

MONTANA



Auto Dealer

PUB. 1 – 2021 – ISSUE 2



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A Look At Executive
Order No. 1-2021
LT. Governor Kristen Juras

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MTADA 107th Annual
Family Convention



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MONTANA AUTOMOBILE DEALERS ASSOCIATION

EVP'S MESSAGE



Bruce Knudsen
Executive Vice President



MTADA recently sponsored its 107th Annual Convention in Helena, Montana. It's been a long time since we could do anything this big in person, and maybe that increased my appreciation for getting together. But pandemic or no pandemic, it was a great experience. MTADA dealers are a wonderful group, and the convention was a success. You could feel an enormous amount of positive energy in the room when we were all together. The board and executive board members were able to meet in person, we had two exceptionally good speakers to teach and entertain us, and everyone had many networking opportunities. Our 108th Annual Family Convention will be held June 9-11, 2022, in Billings, MT. We look forward to seeing you and your family there!

We've worked hard on this issue of our magazine. I want to tell you about some of the articles you will find in this issue of the magazine:

- Jim Taylor Sr. won the Eagle Award. We thought you would like to learn more about him and his remarkable career. Jim served as a U.S. Marine, and in addition to being a person of high moral character, he is an astute businessman who has been a vital force for good in his community. Maybe that dedication to making life better for other people comes from his strong spiritual life. He has never stopped learning, even though he has had to deal with some interesting challenges in his life. Also, Jim is a devoted family man and a fine musician.
- Wade Rehbein is a new Executive board member. If you don't know him already, this article introduces you to him. This down-to-earth man comes from the service side of the dealership business. He is committed to running his business well and strengthening the community around him. We know he will do a great job on the board because of the admirable way Wade approaches everything he does and the perspective and skill set he brings to the table.
- Governor Gianforte wants to reduce the difficulty of doing business in Montana. He has given the responsibility for that effort to Lt. Governor Juras. We reached out to her office to find out more about the specifics. Like other business owners, dealers have a

strong interest in anything that helps them keep their businesses strong so they can continue to do the good work they have always done. This article will help you better understand what is happening on the state level to improve your ability to do business in the great state of Montana.

- MTADA leadership wants to help you reduce the cost of health care, and we have organized a new trust to make that happen. You can get to know Jacquelyn Gomes, our new insurance consultant, and find out why we chose her to partner with us. I have had an excellent relationship with her for many years, and we are confident she is the right person to help us give dealership members the best possible insurance choices.
- Recreational marijuana is now legal in Montana, but the change in law presents problems for all businesses, including dealerships. This article will tell you what you need to know. Even though marijuana legalization is a new challenge for every business owner, the laws are clear about ground rules to keep the workplace safe. That is tremendously reassuring.

That's just a sampling of some of the articles you will find.

Everyone wants the pandemic to be over, but it isn't clear right now what's ahead. What I do know, is dealers are flexible, they can handle pretty much every challenge you can imagine. As we come to the end of the summer season and begin looking forward to the coming months, please know that I am dedicated, as always, to helping you and serving the dealer community of Montana. We are stronger together than we are apart, and it is an honor for me to be part of this association. I enjoy working with you, and I hope you will contact me if there is anything I can do to help you better run your business. If we all continue to look out for each other's best interests, the future could not be brighter.

As always, feel free to reach out to me anytime. 

BRUCE KNUDSEN

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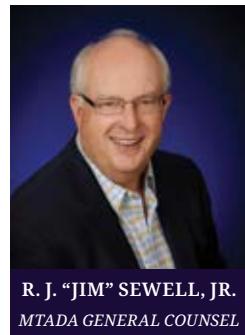
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R. J. "JIM" SEWELL, JR.
MTADA GENERAL COUNSEL

ANOTHER SUCCESSFUL LEGISLATIVE SESSION IN THE BOOKS

By R. J. "JIM" SEWELL, JR., MTADA General Counsel

Your association concluded another solid legislative session in May with the enactment of HB445 sponsored by Rep. Barry Usher. The law became effective upon signing by Gov. Gianforte on April 29, 2021. HB445 addresses the following subjects:

- **Update to Warranty Legislation.** MTADA successfully obtained a complete modification of the provisions governing the manufacturer's obligation to reimburse the dealer for warranty repair parts and labor during the 2019 session. Since 1991, Montana law provided that a dealer was entitled to use the same labor time guide for both warranty and retail customer work. Inadvertently that provision was omitted in the 2019 bill. The 2021 revision gives the dealer the option to use either the factory labor time guide or the guide the dealer uses for retail customers. General Motors has already indicated it will honor the dealer choice option.
- **Update to Add Point Legislation.** Changes to threshold requirements manufacturers must meet to add another franchise in a dealer's market area were enacted in 2019. In addition, HB445 adds the requirement of good faith action by the manufacturers.

- **Permits Registration of a Vehicle with Multiple Owners.** DMV guidance to county treasurers resulted in a Montana resident vehicle owner who had non-resident co-owners unable to register the vehicle in Montana. As a result, HB445 modified the statutory language to allow such registrations. MTADA and DMV cooperated in drafting the revised language.
- **Loaner Plates.** Under prior law, most dealers used demo plates for their loaner vehicles. Those plates have a 72-hour usage limitation when used as customer service loaners. HB445 creates a "loaner plate" that a dealer will obtain from DMV for \$25.00 per plate per year. Authorized for new vehicles on an MSO, dealers provide plates to customers with vehicles in the service department or body shop. No limit is set on the time of customer use. The plates are transferable to any new vehicle in inventory still on an MSO, and no registration or titling of the vehicle is required.
- **Administrative Remedy for Dealer/OEM Disputes.** HB445 creates a mandatory mediation process as the first step to resolving any dispute between a manufacturer and a dealer. After a demand for mediation is served, the parties jointly appoint a



Since 1991, Montana law provided that a dealer was entitled to use the same labor time guide for both warranty and retail customer work. Inadvertently that provision was omitted in the 2019 bill. The 2021 revision gives the dealer the option to use either the factory labor time guide or the guide the dealer uses for retail customers.

mediator and conduct the mediation within 20 days of the demand. The mediator must be a Montana attorney with some knowledge of the car business. If the parties cannot agree on a mediator, either party can have one appointed by a state district judge. The language and information – obtained from Wisconsin law – indicate 90% of all dealer/OEM disputes are resolved in mediation. If the mediation is unsuccessful, the aggrieved party will have the right to file a petition with the DMV under the Montana Administrative Procedures Act. The decision of the hearing officer is still subject to appeal to the state district court and the Montana Supreme Court.

- **Authority for MTADA to Bring Suit on Behalf of the Dealer Body as a Whole.** HB445 provides statutory “standing” to allow MTADA to bring suit in its name on behalf of members under certain defined circumstances, generally when the issue applies to dealers across the board statewide.

Along with a panel comprised of members of the Legislative Committee, Bruce and I dived deeper into the details of HB445 during the June 2021 MTADA Convention. We plan to provide a more detailed explanation of the legislation, hear your comments and answer your questions. 🌟

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A LOOK AT EXECUTIVE ORDER NO. 1-2021

L.T. GOVERNOR KRISTEN JURAS



"We heard loud and clear that Montana's regulatory schemes burden them. Too many unnecessary burdensome regulations cost them time and money. It's past time to cut back this thicket of red tape, and it's one of my top priorities."

Governor Greg Gianforte

Executive Order No. 1-2021 creates an advisory council to review the time and resources our citizens, farmers, ranchers and business owners are spending understanding and complying with the rules and regulations set forth in the Administrative Rules of Montana. In short, this executive order is looking at doing away with the burdens of excessive red tape.

A 2019 CNBC online article ranking put Montana in 33rd place nationally when it came to excessive red tape. The article applauded the quality of life but criticized its "sluggish, low-tech economy." Three out of 10 categories received a D- (access to capital, technology and innovation, and the workforce), three received a D+ (cost of living, the economy and education), two received a C+ (business friendliness and infrastructure), one (quality of life) was graded B, and one (cost of doing business) was graded A-. Montana's citizens seem to have agreed that the state had problems when it came to ease of moving commerce along.

Governor Greg Gianforte (R-Mont.) was elected as Montana's 25th governor Nov. 3, 2020, after a campaign that focused on improving Montana's economy.



