Northeast DEALER

OCTOBER 2019 • Vol. 21, No. 246

The Newsletter of NORTHEAST EQUIPMENT DEALERS ASSOCIATION, INC.

U.S. DEPARTMENT OF LABOR ISSUES FINAL OVERTIME RULE

The U.S. Department of Labor announced a final rule this week (9-27-19) to make 1.3 million American workers eligible for overtime pay under the Fair Labor Standards Act (FLSA).

"For the first time in over 15 years, America's workers will have an update to overtime regulations that will put overtime pay into the pockets of more than a million working Americans," Acting U.S. Secretary of Labor Patrick Pizzella said. "This rule brings a commonsense approach that offers consistency and certainty for employers as well as clarity and prosperity for American workers."

"Today's rule is a thoughtful product informed by public comment, listening sessions, and long-standing calculations," Wage and Hour Division Administrator Cheryl Stanton remarked. "The Wage and Hour Division now turns to help employers comply and ensure that workers will be receiving their overtime pay."

The final rule updates the earnings thresholds necessary to exempt executive, administrative, or professional employees from the FLSA's minimum wage and overtime pay requirements and allows employers to count a portion of certain bonuses (and commissions) towards meeting the salary level. The new thresholds account for growth in employee earnings since the currently enforced thresholds were set in 2004. In the final rule, the Department is:

- raising the "standard salary level" from the currently enforced level of $455 to $684 per week (equivalent to $35,568 per year for a full-year worker);
- raising the total annual compensation level for "highly compensated employees (HCE)" from the currently enforced level of $100,000 to $107,432 per year;
- allowing employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid at least annually to satisfy up to 10 percent of the standard salary level, in recognition of evolving pay practices; and
- revising the special salary levels for workers in U.S. territories and in the motion picture industry.

The final rule will be effective on January 1, 2020.

Full press release, click here.-

IN THIS ISSUE:

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Northeast Equipment Dealers Association

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Policy Year	Dividend
2017-2018	40.0%
2016-2017	35.0%
2015-2016	30.0%
2014-2015	20.0%
2013-2014	15.0%
2012-2013	15.0%
2011-2012	5.0%
2010-2011	20.0%
2009-2010	25.0%
2008-2009	37.5%

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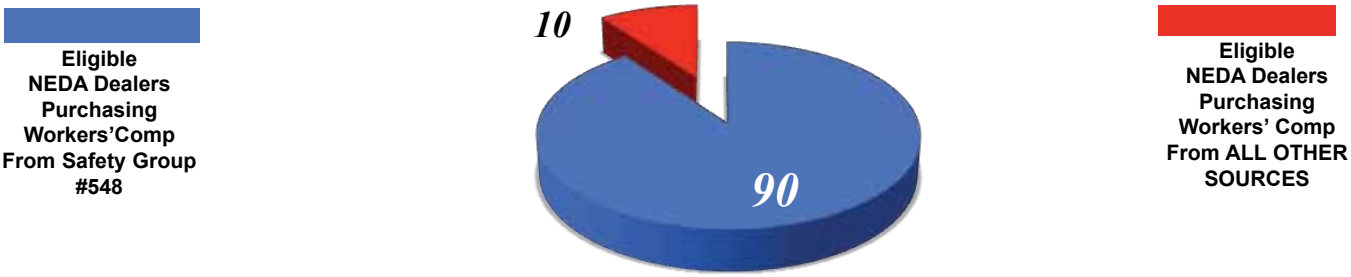

To see if you qualify, call Pat Burns at Haylor, Freyer & Coon 315-703-9148 / 800-289-1501 or fax a current declaration page to 315-703-8159 or Call Ralph Gaiss (Executive Director of NEDA) at 315-457-0314 for more information.
You may also visit us at www.haylor.com/NEDA

Observations from the FIELD

Tim Wentz
Field Director /
Legislative Committee
Chairman
717.576.6794

September was a busy month!

We ended August trying to find "friends" to help with a sales tax issue in Maine. We began September and ended the month working on dealer and Right-2-Repair legislation in our region. Along the way we continued work on the apprenticeship program to include: program promotion (maybe you saw our ad in Lancaster Farmer, please also look for our insert in an upcoming PA Farm Bureau magazine!), matching "manufacture training"/related education to competencies, building out the reporting and tracking functions within the Apprenticeship website (www.nedaapprentice.com), improving related education offerings, securing an extension for our pre-apprenticeship and capacity grants.

In addition, we continued our work on our "teach the teacher" programing focused on hydraulics, electronics and diesel in co-operation with the professional development support office at Penn State. Facilitated discussions with AEM and the state's Ag program teachers focused on identifying "gaps" in current curriculum, teacher training and ongoing program support.

