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OFFICIAL PUBLICATION OF CENTRAL FLORIDA AUTO DEALERS ASSOCIATION

Pub Yr 2 | Issue 1

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President's Message A Business Model Founded On People



Evelyn Cardenas President/CEO Central Florida Auto Dealers Association

Today, as we look back at 2020, still not completely done with the pandemic, we breathe a sigh of relief. Our manufacturing capabilities helped build ventilators and necessary life-saving equipment. Our dealers donated thousands of N95 masks, fed thousands of people, and helped first responders across the nation.

here are many things for which I am grateful. Last year only served to augment my appreciation of how blessed we are. Around the world, we faced a pandemic never seen in our current history. During this crucial time, businesses were categorized as essential and non-essential. Employees were asked to work in vital roles necessary to supply the most important needs for the sick, dying and the living. At the center — and key to this altered lifestyle — were dealers and car manufacturers. Our industry had to unite to ensure we made it through.

Today, as we look back at 2020, still not completely done with the pandemic, we breathe a sigh of relief. Our manufacturing capabilities helped build ventilators and necessary life-saving equipment. Our dealers donated thousands of N95 masks, fed thousands of people, and helped first responders across the nation. Most importantly, our industry kept people working, which meant many families could afford to provide for themselves.

As we make it through the rest of 2021, with our supply chains still in flux, we are grateful because together,

we have made it through a year and a half of turmoil and have come out ahead. Many of you did things you had not previously done. You reimagined processes and systems to meet customer needs. Your staff innovated new ways of selling and servicing customers. You formed new relationships and created stronger bonds. In an industry founded to help people, you demonstrated that serving people is still the right way to do business.

I thank you from the bottom of my heart. Your employees thank you. And your communities thank you. There are many ways to acquire a vehicle and keep it serviced. However, there is only one way that is focused on people — in good times and in bad times — and that is the dealer franchise model. The business model not focused on a transaction but a relationship. The business model that is not for today only, but the future as well.

Thank you for all you do!

Ms. Cardenas can be reached at 407-708-2780 or cfada.org.

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Evelyn Cardenas

President/CEO Central Florida Auto Dealers Association



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The **Big** Lie

By Mike Stanton, president and CEO of the National Automobile Dealers Association

s someone who has dedicated his career to advocating on behalf of America's franchised auto dealers, I've embraced the reality that one of my chief roles is to serve as Myth Buster-In-Chief.

For years, one of the great myths that have persisted about the auto industry has been that franchised dealers don't want to sell electric vehicles. It's long past time to put this myth out to pasture. And it's time to call it out for what it is: A lie about franchised dealers, propagated by the handful of companies that want to destroy the franchise system.

Before we get into why this myth persists and why it's morphed into such a blatant lie, let's acknowledge something right at the outset. More than a decade ago, there was indeed some dealer uneasiness about battery-electric vehicles. The EVs of the early and mid-2000s were — let's face it — by and large compliance cars. They had inadequate range, took forever and were a pain to recharge, did not perform well, had terrible resale value and were extremely expensive.

But it wasn't that dealers didn't want to sell them to willing customers. Dealers didn't want to be forcefed vehicles that OEMs were manufacturing largely in response to regulatory pressures as opposed to actual market demand. Given the imbalance in the OEM-dealer relationship, which gives dealers little capacity to avoid any such OEM force-feeding, you can hardly blame dealers for this early trepidation.

But that was a long, long time ago. The world has changed considerably, these vehicles have changed considerably, and they are hardly compliance cars any longer. The level of investment and commitment traditional automakers have made in battery-electric technology is night-and-day different from what it was even five years ago, and it shows in the product.

Several other things have also changed. Across the country, more charging stations with faster-charging capability are popping up almost every day, and the federal government may appropriate billions of dollars to grow the nation's recharging infrastructure significantly. On top of this, we are rapidly approaching price parity. Owning an EV for the long haul is now a vastly different proposition than it used to be. These are hugely positive developments.

One other major change that has occurred dramatically over the years? Dealer attitudes toward selling and servicing EVs. Franchised dealers aren't at all EV-reluctant and haven't been for years. And they certainly aren't anti-EV. Anyone that tells you differently just isn't telling the truth. How do we know this? Cadillac.

Last fall, after Cadillac announced plans to abandon internal combustion engines altogether and move entirely to battery-electric drivetrains, the nation's 880 Cadillac dealers faced a choice.

If they bought into Cadillac's vision for an all-electric future, they could pony up a minimum of \$200,000 of their own capital for the in-store charging infrastructure, tooling and training that Cadillac was mandating. Conversely, if they either didn't want to be part of that all-electric future or didn't want to make the required investment, they could accept a buy-out from the automaker and wind down their franchises.

What happened next wasn't surprising to anyone who understands dealers and how their thinking has evolved.

More than 80% of Cadillac dealers said they were all in — not just to sell EVs, but to sell EVs exclusively, and they backed up that commitment with significant capital investments that will take time to mature.

Most of the 20% that opted out were small stores in markets where Cadillac hasn't performed well, and most of these dealers accepted the buy-out because of economic conditions on the ground, not out of concern about the brand's future product plans. And certainly not because they were antielectric. For example, one Cadillac dealership in northern Minnesota took the buy-out because it sells fewer than 50 new cars per year, and the required \$200,000 investment was too steep given the small size of its market.

And so, in one fell swoop, America's Cadillac dealers completely debunked the myth that franchised dealers don't want to sell and service electric vehicles. Because if this myth were even remotely true, virtually every Cadillac dealer out there would have gladly taken the buy-out and done so in a heartbeat.