Our goal is to leave no stone unturned as we identify excessive and unnecessary regulations, and we're relying on public input to do that. We have a portal on the governor's website where all stakeholders can submit comments, which we encourage your members to do. We'll also be holding listening sessions over the next several months throughout the state.

Governor Gianforte had the largest margin of victory since 1920 for a first-term governor and won more votes than any other gubernatorial candidate in the state's history. He had previously served as an at-large U.S. Congressional Representative (2017-2021).

Governor Gianforte created the Red Tape Relief Advisory Council Jan. 5, 2021, and chose the lieutenant governor, Kristen Juras, to be its presiding officer. She is a fourth-generation Montanan. A report and plan were due Aug. 1, 2021, and the council is set to disband Dec. 31, 2021. The council has been asked to correct the balance on regulatory reform within the state.

This is an exciting initiative and one that has been well-received by small business owners all over the state. Governor Gianforte and Lt. Governor Juras are welcoming reform suggestions and have set up a website for feedback.

MTADA had the opportunity to recently touch base with Lt. Governor Juras about Executive Order No. 1-2021:

Q: The executive order creating the council includes startling information about the need for creating the council. It states that the Administrative Rules of Montana contain 4.7 million words that would take an average reader 263 hours to read. That's a lot of words and a lot of time to be fluent, if you will, in the rules and regulations. It's safe to make the assumption that probably no small business owner has read the Administrative Rules of Montana. Would you agree?

A: Absolutely. Some of the rules are so complex that a business owner has no choice but to hire an attorney to navigate them. Unfortunately, that's an expense that's often passed onto the consumer, making it more difficult for Montanans to pay for goods and services.

Q: The reality is that most states would have rules and regulations that most small business owners find burdensome and difficult

to navigate. This situation didn't happen overnight. Why is now the right time to act?

A: We have a governor who is committed to improving the business climate and creating more job opportunities in Montana. Improving Montana's regulatory climate is a top priority of Governor Gianforte's, which is why he created the Red Tape Relief Task Force on his second day in office. He's charged us with conducting a top-to-bottom regulatory review of all state agencies to identify excessive, outdated, and unnecessary regulations.

Q: Why were you chosen to preside over the council? How has your work as an attorney and law school professor prepared you for this challenge?

A: Having represented farmers, ranchers, and small business owners for thirty-eight years, I'm familiar with the roadblocks and delays associated with a burdensome regulatory environment. Governor Gianforte and I have heard these Montanans loud and clear, and we're taking steps to provide them with much-needed red-tape relief.

Q: The council is supposed to have one employee from each state agency with rulemaking authority. How many people are currently serving on the council?

A: The council is comprised of fourteen members – one person from each of our thirteen state agencies and myself.

Q: How are you ensuring that all stakeholders get a voice on the council without allowing progress to stall?

A: Our goal is to leave no stone unturned as we identify excessive and unnecessary regulations, and we're relying on public input to do that. We have a portal on the governor's website where all stakeholders can submit comments, which we encourage your members to do.

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We'll also be holding listening sessions over the next several months throughout the state.

Q: Where does the committee currently stand on the work to be done?

A: Right now, each agency is developing a customized plan to implement regulatory reform within their individual state agency. They are reviewing their regulatory framework and identifying rules that are burdensome and outdated for recommendation to the governor.

Q: What will happen after the committee issues its report?

A: By Dec. 31, 2021, we will have an inventory of rules and statutes ripe for regulatory reform by Governor Gianforte. We'll begin the rulemaking process in February 2022.

Q: This article is for Montana's auto dealer industry. How will the council's work benefit them?

A: Through regulatory reform, we will streamline permit processes, reduce errors, improve response time, and reduce the number of regulations hamstringing Montana's auto dealers.

Q: Who are the other beneficiaries of regulatory reform?

A: With 4.7 million words in the Administrative Rules of Montana, burdensome regulations affect every Montanan. All Montana farmers, ranchers, businesses, and consumers will benefit from a better regulatory framework. The governor's regulatory reform will help grow Montana's economy and bring good-paying jobs to Montana.