Unfortunately, we've also had to resume actively tracking dealer related legislation, with special focus on Right-to-Repair (NH, NY, NJ and MA are particularly worrisome). I have to admit I'd just begun to enjoy seeing one/two legislative alerts a day on my phone as opposed to the 20 or more we have been seeing since the legislatures have come back in session.

A huge thank you to those dealers willing to both financially support our legislative fund and actively participate in our legislative advocacy efforts; we simply couldn't do it without your support! ***As the year comes to an end, please consider a pledge to the fund or contacting me to find out how your staff can leverage our efforts!***

Hopefully those of you who attended Bob Clements Boot Camp found Bob and Sara's presentations as enlightening as I did! Personally, I was very pleased to hear "industry experts" share observations and solutions focused on people, processes, and how to maximize both!

Both Sara and Bob spent some time talking about the hiring process, growing your own technicians, parts and sales staff and in turn implementable strategies managers could take back to their dealerships. I think we can all agree that employee recruitment, retention, and development and their potential impact on a dealership's ability to grow market share, increase sales, and profitability is a challenge for all of us! Particularly when unemployment rates are under 4%!

Please know that **YOUR ASSOCIATION** is committed to helping build programs and continued participation and collaboration with other nationally focused stakeholders such as EDA, AED and AEM.

With many of the manufacturer's "year-end" just around the corner, it's easy for dealers to focus on market share performance, closing "marginal" deals – whatever it takes!

That said, I want to remind mangers that it is not too early to start pre-selling your "winter" service specials. Be sure to take a minute or two this week, pull your

continued on page 6

ASSOCIATION NEWS

Alone we can do so little ... together we can accomplish great things!

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Rural Energy for America Program Available to Help Farmers with Grants

The Rural Energy for America Program (REAP) provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Recipients can use REAP funding for a variety of needs, such as conducting energy audits and installing renewable energy systems such as biomass, geothermal, hydropower and solar. Funds also can be used to make energy efficiency improvements to heating, ventilation and cooling systems; insulation; and lighting and refrigeration.

Funding is available to help cover a portion of the costs including loan guarantees on loans up to 75% of total eligible project costs; grants for up to 25% of total eligible project costs; and combined grant and guaranteed loan funding up to 75% of total eligible project costs. Farmers who may be interested in investing in an energy project can visit: www.rd.usda.gov/ny for more information or visit their local USDA-Rural Development office.


Northeast DEALER

SEPTEMBER 2019 • Vol. 21, No. 245

The Newsletter of NORTHEAST EQUIPMENT DEALERS ASSOCIATION, INC.

3 Things to Remember When Selling to Millennials

By Betsy Chase | www.chartersoftware.com | 303-932-6875

From a Marketer's perspective, selling to millennials starts the same way selling to other generations does: by understanding who they are and how to be relevant to them rather than how they are different.

Millennial stats – why this generation is important

Pew Research Center defines Millennials as people born between 1982 and 1996, or 23 to 37-year-olds. There are 80 million of them in the US and they spend $600 billion annually. Forecasts predict millennials will represent 35% of consumer spending by 2030. Obviously, there is great revenue potential in addressing this market.

THREE THINGS TO REMEMBER WHEN SELLING TO MILLENNIALS:

1. Focus on the experience

Millennials value experiences and ignore traditional marketing and selling methods. •Only 6% of millennials think online advertising is credible. [Source: SocialChorus] To the extent that it's possible, focus on the experience of owning whatever you're selling more than the product itself. Try hosting open houses or "demo days" at your store where potential buyers can handle the equipment AND talk to others who are either shopping or already own similar products.

It's extremely important that your salespeople understand the importance of the product experience and adapt their sales style accordingly.

2. They care about you if you care about others.

81% of Millennials expect companies to make a public commitment to charitable causes and citizenship according to Horizon Media's Finger on the Pulse study. Whether it's the environment, community or a charity your

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EDITOR'S NOTE:

"If you would like your dealership featured in the 'Northeast Dealer monthly newsletter for viewing by over 500 dealers in the northeast, please email arts@pa.net with your press materials", include pictures with names of individuals showing for publication. This would include open houses, special programs and any local award, etc., your dealership earned.

The impact (value) of the association's legislative advocacy, work-force development, and Industry Relations work can easily be overlooked. Our efforts cannot be accomplished without significant financial investment, support, and grassroots participation. If we're to continue that work, we are going to need your help participating in and financially supporting our legislative work, association governance/direction, and program development. We need your help recruiting new members, participating in legislative visits, giving testimony, contributing financially to the legal/legislative fund, association governance/direction, and program development!

When you REAP the benefits of membership, your PROFITS will follow! Call Ralph Gaiss at 800-932-0607 for questions and support.