What's more, the enthusiasm toward EVs among the franchised dealer body is hardly unique to Cadillac. Franchised dealers of other brands with EVs in their lineups have been making these same commitments and investments for years — and not reluctantly. They have done so because they don't want to lose sales to other brands as more and better EVs — and more EV customers — come to the market.

So why does this myth persist? I think it's simple. EVs still don't yet sell in the numbers that environmentalists want, and many groups feel as if they need a boogeyman to blame for fledging sales. They can't blame consumers for thus far being cool to zero-emission vehicles because it's not exactly a winning public relations strategy to blame your customers for the fact that your preferred product isn't flying off the shelf. They can't blame the automakers because there would be precisely no zero-emissions vehicles available for sale, to begin More than a decade ago, there was indeed some dealer uneasiness about battery-electric vehicles. The EVs of the early and mid-2000s were — let's face it — by and large compliance cars.

with, without them. Dealers became an easy and convenient scapegoat.

And the myth lingered. However, it's taken a new and more dangerous life as a lie designed to take down the franchise system. Rivian, Lucid and Lordstown Motors seem to have hung their entire pitch for direct sales on this lie about franchised dealers and their supposed reluctance and inability to sell EVs.

We know that nothing could be further from the truth, but it isn't hard to unpack why this is their attack line.

Direct sales have never once benefited consumers with lower prices, more convenience or better service and maintenance, despite the marketing. And they never will because direct sales are ultimately only about creating a vertical channel for manufacturing, sales and service that allows a single entity to control everything, including prices and margins, to the obvious detriment of consumers.

If direct sales were adopted for EVs, then EV buyers — and only EV buyers — would be denied the service network and price competition that ICE-vehicle buyers have enjoyed for decades.

Direct sales are not needed for EVs. In fact, over time, direct sales could cripple EV adoption as more and more EV owners are forced to deal with higher prices and the headache of longer and longer wait times for even basic service.

But do you know what is needed for sustainable EV sales to consumers up and down the price point chain? A large, expansive network of retailers and service providers who are marketing experts locally and invested in the future sales and service opportunities that these products promise.

Fortunately for automakers, consumers and policymakers alike, that network already exists.

Dismantle the big lie about EV sales, and what you are left with is a clear truth: Franchised dealers aren't an obstacle to EV sales; they are essential to them.

GETTING TO KNOW Reed Nissan PAUL MCNAMARA



What made the auto industry your career of choice? You come from the banking industry, so how did the career segue happen?

Well, from banking to cars, many may not see a connection, but in reality, it was pretty much a linear path. My father, Edward McNamara, worked for GMAC — General Motors Acceptance Corp — for 45 years; I worked for them as well in college, doing telephone collections.

When I graduated college, the entry-level position at GMAC was outside collector. After talking to collection customers on the phone while going to college, I knew I didn't really want to meet them in person. Fortunately, I was hired by Southeast Bank and went through their Commercial Lending Training program. When I completed the training, I was placed in the Dealer Finance Department because of my auto background from working at GMAC.

I handled inventory floor plan financing and related loans, so all my customers were auto dealers. I called on all dealers in Florida.

The Reeds were customers of mine for over 12 years before I joined their organization. The dealership started in 1950 and is currently in its third generation with Raymond Reed. He offered me a position with their company, and I have loved every minute of working with this dealership group.

You have been with Reed Nissan for almost 15 years. How has the car industry changed from then to now?

There's much more technology involved in how we do business now, as opposed to then.

The dealership where you are working is 70 years old and a family-owned dealership. What are some of the challenges and rewards in working for a family business?

I personally prefer working for a family business because I feel like I am part of the Reed family and want to help continue building their business. Family businesses are different because they follow the values of the family, not the mission statement of a corporate entity. These businesses are usually very involved with the local community because the owners live there. The business is operated on how the family wants it versus answering to stockholders. I think when you work for a family business, it's especially important that your own values align with the family values.

Describe your educational background. What did you study?

I earned a BBA in Finance from the University of Miami and an MBA from the University of Central Florida. I also attended the National Automobile Dealers Association (NADA) Academy.

Are there any specific individuals who had a major impact on your career?

My father, Edward McNamara. He reached a high-level position at GMAC — without a college degree — by working hard. He taught me to treat everyone equally and to treat them with respect. He used to tell me that the people you meet on the way up, you may meet on the way down, so you should treat everyone the way you would want to be treated.

What is the most rewarding part of your career?

For me, it's that I have been able to leave a banking career and transition to help run a great company in a much different business. It's certainly a different path — one that I didn't see coming. But it's rewarding that I can use my skill set with something I find interesting and am passionate about.

What do you think will be some of the auto industry's dominant trends in the next five years?

We all see the EV trend coming and the entrance of more disrupters to the franchise system.

I think we're going to see manufacturers embracing exploring selling direct to customers. Ultimately, the question will be: to whom does the customer belong, the dealer or the OEM? Also will OEM's try to deal directly with customers for service as well? For example, using over-the-air updates for vehicles.

I believe we will have to work to protect the dealer franchise system. The battle will be for the control of the customer and who controls the relationship.

Why is it important to be a CFADA member? What makes it beneficial?

CFADA gives us a common voice. It's imperative with an industry that is constantly evolving and changing. We need to have representation locally, statewide and nationally. It's easy for dealers to be caught up in our own bubble focusing on our dayto-day operations. CFADA is a great resource.