Q: One year seems like a very short time to solve such a large problem. Will the committee be able to complete its work by Dec. 31, 2021? If not, is an extension realistic?

A: This is a marathon, not a sprint. Reviewing and rolling back unnecessary regulations is a long-time priority of the governor's to help grow Montana's economy, and we'll continue to review regulations on a regular basis.

Q: Is there anything else you would like to say to MTADA's members?

A: We want to hear from you! Visit our online portal at <https://governor.mt.gov/Red-Tape-Relief> and submit your feedback on how we can cut back the thicket of red tape in the auto dealer industry. 



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JACQUELYN GOMES Q&A



Q: Tell us about your company.

A: My company is brand-new, but I have dreamed about starting it for more than 10 years. It is set up specifically to work with the MTADA trust. In the recent past, I've supported MTADA from the carrier side. My work taught me the ins and outs of how the carrier industry runs. I have also worked for years with multiple employer welfare associations (MEWAs).

Bruce and I have worked together, off and on, since 2009. I respect everything he does. He approached me about the trust because I have worked in the insurance industry for 15 years, and I come with a strong background in the financial side. The trust gives me the perfect opportunity to support the MTADA dealers as an independent consultant.

Q: How did you get involved in the insurance industry?

A: I worked as a finance manager for a dealership in California before I moved to Montana. However, I wanted a better schedule, and Blue Cross Blue Shield was hiring. After I started working for them, I realized I had found my calling, and I couldn't think of doing anything else.

Q: You will be working with the insurance trust for MTADA. How do you feel about working with MTADA members?

A: I'm excited to be working with the auto dealers because it means I have come full circle back to the dealership industry.

Q: Would you explain the trust? What makes it unusual, and why is it a great solution for dealerships?

A: The trustees are all dealers, so the trust is being managed by people within the industry. Their decisions are made with the needs and challenges of the industry in mind. The trust's focus is on quality benefits and high-touch support and services.

Q: What would you say to dealers who are hesitant about using the trust?

A: I would stress that MTADA exists to support the many unique needs of dealerships, and the group benefits trust is no different. It was developed for and is still maintained to provide an alternative solution in the market that is designed for and only available to dealerships. When you actually dig into the trust program, here is what you'll find:

1. A fantastic package that works to tackle the cost of care for members and the dealerships
2. Advocacy and high touch resources to help members navigate the complex health care system, before, during and after
3. A full suite of benefits that are available to meet the varied needs of and provide additional protection to employees

4. One on one, personal, on-sight open enrollment education and support
5. And last but not least, comradery. From my experience, you can't beat the value realized when like-minded companies come together. For our dealerships, the group benefits trust combats the financial instability often seen in the insurance industry.

The program is also always evolving, and at the heart of plan modifications, is the feedback and needs of ... you guessed it. Our dealerships!

Another benefit of being focused on dealers but still independent is the goal to help the dealerships and members navigate this complex industry. We want dealers to have the best possible outcomes, so our approach is a one-on-one strategic partnership. We sit down to craft the best solution to address your dealership's individual needs. While we know the trust program is a great solution, if for some reason it is not the perfect fit, all options will be evaluated, presented, and supported with the same attention to detail and personal touch.

I wholeheartedly believe that we can do a better job than what has been done historically. The trust has an amazing program, and I am thrilled to be part of the solutions MTADA has worked hard to provide.

Q: Tell us a little about yourself. What would you like members to know about you?

A: I am incredibly passionate about what I do. The trust will bring personalized and high-touch support to our members. I've been in this space long enough to recognize the failures of our industry, but I am excited to be part of this group. It has the potential to solve problems and help dealership employees have better lives. 

TIME DEALER OF THE YEAR

TONY PIERCE

Q: How did you become a car dealer? Did you always aspire to be part of the automotive industry?

A: I grew up in the automotive industry. My dad became a partner in a dealership in 1972, and later on, he owned his own dealership. I started washing cars when I was 10, and I worked my way up from there, but I didn't necessarily aspire to be a dealer when I was that young. It was more like I had a clear pathway into the industry, and once I got started, continuing on that career path just happened naturally.