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THEFT ALERTS

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Theft Alert - New Jersey CAT Backhoe

On August 1st, 2019, the below described Caterpillar Backhoe was discovered stolen from the area of Randolph Road and School House Road, Somerset, New Jersey.

Please forward this alert to anyone that may encounter the machine, and investigators working on similar thefts. - Franklin Township Police case: 19043838

Machine Details:

2013 Caterpillar 420-F-IT Backhoe/Tool Carrier
Product Identification Number: CAT0420FHJWJ01387
CAT 420-F-IT. The machine PIN plate is just forward of the cab and above the left entry step/fuel tank.

Theft Alert - Rhode Island Zero Turn Mower/Skid Steer Loader

Northeast Equipment Dealers Association (NEDA) reports to NER that around 1 AM Sunday August 25th, 2019, thieves stole the below described Kubota Skid Steer and Zero Turn Mower from an equipment dealership in Ashaway, Rhode Island, near the Connecticut state line. The thieves were possibly in a newer Ford F-350 with tinted windows.
Hopkinton Police case: 19-634-OF

Equipment Details:

2019 Kubota SSV-75 Skid Steer Loader
Machine Serial Number: 24165

2019 Kubota ZD-1211-60 Zero Turn Mower
Machine Serial Number: 31989
RCK-60-P Mower Deck Serial Number: 26172
Folding Roll Bar Serial Number: 33268

The machine serial number plate/decal are on the lower front of the cab on the SSV-75, and on the lower rear left frame on the ZD-1211.

Theft Alert - New York Komatsu Forklift

Between the end of day Friday September 6th, 2019 and the theft discovery Monday morning September 9th, the below described Komatsu Forklift was stolen from the area of Vermont Street & Linden Boulevard, Brooklyn, New York.

Machine Details:

2018 Komatsu FG-25-T-16 Forklift
Machine Serial Number: A414212

The stolen machine will have similar markings for Durante Rentals, and is in newer condition. The machine serial number plate is on the right side of the dash.

If you have any information on the above thefts, please contact National Equipment Register, info@ner.net or 201-469-2030 or 1-866-663-7872.

Observations *continued from page 3*

sales, parts and service teams together, review your service specials and ensure that everyone understands their value (to your customers) and, most importantly, SELLS them.

Fall is also a good time to review your inventory turns and start planning for your early order programs and annual parts returns. It is amazing what a few hours working on the department's fill, turn, and lost sales reports can do to help improve a department's and dealerships' net profit.

While you are on a roll, take time and review your dealership "absorption rates": do not lose the positive momentum you have worked so hard to build!

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AgDirect is an equipment financing program offered by participating Farm Credit System Institutions.

When it comes to selecting the length of a loan or lease, longer terms are desirable because they can offer more flexibility and enhance cash flow.

Loan and Lease Terms

Evaluating Equipment Financing Options

Securing the right financing for an equipment purchase is essential to the productivity and profitability of many farm operations. That's why it's critical for dealers to help producers navigate their loan and lease options by comparing interest rates, terms and repayment schedules.

"There are many factors that go into a financing structure decision," says Amy Weum, regional vice president of CoBank Farm Credit Leasing. "Cash flow and payment are typically the first things to consider."

Other important considerations include current tax laws and tax treatments that fit a producer's needs as well as the length of time they plan to keep the equipment and their ability to pay the structure off early, she says.

Evaluating term length

When it comes to selecting the length of a loan or lease, longer terms are desirable because they can offer more flexibility and enhance cash flow. For example, if a producer is looking for a lower payment to free up working capital, a longer-term structure may be preferable.

In contrast, if a producer is on a three-year replacement cycle they may benefit from a five- or seven-year AgDirect lease, rather than a three-year term, because they could take advantage of a lower payment and have the ability to trade in and pay off their old lease at any time without penalty. Or, if plans change, they can keep running the equipment until the lease ends in five or seven years.

According to Weum, current ag economic conditions favor equipment financing structures with longer terms.

"If cash flow is a concern, a longer-term lease would be desirable," she says. "Additionally, if a producer plans to keep or trade their equipment at the end of the term and they don't need the option of returning the asset to the financing company, an AgDirect PUT (purchase upon termination) lease offers the lowest possible lease payment with a high residual and the ability to take advantage of bonus depreciation tax benefits."

Rates and terms vary

Just as financing structures vary based on equipment type, age and a producer's credit quality, loan and lease terms also influence interest rates.

At AgDirect, most new to five-year-old equipment, including tractors, combines, sprayers and forage harvesters, can be financed for up to seven years.

Longer terms typically have slightly higher interest rates than shorter terms; however, the flexibility longer terms offer often surpasses the extra interest paid. Another notable aspect of AgDirect financing is that leases and loans ranging from two to five years have the same rate.