It's easy for dealers to be caught up in our own bubble focusing on our day-to-day operations. CFADA is a great resource. For instance, this past year, when the conversation turned to which businesses should stay open or be closed due to the pandemic, our industry was deemed essential in Florida. Fortunately, we never had to shut down, and that came down to having our message heard in Tallahassee and locally. Evelyn worked tirelessly for us to keep our dealerships open.

Advocacy is so important because our business and the franchise system are being attacked in many ways.

Are you involved in any civic or charitable organizations?

I am the Treasurer for the Pet Alliance of Greater Orlando, which was formerly the SPCA. They adopt out over 6,000 dogs and cats a year. The Pet Alliance's focus is rehoming surrendered pets. The biggest reason many pets are surrendered is landlord issues. Pet Alliance has many programs trying to help people keep their pets: from partnering with Meal on Wheels to have pet food delivered to the elderly and hosting low-cost veterinary clinics. Pet Alliance just started on a \$14 million campaign to build a new facility.

I'm on the board of directors for the West Orange Chamber of Commerce and their Executive Committee. The Chamber has over 1100 members, and we work hard to do business with fellow members and support the local business community.

I am also Chair-Elect of the Florida Automobile Dealers Association, and I would hope all the members of the CFADA are also members. FADA has taught me so much about the legislative system in Florida, and we work hard to protect the franchise laws in place and try and pass legislation to improve them.

We work hard to engage our dealership employees. We've hosted the Reed Nissan Adopt-A-Thon for cats and dogs with Pet Alliance for the past seven years. We

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I enjoy racing my Nissan 350Z and Nissan 240SX with the Sports Car Club of America (SCCA). I have run the New York Marathon six times, the Chicago Marathon once, and the Disney Marathon once (so far!).

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also support Embrace Families, which works in the local area to mentor, foster and adopt children. We have the Reed Nissan Cars or Kids program, where for the past six years, we have given away two new vehicles per year to foster kids aging out of the system.

I really believe that dealerships are more than just a business — we're part of the community. We work to create awareness with the charities we work with, and we encourage our employees to get involved in our community.

What's the secret sauce for you in running a successful dealership?

For us, it's "happy employees will create happy customers" first and foremost. It sounds simple, but in practice, it takes focus and effort every day.

We have been in business for over 70 years for our dealership and are in the third generation of family ownership. We get a great deal of joy and satisfaction from seeing employees achieve success and how it can change their lives.

If you look back at your career and life, what would be three things you have learned that you would pass onto a younger member within the auto industry?

First, establish trust. Earning trust is hard to gain but easy to lose. Trust is essential in all relationships, especially in business. Second, work to improve yourself and keep learning. There are many different paths you can go working at a dealership, so find what is you want to do and pursue it. Don't be afraid to ask questions or for help. And third, embrace change. How we do as a business changes daily, as do our customers' expectations. To be successful, you need to be able to adapt and move forward.

How did you weather the pandemic storm?

It was a difficult time and one we hopefully won't have to go through again. It was a difficult time to conduct business with so much uncertainty. Our employees were tense, and our customers were tense, which is not a good combination. I would joke about not wanting to check my phone because the news was never good.

We tried to lead by example by following local protocols and realizing everyone had a different take on what was happening. We tried to create an environment where we could make our employees and customers feel as safe as possible under the circumstances.

What is the takeaway for you from the pandemic that will guide your future business decisions as a small-business leader?

I think we all learn from our experiences. Last year accelerated the digital aspect of our industry. Now we will see what happens as we start returning to normal. Also, be adaptable to change because no one could have imagined what we all went through the last year, personally and in business. Many changes were forced upon us during the pandemic but will now be a permanent part of our operations going forward because they taught us a new successful way to do conduct business.



What do you foresee as industry challenges in the next five years?

Florida has the best franchise laws in the country, and we need to make sure they are enforced. We need the help of the Florida DMV to enforce the laws we fought hard to get in place.

The model for selling direct is here and more entrants are coming. The dealer franchise system has been successful for the last 100 years and is the best model for selling vehicles. Dealers are drivers of the local economy by providing high-paying jobs, collecting a significant portion of Florida's sales tax, and supporting the local community and charities.

Tell us about your family.

I have been married to my wife Michelle for 18 years. We have two Golden Retrievers, Milo and Sophie, and a horse named Evita that Michelle show jumps.

What is your favorite way to spend your free time? Any unusual hobbies?

I enjoy racing my Nissan 350Z and Nissan 240SX with the Sports Car Club of America (SCCA). I have run the New York Marathon six times, the Chicago Marathon once, and the Disney Marathon once (so far!). Michelle runs marathons as well. I've also climbed Mount Rainier.

Tell us a little bit about Reed Motors Racing?

As I mentioned I race with the SCCA. It's amateur racing, and they have about 60,000 members nationwide. Here in Orlando, we are fortunate to have both Sebring and Daytona so close. I've also raced at Homestead, Palm Beach, Roebling Road, VIR, NOLA, and Indianapolis. Later this year, we will be traveling to Indianapolis for the SCCA Runoffs. It's a fun way to promote the dealerships and get our employees involved.

GETTING TO KNOW

JAY MEALEY

Sport

You come from a car family, and the automotive industry would have been the obvious career choice. Did you always aspire to be part of the automotive industry?

Not necessarily; I was a car enthusiast for sure, but for whatever reason didn't see myself being a longterm "car dealer" once I graduated from college. I am not even sure why this was the case, but I just felt a need to do something a little different from my father. At that time, I already had one brother very involved in the business, and I had grown up around the dealership performing odd jobs here and there. I still find it ironic that I was the one brother who wanted nothing to do with the car business. As it has turned out, I have been the MOST involved over the past 20 years, and now I run three dealerships in Central Florida, fairly hands-on while having an absolute blast!