I spent two summers working the service drive when I was still in school, and then one day, my uncle, who was a junior partner at the time, came back to where I was and said he needed a salesperson. He asked me to go out front. That was in July 1996, and I went back to college a month and a half later. After that, I sold cars in the summer and naturally started making pretty good money. If you put in the work and get the training, the sky is the limit. You can make anywhere from \$2,500 to \$10,000 a month.

After I graduated from college, I needed a job. My father told me that I should work at the dealership until I found something else. I started selling cars, and that went well because I already knew what I was doing. I got into management three years later. Since then, I think I've created my own path and opportunities in the auto industry.



Q: In addition to your dad and your uncle, do you have other family members in the auto industry?

A: No. My dad and my uncle created an auto group and then sold it to Lithia. My dad tried to retire after that. He got fully out of the car business, but then he got bored, bought another dealership from my uncle and jumped back in. He officially decided to retire again about four years ago and sold the store. He is now 73. My uncle currently has his own dealership, Pierce Auto Center, in Sagle, Idaho.

Q: Describe your educational background. What did you study?

A: After graduating from C.M. Russell High School in Great Falls, I went to the University of Montana Western in Dillon, Montana. I played college football there. Also, I was involved as the student body VP. I studied business communications and graduated in December 1998.

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

A: I was fortunate to learn from three really, really good people in the auto industry: my dad, my uncle and Bill Cantwell. All three men had different strengths for me to learn from, and it was like having three dads when I was growing up. Bill has been very much part of our family since before I was born.

Q: What is the most rewarding part of your career?

A: Helping the people around me. I enjoy doing things for my employees because I consider them to be family, and I also enjoy giving back to the community in many different ways. Many people don't realize how much a dealership in the community contributes, but even though people may not see that help, for me, making contributions is certainly rewarding.

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

A: Without a doubt in my mind, the most dominant trend will be the evolution of the electric vehicle. Many people are putting a lot of research, time and energy into electric vehicles, and the federal government is pushing for them, too. As people see more and more EV products, dealers need to embrace EVs and get them into the retail marketplace.

The major automakers have been building vehicles since at least the 1930s. The brightest minds work for them, and their engineers have the most advanced technology and the best resources. They got off to a slower start on EVs than Tesla, but they are not far behind, and they bring products and a level of service to the table that Tesla does not have.

The products include the trucks or SUVs we all like. Manufacturers are starting to provide electric versions of the big vehicles, like the F-150 Lightning or the Hummer brand. People will be pleasantly surprised.

Service is important, too. Having an actual dealer network throughout the country is a huge advantage for manufacturers once their vehicles really start to hit the marketplace. Customers can get their EVs serviced at most dealerships across the country. I also expect the franchise dealership network for EVs to expand in the coming years, making it even more attractive for consumers to purchase an EV from a franchise dealership.

Most states, including states like Montana and Texas, have a business model that requires manufacturers to sell through a dealership instead of factory direct. Elon Musk does not want to use franchise dealerships and is fighting the franchise system. He is spending hundreds of millions of dollars to change the rules. But not having a dealer network in place hurts Tesla.

Another trend is autonomous cars, but I don't feel comfortable saying fully autonomous cars will be here in the next 5-10 years, although they are tied to electric vehicles. Right now, you can drive autonomous cars the same way you are accustomed to. The rest of the technology

isn't here yet. I am interested to see how the technology will evolve. I can see using autonomous cars for long-haul trucking, but even then, somebody still has to be there to stop the vehicle, recharge the engine and unload goods. There just won't be as much driving. Also, engineers are still figuring out how to get more range out of electric vehicles. If you switch to a semi, the power to make the load go will be pretty intense.

Q: Why is it important to be an MTADA member? What makes it beneficial?

A: A lot of dealerships in Montana pay dues but don't know what the MTADA does for them. They just know it is important for a new car dealer to be a member. But a state association for auto dealers has many moving parts, and membership is actually a critical component. It's pretty incredible what dealers get for the \$250 membership fee. When they find out, that's when they often say, "Wow, you guys are doing a lot to protect the auto industry."

Obviously benefits are the health insurance program, dealer's suppliers and business with vendors. But there is a big part that most dealers don't see because it is behind-the-scenes work. We carry our voice into the political arena, and we have been able to get laws passed to protect dealers. A large amount of work has gone into that.