"AgDirect understands producers' unique needs and offers flexible payment structures to meet those needs," says Weum. "One example is a harvest pay lease where a producer pays a minimal amount out of pocket to start the lease followed by annual payments that begin after six months."

"AgDirect can also match up payment schedules to correspond with the cash flow timing of a producer's operation," she adds.

Whether your customers are considering a loan or a lease, take the time to ask questions and ensure the terms of the agreement aligns with their operation's financial goals. It's also a good idea to encourage customers to consult with their accountant or tax adviser to discuss tax circumstances and cash flow requirements.

Learn more about AgDirect equipment financing options by locating your nearest AgDirect territory manger or contacting the AgDirect financing team at 888-525-9805.

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October 2019

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REGULAR PRICE:	**$35.01**
SPECIAL PRICE	**$31.51**
RETAIL PRICE	**$65.00**

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Order Form

Dealership Name: _____
Shipping Address: _____
City, State, and Zip: _____

Item #	Qty.	Cost Ea.	Total
CPL4RA-DC	_____	$30.99	_____
CPL4AA-DC	_____	$31.51	_____
CPL4RCL-4W	_____	$39.60	_____

Terms: NET 30 DAYS TO APPROVED MEMBERS
Freight: PREPAID WITH CASE QUANTITY

SUB TOTAL _____
(If not for resale) TAX _____
SHIPPING _____
TOTAL _____

Payment Method (Prepayment is required)
Check Enclosed (Payable to NEDA) _____
Credit Card (VISA or MC) Acct # _____Exp. Date: _____
(Circle One)
Cardholder Name:_____ Signature: _____

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OFFER EXPIRES **October 31, 2019**

Roughly 90% of top performing salespeople use social selling to set goals and meet objectives.

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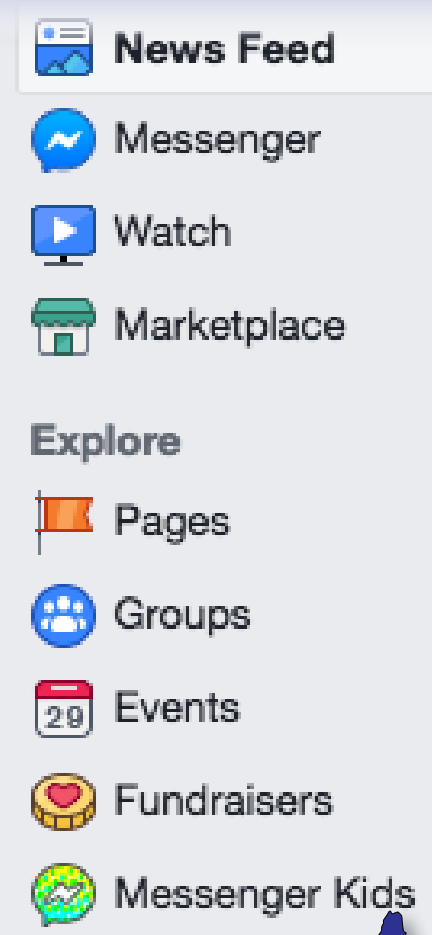

3 Digital Marketing Tips to Update Your Sales Process

By Betsy Chase, Director of Marketing, Charter Software
Chartersoftware.com – 303-932-6875

If you're not using digital marketing in your sales process by now, you're already behind. Roughly **90% of top performing salespeople use social selling** to set goals and meet objectives. And with the seemingly endless addition of new profiles to sites like Facebook and Twitter created daily, it's hard to imagine this trend fading away any time soon. Fortunately, there are some methods to integrate digital marketing in a fast and effective way that will give your business that well-deserved boost.

What is digital marketing and social selling?

You already encounter digital marketing every day (if not every hour, depending on your technology diet). Any platform that can be accessed via your phone, tablet, or computer is a venue for digital marketing.

Ads can be found in the form of email newsletters, banners, display ads, and even less obvious methods like search engine optimization. Since there are so many ways to use digital marketing it's important to zero in on the strategy that makes the most sense for you and your business.

Social selling reaches consumers using social media platforms you're probably already familiar with. Each company has their own best practices for getting seen by prospects so, much like the broader category of digital marketing, be sure to consider these differences in your strategy.

Here are some excellent examples of digital marketing you can use for your equipment business:

1. **A user-friendly website that offers complex features with a simple design.** Make sure that your navigation is easy to use and fill out all product descriptions to their fullest including any photos, demonstration videos, and history that is important to your customers and their interest in your sales pitch.
2. **Run paid ads on Google known as PPC, or Pay Per Click, ads.** They appear at the top and bottom of Google's search results page with a clearly distinguished label. This type of advertisement only charges you if someone clicks the link to your website. Getting this right may require some trial and error. Start by identifying if competitors are running PPC ads checking search terms that you know customers use to find your business. Look for actionable insights, just like you would when you run reports for your business.
3. **Develop comprehensive social media profiles and engage with your audience on a regular basis.** Use testimonials, fun facts, and important announcements to keep new and old clients interested. Get to know your customers on a more personal level. If you have the time and resources, video marketing is extremely popular these days.