Is your entire family in the auto industry?

Not exactly. I have three brothers. At present, two of the three are involved in the auto industry and family business. My oldest brother, Kevin, is the dealer principal at Don Mealey Chevrolet in Clermont, and my youngest brother, Robert, is the dealer at Sport Subaru and Champions Powersports in Oakland, Florida. My other brother, Mark, is a professional pilot.

Describe your educational background. What did you study?

I graduated from UCF with a four-year business degree. After graduation, I spent a year or so in the Dealership Sales Department before ultimately following a more entrepreneurial path and opening my own automotive performance and customizing business. I mention this because THIS was the best education I could ever have hoped to prepare me to run automobile dealerships. They say you never "fail" but only succeed or "learn." I did a lot of learning during those entrepreneurial days.

Are there any specific individuals who had a major impact on your career?

Obviously my father, but looking beyond that, he also had a very strong team in place as I came up through the ranks. I worked under several individuals who helped shape my perspective and approach to the



We were probably in the bottom third of all Mazda Dealers just after we purchased the store in 2008. Hard to believe, but last year we finished Top Ten in the Country in Sales Volume and have enjoyed some very positive recognition from Mazda in several areas along the way.

business. Above all else, our organization and the people who helped influence me had a deep sense of placing integrity and professionalism at the forefront. This emphasis was really the DNA of how my father approached the business and how he expected all of us to behave.

What is the most rewarding part of your career?

Well, you can always look at this as an overall accomplishment compared to your peers, similar brands in the marketplace, etc. Separate from that, the most rewarding part has been watching younger people commit to our industry and create lasting success. As a result, I have some exceptional people who believed in the vision and direction I laid out some years ago. The overall growth of our Mazda Dealership in South Orlando and the amount of respect we have earned from the manufacturer has been very rewarding. We were probably in the bottom third of all Mazda Dealers after purchasing the store in 2008. Hard to believe, but last year we finished Top Ten in the country in Sales Volume and have enjoyed some very positive recognition from Mazda in several areas along the way. Again, the best part is that most of the team so instrumental in this accomplishment still works for me.

What do you think will be some of the auto industry's dominant trends in the next 5-10 years?

Disruption and public companies continue to capitalize on any area of our business they see as profitable. The overall "perception" surrounding us conveys a belief that our work can be done "better" by some entity other than the car dealer. This perception is what should be keeping us up at night. Even though the vast majority of car dealerships today are run extremely well and strive to deliver a high level of customer satisfaction, as an industry, we are still very vulnerable in this area. The really difficult challenge here is that these "disruptors" are not playing by the same rules or competing as traditionally required. Capital is easily accessed, and profitability is not expected as millions or billions of dollars are spent analyzing our historical role in the retail automobile sales and service business.

I also believe that the rise of the EV auto business will coincide with the dealership's need to evolve and consider additional imaginative ways to serve tomorrow's customers. There are no doubt some significant changes coming to the way we sell and service our customers. Being open-minded and hyperfocused on the customer experience will be critical for us in the year ahead as car dealers.

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Why is it important to be a CFADA member? What makes it beneficial?

Really, just considering my statement above, industry challenges make CFADA membership a significant and worthwhile effort. We are all in this together.

Are you involved in any civic or charitable organizations?

We do support several charitable organizations currently. "One Woman, One Heart" and "Now Matters More" are two that come to mind immediately. These are very worthwhile causes covering real needs in our community. In addition to whatever factory involvement we can generate, we typically donate \$25 per vehicle to a local cause of some kind. My staff stays very involved in this area, determining how and who we partner with on an ongoing basis.

What's the secret sauce for you in running a successful dealership?

As the dealer, I need to COMMUNICATE the RIGHT VISION, be GOOD NEWS and EXPECT the BEST from people. The last ingredient would probably be "Meet Your New Boss — the CUSTOMER!" meaning we all ultimately answer to the voice of the customer, and we need to continually let that shape our behaviors, processes and approach to the business. In the end, our long-term success is all about our culture. If you look back at your career and life, what would be three things you have learned that you would pass onto a younger member within the auto industry?

Stay very in touch with the voice of your customer and continually let your employees know how important the customer experience is to everyone's success.

Believe in your employees, and encourage and compliment them often. Every accomplishment in the dealership goes back to them. Ensure they feel appreciated and always look to catch somebody doing the "right" thing.

The car business is a great business. Do your best to remove stress from your employees' day-to-day jobs and your customers' in-store experiences. Handling stress is easier said than done, especially on a busy Saturday. Let's face it: the prospect of visiting a car dealership is stressful to many people. It is 100% up to us as dealers to remove as many pain points as possible for our customers and employees. Along these same lines, do your best to ensure good pay plans. Employee motivation is a positive influencer here. I have often seen that some traditional pay plans in our industry can be counterproductive to creating exceptional customer experiences.

What are two things you have learned from past experiences that are helping you navigate now?

Deal with any customer concern absolutely as quickly as possible and stay accessible as the dealer, owner, etc. There are rarely any "wrong" answers as long as you have an honest conversation with a customer that makes them feel like they are important and are being "heard."

As a leader in your store, be consistent and do your best to properly communicate and get "buy-in" anytime significant changes are considered where your employees are involved in the business.

How did you weather the pandemic storm?