Manufacturers arbitrarily closed dealerships during the Great Recession. After that, we reviewed the franchise laws and spent the next 10 years forming relationships with lobbyists and working on those laws to protect dealerships from something like that happening again.

The state Legislature only meets every two years, but we found people to carry our bills to the legislators. Even though manufacturers have spent millions with their lobbyists, we have won multiple battles and have gotten our bills passed. Now we have some of the toughest laws in the country to protect our business. We are treated fairly on all levels, and we have made it difficult for manufacturers to tell us how to run our business. That is the biggest benefit the association has given its members.

Q: In looking back at this year, what stands out for you? Are there any accomplishments you are especially proud of?

A: The thing that stands out for most dealers is the pandemic. Nobody has ever been faced with anything like this before. But our employees excelled, we all got creative, and we have come out the other side feeling pretty good.

We had a local Chevrolet dealership, Duane Sparks Chevrolet, which was on the verge of being eliminated by General Motors. Duane had been struggling, and General Motors gave him a year to sell the franchise, but he had been closed for a year and hadn't been able to find a buyer. We wanted to keep the franchise in the community. It's still a viable brand, and it wasn't just Duane who would have been out of a job. I was able to help Duane out and work

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“ Things can change fast in the car business because it is always month to month, and you never know what the next month will be like.

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with General Motors, and I kept the franchise. Duane, who is 73, was able to retire.

Q: What does the TIME Dealer of the Year nomination mean for you?

A: The nomination means a lot to me, and it is really special. Being recognized by peers at that level is awesome. It tells you the magnitude of the relationships that have been built. At the same time, I still feel a bit surprised. I've put in a lot of effort over the years, but I have a small dealership, and I live in the center of Montana. I am grateful for the recognition.

Q: Are you involved in any civic or charitable organizations?

A: We like to support anything that has to do with the youth in our community, and we look for organizations that have a positive impact on children's lives. There are so many things you can give to when you are a dealership. For example, we support the Boys and Girls Club of America. We also contributed to the new swimming pool and the local skate park. We also serve on boards and work to make a difference there too. There are so many ways a dealer can support the community.

About eight years ago, I worked with about 10 people to raise money and bring the Professional Rodeo Cowboys Association (PRCA) Rodeo to the Central Montana Fair. The rodeo coincides with the fair and promotes the western way of life. It brings top-level talent here. Bringing the rodeo here was very rewarding and has been great for the community.

Q: What three things have you learned that you would pass on to someone you are mentoring?

A:

1. Have a positive attitude and don't give up during challenging times. We have a four-word term that we turned into an acronym: enthusiasm makes the difference (EMTD).
2. Embrace change, and don't be afraid of it. Just because we did something one way 10 years ago doesn't mean we need to do it the same way this time.
3. Listen to others. If somebody is successful, listen to what they have to say, and see whether you can apply their suggestions to your life.

Q: What does the best day in this business look like for you?

A: At the end of the day, when I look in the mirror, the question is whether I did everything I could to make a difference throughout the day. Even if something negative happens, I look at how I handled it. Did I do everything possible, and did I work to the best of my ability? If the answer is yes, then that is what the best day looks like to me.

Q: Was there an “aha” moment in your career that defined you?

A: When I purchased this store in October 2007, the dealer I bought it from had gotten to the point where he didn't care about the car business anymore. Then I took over Oct. 17, 2007. It's a small community anyway, but when I took the store over, I was alone in the showroom, by myself, for an entire week, without a single customer.

That was my “aha” moment. I had thought I was going to have people coming in and seeing me, and I didn't. My family was young; my son was 3, and my daughter was 4. My dad was supportive, but I had no guarantees that things were going to work out. I didn't have a lot of money to work with. There wasn't even enough money in my account to cover a month's expenses, even though I only had a skeleton crew, so I needed to sell some cars immediately. I thought, “Man, what am I going to do? This is not a good situation. How am I going to handle it? Where do I go from here?” I decided to change my approach, and I changed the name of the company.

Building relationships in the community makes a difference. I knew I needed to go to people instead of expecting them to come to me, and I decided to think of myself as if I were the mayor, so to speak. By doing that, I thought people would start to come into the store because they liked and trusted me. I went downtown to the local café, and I introduced myself. Also, I got my name out there by asking the newspaper to do a story about me because I was the dealership's new owner. That was free advertising.