Although there are many more ways to utilize digital marketing in your sales process, these examples are a good place to start. Check to make sure your business management software, like ASPEN, offers external integrations for digital marketing tools like MailChimp, an email newsletter platform.

MEMBERSHIP RENEWAL

With dues renewal coming this month, we thrive on doing everything possible to ensure that your dealership information is as accurate as possible so you receive the most current information that is happening in our industry. Please click here and fill out the verification form and either email back to davec@ne-equip.com or fax back at 315-451-3548. To help reduce cost, please remit after receiving the first renewal notice.

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... announcement by the IRS of the new finaland proposed regulations clarifies the conflicting language in the act and the Blue Book interpretation and is welcomed good news for those dealers with floor plan financing.

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Show this article to your tax accountant

GREAT NEWS:
IRS ISSUES REGULATIONS FAVORABLE TO DEALERS

On Friday, September 13, 2019 the IRS issued final and proposed regulations that clarify bonus depreciation and interest expense for dealerships with floor plan financing. To the extent that overall interest expense, including floorplan interest, is below 30% of adjusted taxable income, a dealership will be eligible to take 100% bonus depreciation. Further, eligibility to take bonus depreciation is determined on an annual basis. Therefore, even if a dealership has to use the floor plan exception one year in order to deduct all of its interest expense (thereby losing the ability to take bonus depreciation in that year), it may still be eligible to take bonus depreciation in subsequent years if overall interest expense falls below 30% of adjusted taxable income in that given year. This is great news for dealers who may have thought that bonus depreciation was lost forever once they used the floor plan interest exception.

BACKGROUND:

When issued, the Tax Cuts and Jobs Act of 2017 ushered in the most comprehensive and sweeping tax reform since The Tax Reform Act of 1986. Among the many changes that resulted was an interest expense limitation equal to 30% of adjusted taxable income. Another notable outcome was the increase to bonus depreciation. In 2018, bonus was to drop to 40% of the cost basis of the asset. Instead, the rate was increased to 100% for assets places in service from September 27, 2017 to December 31, 2022.

What was the impact of these changes on dealerships? Hill, Barth & King's own Rex Collins was able to have an audience with the House Ways and Means Committee during the development of the bill proposals. As a result of Rex's testimony, the House version of the bill included language that allowed dealerships with floor plan financing to deduct all floor plan related interest expense, even if that expense ultimately exceeded 30% of adjusted taxable income. However, dealerships would also not be able to benefit from 100% bonus expensing. Originally, the law as passed was interpreted as allowing a full deduction of floor plan interest while excluding a dealership from 100% bonus depreciation.

Subsequently, the Joint Committee on Taxation issued a Blue Book interpretation of the interaction between floor plan interest expense and bonus depreciation that was much more favorable to dealerships. Essentially, it suggested that if interest expense including floor plan interest was less than 30% of adjusted taxable income, the dealership would be eligible for bonus depreciation expensing. However, the interpretation also held that once a dealership used the floor plan exception, the dealership would not be eligible to use bonus depreciation in subsequent years.

THE BOTTOM LINE:

Friday's announcement by the IRS of the new final and proposed regulations clarifies the conflicting language in the act and the Blue Book interpretation and is welcomed good news for those dealers with floor plan financing. Significant planning opportunities exist for dealers; contact the Dealership Industry Group at Hill, Barth & King today to discuss planning opportunities related to this ruling as well as many other items that impact your dealership.

~This article courtesy of: Rex Collins is a Principal at HBK CPAs and Consultants. He directs HBK's National Dealership Industry Group, which provides tax, accounting, transactional and operational consulting exclusively to dealers. Rex can be reached by email at rcollins@hbkcpa.com, or by phone at 317-504-7900.

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A well thought out move designed to increase profitability or enhance operations can wind up having a negative effect on dealership value ...

Are You Submarining the Value of Your Dealership?

By Rex A. Collins CPA, CVA
HBK Dealership Industry Group
June 2019

Sometimes seemingly informed decisions have unintended consequences. A well thought out move designed to increase profitability or enhance operations can wind up having a negative effect on dealership value – and the value of your business is ultimately your most important consideration.

Building value requires more than focusing on metrics like fixed absorption or embracing the latest technology. Often, things like new technology, adding to your showroom footprint, forming a management company or compensative programs can rob you of value.