I focused immediately on two things during the pandemic onset: COST CONTROL and SANITIZING. Both were exceptionally difficult. One involved temporary layoffs, and the other involved shopping on eBay for disinfectants at unbelievably high "gouge" prices. Really, from day one forward, my priority was having a healthy and sanitized dealership and communicating this fact to our customers. It was a pretty crazy period I will never forget. Nobody had a playbook here, and it was a very challenging period to be the leader and head of a business. You had to act decisively, and much of it was a "gut" feeling versus known "best practices" for the first week or so.

What is the takeaway for you from the pandemic that will guide your future business decisions as a small-business owner and leader?

When you think you have seen everything, you have not!

Describe your all-time favorite vehicle (it can be one you've owned or something on your wish list). What are you driving now?

Hmmm. This question will get me in trouble with my Mazda executive friends. My current vehicle is my alltime favorite, I think. I was fortunate enough to order the new 2020 C8 Corvette from our Chevrolet store in early 2020 before the pandemic hit. Even with all the chaos and delays, I received mine in December last year. Not only is it an amazing vehicle, but it's also worth substantially more than I paid for it, and we all know any car dealer loves that!

Tell us about your family.

I have been married to an amazing woman now for over 28 years. I actually married my cat's veterinarian. I have been a big fan and supporter of her as she practiced veterinary medicine and opened up two of her own pet clinics here in Central Florida. Anne (Dr. Scholl Mealey) sold both clinics a couple of years back and is now doing her best to be semi-retired The car business is a great business. Do your best to remove stress from your employees' day-to-day jobs and your customers' in-store experiences.

these days but still practices a day or so a week. We have two boys, and I am happy to report they have just graduated from FSU with Business/Marketing Degrees. The older one is pursuing a postgraduate degree in Miami. The younger is currently involved in some in-house digital marketing efforts (with his dad) as he contemplates his next steps after graduation.

What is your favorite way to spend your free time? Any unusual hobbies?

I enjoy my downtime just hanging out with my wife, whether relaxing, exercising, or taking in a social outing. We do a ton together and enjoy many of the same things — music, food, church, and just enjoying the simpler things in life.

I tend to be more of a creative person and am also a musician. Rather than read a book, I would prefer to be playing guitar, jamming 80s style lead electric, or composing something original and probably quirky on acoustic guitar.

When a "creative" personality runs car dealerships, it can get interesting. I have a trophy on my desk that was given to me by my old website vendor: the "Mad Scientist" award. I admit to learning to moderate and simplify and, most importantly, keep my employees in the loop as my left side of the brain would wrestle with the right. Luckily, I have had the leeway to experiment, and my employees have proven very understanding and resilient. They have made me look better than I deserve over the years. I was never short on ideas, and was continually amazed by how well my management teams could accomplish the results and realize the vision. For that, I will always be thankful.

"HEY, DUDE, WHERE'S MY PART?"

Holler-Classic Parts Associate Clocks in for 50 Straight Years



"If you love cars, this is where you want to work," said Parts Specialist John R. Hudson of Oviedo. It must be true, because for 50 years John, affectionately known as "Dude", has manned the parts department at Driver's Mart of Winter Park, Holler-Classic Automotive Group's used car superstore. When he started there in 1971, new cars cost less than \$4,000 and Richard Nixon was president.

"Dude" has no plans to retire anytime soon.

Earlier this year, members of the Holler family and fellow associates gathered for a surprise celebration to honor Hudson for his loyalty, knowledge and especially his dedication to customer service. If the average number of years an employee stays at a job is 4.1 years, Hudson is far from average — twelve times the national norm*.

LOYALTY, LEVITY AND LONGEVITY

"This is a guy who started here when he was just 18 years old delivering parts. Now he's a mainstay behind the parts desk. He knows his cars. He knows all the parts. He must agree with us that he'd be irreplaceable," laughed Richard Ilgenfritz, Hudson's



Earlier this year, members of the Holler family and fellow associates gathered for a surprise celebration to honor Hudson for his loyalty, knowledge and especially his dedication to customer service. If the average number of years an employee stays at a job is 4.1 years, Hudson is far from average — twelve times the national norm*.

Shown here with his son, Brandon, 37, is John Hudson, parts specialist, who has worked at Holler-Classic's Driver's Mart longer than his son has been alive.

supervisor. "Don't tell him I said this, but he's been known to put his feet up on the counter when he thinks no one's looking." Ilgenfritz is only 7 years behind Dude on loyalty to the Holler Family organization. It's clear that this is a place where friendships grow.

What is it about the Holler-Classic work environment that engenders that kind of loyalty, levity and longevity? It's a place where people love cars and love helping people who love cars. William E. Holler, the current leadership's grandfather, was national president of Chevrolet for General Motors. And it was at the celebration that John swapped car stories with Bill Holler's grandchildren who are now co-presidents of Holler-Classic.

John's father died when he was a teenager and his mother was a homemaker. The writing was on the wall: John needed to get a job to help support the family. His brother worked in car sales at Holler Chevrolet and let him know about a job that just opened in the parts department. A graduate of Oak Ridge High School, John got hired, impressed the bosses with his work ethic, and worked his way into the hearts of those who worked beside him. Hearing "Hey, Dude, where's my part?" can be a daily occurrence, and it still makes him chuckle.

"I always had a car I was monkeying with," said John, who has owned four Corvettes: a '58, a '69, a '71 and "the last one I'll get, a 1999." Hudson said he likes working for a family organization. "It's good for me. Keeps me moving. And I never worried about not having a job."