We sold eight cars the last week of the month. That told me we could make the dealership work even with a skeleton crew of about 10 people. The next month we sold 19. The month after that, we sold 26. It took a lot of hours and sacrifices, but the momentum built from there. That was 14 years ago, and now I have been nominated as the TIME Dealer of the Year.

Overhead was much less back then. We didn't have as many employees or as nice a facility as we have now, but we made a go of it. Nobody had a job description. It was stressful, oh man, but it was fun. We were able to make money. In addition to sales, I had two guys in parts, four guys in service, and one in the office. We came to work and did what needed to be done to be successful. We each washed our own cars. Just reflecting on that time, it was fun, for sure.

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



A: When it comes to an all-time favorite vehicle, I am torn between the Chevrolet ZL 1 Camaro convertible and the Jeep Wrangler Rubicon 4-door. But I also like trucks, and that is what I primarily drive. I don't change trucks often. My current truck is my favorite kind, a Ford Super Duty Platinum Diesel.

Q: Please tell us about your family.

A: I have been divorced for 1.5 years now. Lisa is an awesome mom and a good person, and we have a son and a daughter together. We have a good relationship; we communicate well and there's no animosity. Her influence reflects itself in the children, and both of them are going to do well.

My son, Truman, is a freshman at Rocky Mountain College in Billings, Montana. He has an academic scholarship, and we hear nothing but compliments about him. He wanted to be pre-med for six years, but that changed suddenly, and now he is talking about business finance. He's still on the fence, but he'll do great either way.

My daughter, Morgan, is a senior at Fergus High School in Lewistown, Montana. She's a former Miss Montana Teen USA for the 2019-2020 term. She had to do online appearances instead of going places in person, but she handled herself great. Morgan has been dancing since she was 5, and even though she wasn't able to dance during her time as Miss Montana Teen USA, she is back now. Dance has brought her a lot of opportunities in life; opportunities to travel and dance.

Q: What is your favorite way to spend your free time? Do you have any unusual hobbies?

A: I wouldn't say I have any unusual hobbies. We do lots of outdoor recreation and don't spend much time at home on the weekends. We go boating, we enjoy riding a side-by-side four-wheeler, and we snowmobile in the winter.

Q: Do you have any last words?

A: I started with nothing and built something, but I will never forget where I came from. Roots go deep.

Things can change fast in the car business because it is always month to month, and you never know what the next month will be like. You can go from a great month to a bad month, but you are born again on the first day of every month. 🌟

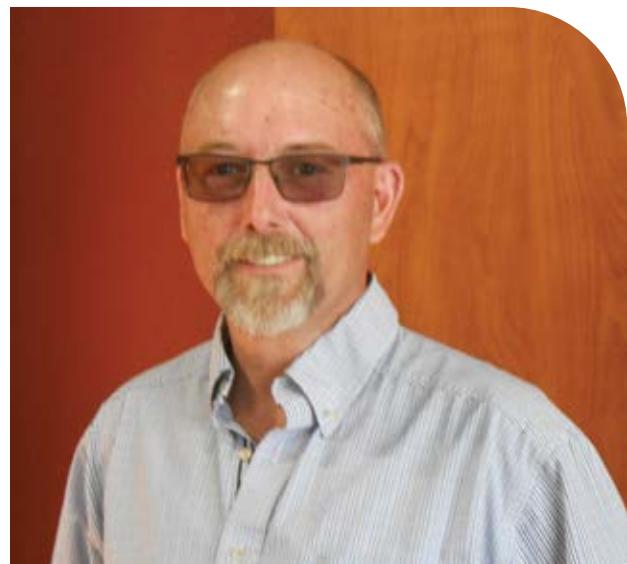
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GETTING TO KNOW BOARD MEMBER **WADE REHBEIN**



Q: How do you pronounce your last name?

A: It's pronounced Raybine.

Q: You have a degree in automotive mechanics from Northern College in Havre. What life lessons did you learn there?