So, what drives value? And what detracts from value? It is vitally important to analyze your business and processes in terms of their role in establishing value. As advisors exclusively to dealers we have been involved in the day-to-day operations of hundreds of dealerships and had the opportunity to gain considerable insight on the factors impacting dealership value.

Gross profit per employee.

The first thing I want to know when I begin work with any store is its gross profit per employee. That metric is my way of evaluating the throughput of the compensation spend – that is, is a dollar paid in compensation returning more than a dollar in value to the dealership? Compensation can negatively impact profitability if it's too low as well as too high. High-performance dealerships tend to have big paychecks on staff because they have high performers, while below average wages often indicate low performing employees and high turnover. As well, differences in the cost of living in different markets, the presence or absence of labor unions, minimum wages laws can all affect how a dealer must approach compensation.

One way to address the issue is to review your roster and compensation regularly. We recommend at least annually, like when you review your healthcare coverage or 401k plan. Focus on the bottom 10 percent of your workforce and, as the saying goes, have them "step up or step out." You will also have to adjust for market conditions, an expected recession, for example, or more recently the tariffs that are estimated to add about 8 percent to the cost of your products in the coming year.

Customer satisfaction.

The internet has been a game changer. Customers who have had a bad experience are much more likely to post their complaints than those who have had a good experience. How a dealer is rated on various websites impacts value as customers increasingly are researching dealerships online, including social media sites. Negative comments can turn buyers away from your dealership or your brand. They can reduce or kill the effectiveness of your traditional advertising spend. Dealers spend a lot money overhauling, upgrading and re-imaging their facilities; consider spending as much effort, money and time overhauling your online image. It takes a long time and can cost a lot of money to rehab a negative image.

F&I.

Maximize this significant revenue generator by employing the 300 percent rule: offering all the products all the time to all your customers. Determine how to incentivize your employees to make this happen. Prepaid maintenance plans, for example, are key to capturing more service business. As well, setting up your own captive insurance company for your F&I products can increase dealership profitability – and value – considerably.

Location.

Population density, affluence, available footprint, whether customers can easily find you, even the ability to turn easily into the dealership – all these factors impact value,

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Are You Submarining

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as do things like the cost of land, buildings and labor in your market. Performance isn't always tied to the strength of your brands. More importantly, is there demand in your market for your product?

Credit.

When credit is tight, some dealers use their own cash to finance operations and acquisitions. Currently, credit is cheap. The amount of capital required to close transactions has been low, giving dealers financial leverage, an opportunity to use credit to increase their return on equity. Not that we're suggesting that you mortgage everything to the hilt, but you might find ways to fund operations that positively impact profits, help recession-proof your business, and make your dealership more attractive – and valuable – when it's time to sell. Cheap credit also allows buyers to upgrade to more expensive products.

Real estate.

Technically, the value of your real estate should be the same whether it is owned or leased – and whether you're renting from yourself or a third party. But it's not always the case because many dealers don't charge market-based rents to themselves. And that can be a disservice in terms of value: benchmarks skewed in comparison to your peer group, masking problems in other areas, clouding your profitability picture. Not that a prospective buyer won't consider such factors. We normalize real estate expense when we value a dealership for purposes of sale.

Facilities.

With interest rates low, some dealers have overbuilt. If you're looking to add space, consider the return on your investment. What are the true economics of the expansion?

Centralizing operations.

Consider consolidating roles that might not require a full-time employee at each location, such as back office employees, and IT and HR departments. Do you need an in-house attorney? A full-time director of employee benefits? But do the math. Often what starts as cost reduction winds up a resource burn where management company functions take on a life of their own and run too expensively. Does it make sense to centralize operations for fewer than five locations? If it doesn't reduce head count by 50 percent or more, it typically doesn't, because you will need to hire a highly paid employee to run the larger consolidated department. If you wind up with the same or more employees after you've centralized, you're probably over-staffed.

Succession planning.

Who will take over for you? When? These questions are key to the value of any store. If your successor is on your staff – family member or not – you need to lock him or her down or they might leave for another opportunity. Extend that to locations and departments, because you need successors in all those areas. Make sure your selections want to take over. And give them long lead times: the more critical the position, the longer the lead time. If you give yourself 10 years to groom your successor, and you find you've made a mistake, you will have time to find the right person.

These are a few of the items that impact profitability and value that dealers need to focus on. Now could be an especially good time to get these ducks in a row, as many of the key indicators point to uncertain economic times ahead.

Rex Collins is a Principal at HBK CPAs and Consultants. He directs HBK's National Dealership Industry Group, which provides tax, accounting, transactional and operational consulting exclusively to dealers. Rex can be reached by email at rcollins@hbkcpa.com, or by phone at 317-504-7900.

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Federated Mutual, Life Company Named 2019 Ward Group® Top Performers

Federated Mutual Group was recently named to the top 50 U.S.-based property and casualty companies and Federated Life Company was named to the top 50 U.S.-based life insurance companies.