*SOURCE: Employee Tenure, Bureau of Labor Statistics, 2020



ABOUT HOLLER-CLASSIC AUTOMOTIVE GROUP

Founded in 1938 in downtown Orlando, the family-owned company is celebrating its 83rd year, selling and servicing all brands featuring Audi, Honda, Hyundai and Mazda manufacturers. The company has locations throughout Central Florida, including two Driver's Mart used car superstore locations.

Strengthening Human Connections in a Digital World

By Patrick Hennessey, Senior Director of Sales, Ally Insurance



hen the COVID-19 pandemic hit last year, the slow march by some dealerships to conduct more business digitally suddenly turned into a full-on sprint. Up to that point, the retail "disruptors" had driven speculation that showroom visits and face-to-face conversations would soon be replaced with keyboard clicks.

Those disrupters offer new choices for consumers and challenge the century-old traditional dealership model. While they may be successful at selling their digital process to many customers, they haven't erased the simple need by many buyers to seek real answers from real people. There's room for both approaches, but traditional dealers must rethink their operations to accommodate customers' changing expectations.

BUILDING THE RIGHT TEAM

It's extremely rare for any car buyer to "kick the tires" at several dealerships. Most car buyers start shopping online. When customers enter the showroom, the opportunity is to guide them through the buying process with information that helps confirm their choices will meet their needs.

For too long, the industry placed a premium on raw selling skills. That's no longer sufficient or effective. It's time to reexamine how we recruit, hire, onboard and train new staff.

Dealers must be aggressive in communicating that successful salespeople require a broad set of skills ranging from customer service, product expertise, marketing basics, social media and video production. A prime spot for dealers to advertise themselves to potential talent is where they begin selling their vehicles: on their websites.

For your existing team, today's technology provides vastly improved efficiency for staff training. Instead of sending small groups of employees to multi-day off-site sessions throughout the year, classes can be held virtually. It's now possible — and more cost costeffective — to train entire teams, across multiple departments, in a matter of days.

At Ally, we thrive on creating custom solutions and training programs to assist dealers and their teams as they adapt to new technologies and sales processes.

GETTING ON THE SAME PAGE

Change isn't easy. According to a Wards Intelligence/ Ally Financial survey of new and used vehicle dealers, senior dealership managers were more than twice as likely as their sales and service staff to say their stores need to move faster in adopting a digital model. This discrepancy suggests staff working the front lines fear their bosses' desire for a quick shift to digital could negatively impact their jobs.

This insight reinforces critical training and transparency as your team adapts to changing customer expectations and the increasingly virtual sales process. Some of your best problem-solvers may be those working in the trenches. It's critical to involve all layers of the organization as you tackle new challenges.

When it's done right, technology can help you stay better connected to employees and customers, building long-term loyalty and satisfaction with the people who matter most.

Welcome New Partners

We are proud to announce two new business partners of our association — RMG and CG Moneta.



RMG has been a long-time member of the association. They are here to help with all your reinsurance needs.

We are pleased to announce that the CFADA has chosen to endorse Resources Management Group (RMG) as our official F&I Provider. RMG is the nation's largest independent F&I Income Development & Reinsurance provider. Their innovative approach to Training, Compliance and scaling the F&I engagement across the entire customer engagement will greatly benefit our members. We encourage all of our members to engage RMG in a confidential F&I and reinsurance structure analysis.

RMG Group Dealer-Centric Reinsurance Platform Highlights:

- Dealer chooses the financial institution and investment advisor.
- You have 100% investment control; you choose how to invest, including floor plan offset account, up to 70% in equity portfolios and loans.
- Ability to borrow up to 75% of unearned reinsurance premiums.
- Service retention is guaranteed with a 40-mile dealership claims tie-back, reducing claims costs and increasing fixed operations profits.
- NO hidden fees, NO loss adjustment expense, NO investment management fees, NO loss of investment income.
- Portfolio Reinsurance has ranked #1 in the Dealers' Choice Awards for Reinsurance every year since 2008.

RMG's Central Florida Team:

RMG's team of seasoned F&I experts is comprised of former dealers, GM's, and F&I Directors who know what it takes to move the numbers in the dealership and help dealers grow their enterprise value.

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CG Moneta has recently joined the association. CG Moneta helps businesses and especially dealers

save money on operations, real estate, taxes, and facilities costs as a nationwide cost reduction expert.

CG Moneta LLC is a boutique cost reduction firm that specializes in working within the auto dealership vertical. Their highly qualified experts provide a wide range of services that both reduce costs and increase cash flow ... all without interrupting your business operations, changing service providers, or increasing CapEx or OpEx budgets.

Built on (3) Flagship Services, CG Moneta provides: Specialized Tax Incentives, Cost Reduction Services, and Telecom, Cloud & IT.

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All cost reduction services focus on reducing your cost of service with EXISTING service providers. CG Moneta will never recommend changing service providers or alter current contract terms. They simply cut costs. Their fees are based on performance, with compensation determined as a percentage of savings. If, for any reason at all, you choose not to move forward with their recommendations, you will have no fee nor any obligation to their firm.

CG Moneta's Telecom, Cloud & IT Group is vendorneutral and aligns perfectly as a primary ecosystem partner, with a portfolio of over 250+ best-in-class service providers worldwide. Many of these providers are certified partners of ELEAD, DealerSocket, VinSolutions and several other CRMs. Their experts have accomplished some incredible efficiency saves and transformations by partnering with auto dealers, who utilize their buying consortium. The results are staggering and produce an average audit savings of 40%+.

