely easy to implement in your company's current safety manual.

If you have any questions or would like to schedule an appointment to

develop a cell phone policy for your employee drivers, please contact me at 800-852-3372 or at email me at [rhale@nhada.com](mailto:rhale@nhada.com).

### Title Statistics Report Ending January 31, 2012

New Hampshire Department of Safety, Division of Motor Vehicles

	Jan'12	Jan'11	'12 YTD	'11 YTD
Titles Issued for New and Demo Vehicles:	7,827	7,097	7,827	7,097
Titles Issued for Used Vehicles:	15,582	14,829	15,582	14,829
<b>TOTAL TITLES ISSUED:</b>	<b>23,409</b>	<b>21,926</b>	<b>23,409</b>	<b>21,926</b>
Titles Issued with a Lien:	10,550	9,525	10,550	9,525
Titles Issued with no Lien:	12,859	12,401	12,859	12,401
Salvage Titles Issued:	959	890	959	890
Salvage Tags Issued:	153	130	153	130
Titles Issued for Heavy Trucks More than 15 Years Old:	38	26	38	26
Titles Issued for Heavy Trucks 15 Years Old or Less:	127	117	127	117
Titles Issued for Trailers:	444	354	444	354
Titles Issued for Motorcycles:	372	342	372	342
Titles Issued for Motor Homes:	22	28	22	28

# 2012 NHADA Association Partners

(as of February 21, 2012)

## PLATINUM

F & I Resources  
NHAD Services, Inc. - Insurance  
NHAD Services, Inc. - Products Division  
NHADA Workers' Compensation Trust  
WBIN-TV  
WMUR-TV/WMUR.com New Hampshire

## GOLD

Bank of America Merrill Lynch  
Gordon-Darby NHOST Services, Inc.  
New Hampshire Union Leader  
O'Connor & Drew, P.C.

## SILVER

American Fidelity Assurance Company  
Anthem Blue Cross and Blue Shield  
in New Hampshire  
AutoTrader.com  
Cars.com  
Devine Millimet  
Enterprise Rent-A-Car  
Northeast Delta Dental  
Southern Auto Auction  
St. Mary's Bank  
Wells Fargo Dealer Services  
Windward Petroleum/ExxonMobil

## BRONZE

Aftermarket/Royal Administration  
Albin, Randall & Bennett  
American Financial & Automotive Services, Inc.  
Amy Martineau – Motorists Commercial Mutual  
Auto Auction of New England  
Auto Use  
Bedford Strategies and Solutions  
Bellwether Community Credit Union  
BG Products/Warehouse Distributors of New England  
Clean Harbors Environmental Services  
cm&b  
CompPartners (BOAC, MVOH, SOAC, St. Joseph's B & H)  
Cook, Little, Rosenblatt & Manson, p.l.l.c.  
CUDL Vero  
DealerTrack Inc.  
G&K Services  
Global Payments  
Heritage Propane  
Holmes Law Offices PLLC  
Huntington Auto Finance  
Jewett Automotive Design & Construction  
JPMorgan Chase Bank  
Lynnway Auto Auction  
Macdonald Page & Co LLC  
Manheim New England  
Mike's Equipment Repair  
Morgan Stanley Smith Barney  
Nancy Phillips Associates, Inc.  
Protective  
Rath, Young and Pignatelli, P.C.  
Resources Management Group  
Sanel Auto Parts Co.  
ScanPoint  
Seacoast Media Group  
STAPLES® Advantage  
Strategic Benefits Advisors, Inc.  
TD Auto Finance  
Tire Warehouse/Monro Muffler Brake  
TR2 Corp/LSI Industries  
Tri State Fire Protection  
Trivantus, Inc.  
Tyler, Simms & St. Sauveur, CPAs, P.C.  
Willis of Northern New England, Inc.  
Zurich Direct Underwriters

To become a 2012 NHADA Partner, please call Jean Conlon at 800-852-3372.