Headquartered in Cincinnati, Ohio, insurance industry analyst Ward Group annually recognizes 50 companies that have excelled at balancing financial safety, consistency, and performance during the past five years. They conducted separate analyses on nearly 3,000 property and casualty companies and 700 life-health companies.

"Our continued commitment to financial strength has once again resulted in this acknowledgement from Ward Group," Chairman and CEO Jeff Fetters said. "Their industry benchmarking reaffirms Federated's ability to fulfill its responsibilities to policyholders and association partners."

Founded in 1904, Federated Insurance is a national insurance and risk management organization that serves the property, casualty, and life insurance needs of clients in select industries. The organization has more than 500 recommendations from state, regional, and national associations and buying groups and is rated A+ (Superior) by industry analyst A.M. Best®. - At Federated Insurance, It's Our Business to Protect Yours.®

It's Our Business to Protect Yours®

Risk Management Academy Registration Now Open!

Federated Insurance is offering complimentary risk management training for all industries on November 5-7, 2019. Through this valuable session, you will discover methods you can use immediately to help protect profits by reducing risk at your business.

Companies that are the most successful at controlling losses and protecting profits have integrated risk management into their overall company culture. Many have designated a key person as their risk manager. This person is supported by your company's top management and is both responsible and accountable for identifying loss exposures and implementing risk management solutions.

This seminar's objective is to help your risk manager learn the exposures specific to **All Industries,** connect with peers from across the country and apply these best practices within your business.

> *"Attending this training is one of the best investments you can make to help protect your business and its bottom line!"*
>
> ~2019 RMA Attendee

You can learn more by viewing a brief video about the Risk Management Academy. To reserve your spot in the upcoming session or for more information, please contact Royetta Spurgeon at rlspurgeon@fedins.com or (800)533-0472 Ext. 455-5604. Or, visit Federated›s website. Association Risk Management Services, Federated Insurance Companies, Phone: - 507.455.5118 - E-mail: - lmhagenson@fedins.com - Press Release - Learn.Connect.Apply

What Can a Risk Management Culture Save You?

Have you ever met a business owner who didn't want to save money? Yet, the way some companies try to cut costs can have the opposite effect. With the economy leaving little room for error, trimming unnecessary expenses is the logical first step toward keeping more profit. Unfortunately, risk management is sometimes looked upon as one of those unnecessary expenses.

It could be that some businesses don't fully recognize the benefits a risk management culture can have. Instead, owners may be discouraged by the amount of time and money needed to reach that point. Successful businesses, on the other hand, know that to avoid possible financial pitfalls, they need to reduce their exposure. They realize risk management, despite the time and financial investment it can require, can have overall economic benefits while creating a safer working environment.

Involvement is key

No company, no business owner is immune to the possibility of losses. Indeed, the act of running a business exposes owners to everyday risks, such as fire, vehicle accidents,

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The Agricultural Equipment Technician Apprenticeship is sponsored and administered by the Northeast Equipment Dealers Association and is limited to participating members and their employees. If you are a student, veteran or adult interested in a clear pathway to a well-paying career, an agricultural equipment technician apprenticeship might be for you!

NEDA

For more information visit us at **nedaapprentice.com**

FMCSA
Federal Motor Carrier Safety Administration

FMCSA Publishes Final Rule on Hours-of-Service Restart Requirement

On Sept. 12, 2019, FMCSA published a final rule amending the hours-of-service requirements to remove a provision requiring that a 34-hour restart require two periods between 1-5 a.m. and limiting the use of a restart to once every 168 hours. The final rule was effective on Sept. 12, 2019.

Click here: https://www.govinfo.gov/content/pkg/FR-2019-09-12/pdf/2019-19648.pdf

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Risk Management Culture *continued on page 18*

or even fraud. Identifying risks ahead of time and then dedicating resources and effort to avoid them through aggressive risk management can help keep a business ahead of the game.

Why bother?

It may feel counterintuitive to believe that a risk management culture—the sum total of all the efforts, attitudes, and investments related to workplace safety and loss prevention—can actually improve your bottom line. But, investing in risk management can definitely have advantages:

- **First,** by managing risk, your company could experience fewer insurance claims. That may equate to lower insurance premium.
- **Second,** fewer claims means you also help reduce the "after effects." Insurance is meant to cover the direct costs associated with a claim, such as property damage, medical bills, and legal expenses. What is often not anticipated, however, are the unexpected, "hidden" costs from a loss. For example, insurance may not cover the cost of hiring and training a replacement employee, lost productivity, negative publicity, higher premiums related to the loss…and the list goes on. These are typically out-of-pocket expenses and can quickly add up. It could take a lot of extra sales to recoup those losses.
- **Last,** workers compensation claims often result in a higher work comp mod. Not only can this have an immediate effect on your premiums, the consequences could be felt for a long time.