CG Moneta LLC has digitized its process to require very little of your time and offer a complimentary cost reduction initial analysis. Simply go to cgmoneta.com, click on the "complimentary analysis" button, and complete the brief questionnaire. They guarantee to have your results to you within 48 hours.

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Auto Shows Thriving in a COVID World

Moving into the remainder of 2021 and beyond, auto show organizers are hopeful that OEMs will continue their support by participating in shows across the country.

By Juliet Guerra, NADA Director of Media Relations



Throughout the coronavirus pandemic, personal transportation ownership has remained incredibly important to consumers, which has resulted in increased demand for new vehicles. Paired with inventory concerns from plant closures and the current microchip shortage, pent-up demand for new cars and trucks is high.

There is no question that the coronavirus pandemic has changed the way dealers do business and sell cars, but one thing that hasn't changed is the value of auto shows to consumers. To meet consumer demand for vehicles and for an in-person experience, auto show organizers across the country are revamping their respective auto shows to operate in the COVID-19 environment.

"Bringing Auto Shows back for our industry is a big deal and consumers are absolutely ready," said Auto Shows of North America (ASNA) Chair Jenn Jackson. "Auto Shows are the quintessential opportunity to contrast and compare different makes and models in a low-pressure environment. For a consumer who is close to purchase, visiting an auto show will often solidify their decision on their next vehicle."

Consumers are not only ready for in-person events after facing social distancing and mask mandates for more than a year but are ready to shop for their next car or truck in a low-pressure, experiential environment. According to Foresight Research President Chris Stommel, "auto shows continue to be an incredibly powerful experiential marketing channel and have not declined in the slightest from the consumer's point of view."

"Auto shows are a unique way for us to reach consumers prior to their next vehicle purchase," said Lisa Materazzo, Group Vice President, Toyota Marketing, Toyota Motor North America. "More than 11 million people attend auto shows annually, and two out of three attendees are in market to purchase a new vehicle within a year. Our presence at these shows offers a casual environment for consumers to get questions answered to assist them with their purchase decision."

This holds true from the dealer and auto show organizer perspective. "Nothing influences a consumer like the opportunity to physically experience all aspects of a product and that's exactly what an auto show allows," added Jenn Jackson, also Executive Director of Greater Charlotte Auto Dealers Association, which produces the Charlotte Auto Show. "Consumers can count the cup holders, check the cargo space, experience the technology, move the seat, and all in such a stimulating environment. There is no superior platform for a manufacturer to highlight their brand and influence purchase decisions than an auto show."

While offering consumers a first-class auto show experience, attendee safety is the top priority for show organizers. Show organizers have adopted enhanced cleaning and safety protocols, including temperature checks, mandatory mask use, increased sanitization stations, and enhanced vehicle cleanings between visitors. At the upcoming Houston Auto Show, visitors are also being asked to complete a short health screening before entering the venue, and the show has implemented the use of online tickets with QR codes to limit attendee and show staff contact.

Some auto shows, including the recent Twin Cities Auto Show in May, moved to an outdoor venue to allow better social distancing and air flow. The Twin Cities Auto Show, for example, was held at the state fairgrounds and featured a variety of interactive elements for attendees; while the Denver Auto Show, taking place September 15-19, will be held at Elitch Gardens Theme Park.

These are just a sampling of the safety measures organizers are taking, some of which are outlined in the ASNA Reopening Roadmap for Auto Shows, a guide produced with input from auto show producers and event industry advisers. All shows are working closely with health and safety officials to ensure that all applicable local, state and federal sanitation guidelines are followed.

Though the timing, locations and safety procedures may have adapted, auto shows remain a vital marketing platform for automakers and a key shopping tool for consumers. In fact, at the recent Oklahoma City Auto Show, held March 5-7, paid attendance was up 13.2%; at the Tulsa Auto Show, held April 16-18, paid attendance was up 14.7%.

"As consumer shopping trends have evolved, we have seen many auto shows quickly adapt, innovate, and improve in terms of immersive display and engagement options," said Vinay Shahani, Lexus Vice President of Marketing. "Lexus remains committed to the auto show format as a strategic tool in our marketing mix to help show consumers our latest products and technologies while driving qualified traffic to our dealer network."

Subaru of America Senior Vice President of Marketing Alan Bethke shares this sentiment. "An auto show allows us to create a unique experience that provides a window into the capability and lifestyle of our vehicles and provides a way for us to differentiate ourselves from the competition and connect with the consumer."

Subaru, Toyota and Lexus are just a few of the automakers who remain committed to auto shows, including those shows taking place in a unique, altered format. While "auto shows are facing a perception issue by OEMs," according to Foresight's Chris Stommel, we simply can't ignore that "consumer-driven metrics show that auto shows are just as relevant today as they ever have been." Moving into the remainder of 2021 and beyond, auto show organizers are hopeful that OEMs will continue their support by participating in shows across the country.

Save the Date

New cars, trucks and SUVs will fill the Orange County Convention Center for the Central Florida International Auto Show!

Friday, December 3 – Sunday, December 5, 2021.



Post-Pandemic Dealership Trends That Are Here to Stay

By Sharon Kitzman

OVID-19 changed every aspect of our society, including the way dealerships operate and how consumers purchase vehicles. As states reopen and businesses return to normal operations, some key trends will continue even after the coronavirus is under control. Here is what you can expect to see post-pandemic and how to position your dealership for success in the long run.