Business owners who take risk management seriously understand its positive effect on their operations, both from employee well-being and financial standpoints. They see immediate value in being proactive. As one company risk manager put it, "There are many business owners who believe that risk management is too expensive. I would challenge them to put a pencil to it. I think they will be surprised that safety pays."

Attending a Federated Insurance Risk Management Academy℠ seminar can be an effective way to start or grow your risk management program.

Penn State Agriculture Council Requests Participation in the Vector-Borne Disease Survey

We need your help! Pennsylvania ranks among the top three states with the highest rates of tick-borne disease. In 2017 Pennsylvania had the highest incidence of Lyme disease cases in the U.S., with 9,250 confirmed cases and an additional 2,650 probable cases, according to the Centers for Disease Control.

Our college researchers and extension educators have established a team of experts to help Pennsylvania address the serious threat of vector-borne diseases, particularly those transmitted by ticks and mosquitoes. They are reaching out to Pennsylvanians to gather information to help inform their work through an anonymous, online survey.

Below is a link to a story with more information and a direct link to the survey. Please consider filling out the survey and passing the request on your association members, public officials, local media outlets, etc.

Direct link to the survey:

https://extension.psu.edu/tickborne-survey

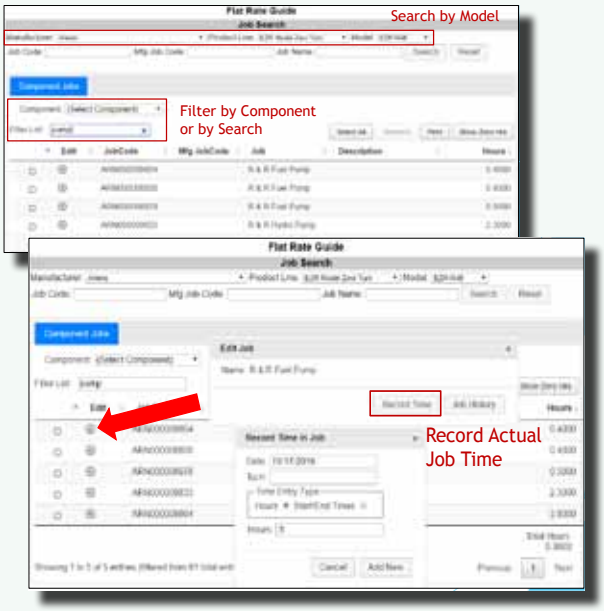
Link to news story on survey:

https://news.psu.edu/story/583957/2019/08/16/impact/survey-aims-help-citizens-protect-themselves-vector-borne-illnesses

If you have questions please feel free to contact Mary F. Wirth, Director, College Relations & Communications, College of Agricultural Sciences, The Pennsylvania State University, 229 Ag Administration Building, University Park, PA 16802 Phone: 814-863-9646,Extension. psu.edu https://extension.psu.edu/email-preferences - Agsci.psu.edu https://extension.psu.edu/email-preferences

Outdoor Power Equipment Flat Rate Guide

The UNITED Equipment Dealers Association announces a new interactive UNITED OPE FLAT RATE GUIDE powered by Charter Software Inc.



The new online tool will provide dealers with a web portal to lookup and report OPE flat rate repair times.

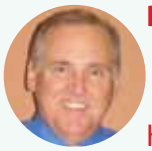
Allows any business system to integrate with the OPE Flat Rate Guide. Integration with dealer's business system will allow work orders to access and report flat rate information.

This is the only industry resource that factors actual dealer times into the flat rate calculation.

The OPE FRG benefits servicing dealers in three major ways:

1. More accurate estimating
2. Improved customer relations
3. Boost shop productivity

Allows on-going dealer input for improved times and reporting new models.



Bob Clements on flat rating: While I understand that not all jobs can be flat rated, I also know that 70% can and on those jobs techs that are high "B" or "A" level techs will beat the time by almost 20%. So in an average shop with a recovery rate of 80% and a labor rate of $80 per hour, two techs would bill out an additional $200 per day, a $1000 per week or $52,000 for the year. You are missing the boat and leaving valuable dollars on the floor if you shop is not utilizing some type of flat rating system.

NEDA Members: $599.00 per year

Non-members: $999.00 per year

Allows access for up to 4 devices from anywhere On your PC, tablet or mobile device

A user name and password will be assigned to you once payment is received

☐ Yes, sign me up for the interactive OPE Flat Rate Guide.

☐ Check *(made payable to: UNITED Equipment Dealers Association)*

☐ Credit Card *(charge will appear on your statement as: Association Management Group)*

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