Online Car Shopping and Purchasing

According to Haig Partners, 30% of new car sales last year in the U.S. were conducted online, compared to 2% pre-pandemic. Millennial shoppers, in particular, want to buy or lease through their smartphones and just come to the dealership to close the deal. To meet this demand, you can create a better car buying experience by creating a virtual sales manager role and invest in tools that streamline the online car buying process. This ensures customers efficiently go through the decision-making process and feel confident that your dealership is the best one from whom to buy their next car.

Telecommuting and Remote Operations

The lockdowns forced some dealerships to temporarily close their doors at a time when consumers moved away from ride-sharing to car ownership. Many dealers allowed their staff to work from home and continue helping customers through their buying journey to minimize disruption. Your sales staff can be more efficient in a remote environment by using your DMS to:

- Setup prospective deals and quickly offer different payment options on the fly
- Schedule appointments to test drive cars and have the vehicle delivered to their home
- Enable customers to complete most, or all, of their contracts and payments digitally

Mobile Service Drives

More vehicle purchases mean more cars that require maintenance. Many dealers continue to operate their service drives during COVID by offering mobile services, such as picking up the vehicle from the customer's home and bringing it back after an oil change and tire rotation. What was once considered Consumers are more internet savvy than ever before, and COVID made digital advertising even more essential as people avoided high-touch surfaces such as print publications. Identify websites and social channels where your customers hang out and try to be present there.



a concierge luxury service is becoming more popular. To do this effectively, you will need DMS that does not require VPN offsite, so your team can effectively deliver exceptional service at your customer's convenience.

Digital Marketing and Promotions

Consumers are more internet savvy than ever before, and COVID made digital advertising even more essential. Identify websites and social channels where your customers hang out and try to be present there. Leverage advanced social advertising capabilities to target specific audiences and get your dealership in front of people who may not know your brand or the special offers you are running.

Secure Virtual Payments

The days of handing cash and credit card to the cashier before picking up a vehicle are fading quickly. As consumers strive to avoid crowds, being able to pay for their car in advance – quickly and securely – has been vital during the pandemic and beyond. Ensure your DMS provides an easy way for customers to pay online and track it within the repair order for your records.

Cyberattacks

Cybercriminals often target automotive dealerships due to the high volume of sensitive data, which has increased since the pandemic began. With the rise in remote work and more car buyers on the market, this threat will continue. According to Blum Shapiro, dealerships that invest in cloud technology are well positioned due to higher security protocols. A cloudnative DMS, for example, can help protect your data through immediate security patches and updates. It can also backup your records in the cloud so you don't lose critical information in the event of a hack.

Many of these dealership changes are long overdue and the COVID-19 pandemic accelerated the digital retail process. Despite the emergence of online used car marketplaces, such as Vroom and Carvana, dealers proved our industry's ability to adapt and succeed under unprecedented circumstances. The goal now is to stay ahead of competitors for the long haul by implementing an agile workforce, robust processes and modern cloud solutions that enable you to maximize productivity, customer satisfaction and profitability.

Sharon Kitzman leads the launch and long-term growth of VUE DMS. Her expertise in DMS technology is key to helping VUE clients to optimize their operations with innovative solutions. Previously, Sharon managed the strategic direction and product development for Reynolds & Reynolds and Dealertrack. Her experience spans every area of dealership software development including sales, marketing, product lifecycle management, process re-engineering, OEM management, professional services and customer service.

Sharon is a recognized leader in the automotive industry and has received many accolades including Automotive News Top 100 Leading Women 2015 and 2020, Auto Remarketing Women in Retail 2021, and AutoSuccess Women at the Wheel 2021. She has a Bachelor of Business Administration from Ohio State University.



Our Mission

To help dealers provide superior services to our communities through industry education, networking, promoting sound regulation, and by helping recruit and train the next generation of master automotive technicians.

- Our **Vision**
- We exist to preserve, defend, and grow the value of the new vehicle franchise industry and support all member dealerships.

Your Association is here for you

Strengthen & Promote industry

Legal & Legislative – Preserving your interests

- Monitor and respond to national and local legal and legislative changes in staff, policy, and legislation that could impact the industry and business climate
- Lobby with NADA and FADA

Build Brand Equity & Drive Sales

Auto Show – Promoting your brands to grow sales and expand brand equity

Training – help keep staff trained & industry ready

- Technology & IT Security
- Digital Marketing
- NADA Dealer Pro Series
- Legal and Regulatory Information
- Employment Law

Networking- to collaborate with industry partners

- Member meetings & socials
- Industry Partners associate members offer training, education, services, and sponsor events.
- Epilepsy AutoClassic Golf Columbus Day

Giving- to strengthen our communities

- Epilepsy AutoClassic Golf Columbus Day
- Student automotive tech scholarships
- SSC Foundation Scholarship & Dream Gala vehicle raffle
- Valencia scholarship

• Other local charities – Boys and Girls Club, Florida Citrus Sports Camp, etc.

Industry News – stay informed regarding industry changes impacting your business model, sales, and profitability

- Email newsletter with industry updates, tools, & news
- Websites News members only area & public articles on important industry topics
- Members only page where you can pay dues, register for events, and update member information
- Accelerate is our association magazine that educates, informs, and spotlights dealer members

Education - to help with your staffing needs

Nurturing educational leadership and developing industry direction

- OTC Mid Florida School Advisory Council
- Seminole State College Automotive Advisory Committee
- oTech Institutional Advisory Meeting
- Marion County Schools Business Advisory Council

Promoting automotive technical education

- ASE Student Career Development Program
- STEM Working to categorize automotive training as STEM
- High Schools Automotive Technology Competition & Student recruitment
- Club and After School Programs
- CareerSource Florida Partners with CareerSource to promote automotive profession and job placement

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