A: My background has always been in the service business. I studied diesel technology at college, and then I went into road construction after that. I applied all of what I learned to the construction work I did. Now that we have the dealership, my background has really helped us with our shop.

We have a lot of trucks because we have a lot of construction customers. Many of them are people I've worked with. My uncle and I each own half of the dealership, but Marvin also has a large construction outfit. As a result, we have ties with

“ My background has always been in the service business. I studied diesel technology at college, and then I went into road construction after that. I applied all of what I learned to the construction work I did. Now that we have the dealership, my background has really helped us with our shop.

other companies we can sell to. We specify how we want Ford to build the trucks, then we set the trucks up and support them after we've sold them.

Q: How did you go from owning an independent automotive repair shop to being the general manager for the local Ford dealership in 2006?

A: When I got married, I quit working in the construction industry and went to work for the county for a year. I repaired cars in the evening, by myself at first, and then with a friend when it got busy. Eventually I opened an independent store and started selling used cars. In 2006, the Ford garage needed a manager, and then the owner wanted to sell the dealership. I shut down the independent store, and I managed the dealership until Ford approved our franchise purchase.

Q: What did your repair shop years teach you?

A: Most of what I learned is about customer service and the ins and outs of the repair industry. I learned how to work on all kinds of makes and models. We sell very few trucks, so I lean heavily to the service side of the business. I do a little bit of selling with fleet stuff, and I do bed and truck layout configurations depending on what the vehicle will be used for, whether it's a flatbed, crane or Tommy lift. That's what I've always done.

Q: You bought the Ford dealership, changed the name to Rehbein Ford, and opened for business in October 2008. That was right in the middle of the Great Recession. Tell us about that adventure.

A: It was an awful time when it happened, but I am happy I went through it because it taught me to be prepared and save money.

Marvin and I built a brand-new store that opened July 24, 2008, and we moved in right after that. We changed the name of the dealership in October. January 2009 was the worst month ever. We sold one truck and had to lay off a couple of people. Our general manager had a strong background in service, so we

transitioned to doing just service. After three months, we hired everybody back.

The best thing I learned from the recession was to be cautious. You can work your whole life to build something, and you don't realize how fast you can lose it. We take a close look at anything we do that will increase overhead or cost a lot of money to make sure we get a good return on the investment.

Much of the credit for surviving the Great Recession goes to my uncle. He had a financial background, which helped us, and he also helped with money to make it through. He doesn't do a lot of the day-to-day business, but he constantly sells when he travels.

Q: How did your dealership do during and after the pandemic closedown in March 2020? What lessons did you learn, and how did the many product shortages affect your business?

A: We're in a little rural town. We don't fly because we never took off that much, and we never soar. We always have one foot dragging on the ground. As a result, the pandemic didn't cause much of a change. But we did focus again on the service department. We had a decent inventory, and things were fine. Parts were the biggest issue because the time it took to get parts was inconsistent.

Only one service technician came down with COVID-19. Nobody else did. That's probably because we are in a very rural town. For an example of just how rural we are, we are located in Sanders county, and there are no stoplights in the entire county.

Q: Many dealerships are open Sundays, but not Rehbein Ford. Is that typical for the area? Tell us about that business decision.

A: It's typical for the area's stores to be closed Sunday. We've never been open for anything unless, maybe, there is a promotion. It's a family day. You've got to have time with your family. There's an old saying: You work to live, you don't

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live to work. Some people do live to work, but we don't, although I do like to have extra jobs going on the side.

With COVID, we also shut down on Saturdays except by appointment. The service department is only open Monday through Friday, and sales used to be open 9-4 on Saturdays. We will probably have to go back to being open on Saturdays eventually.

Q: Many dealerships put a lot of emphasis on service. What are Rehbein Ford employees currently doing to strengthen the community?

A: We are involved in everything. If there's a school or church function or a service guy who is into baseball, we support what we can.

Plains, Montana, is a great place to raise a family because it is such a small community. I was born in Minnesota, but I moved here with my parents when I was in sixth grade, and this is where I grew up. After I got married, I came back again and chose to raise my

family here. My parents are in town, and my younger brother is, too.

Q: Your website has a big emphasis on trucks and preowned vehicles. How much of that is due to the Ford product line, and how much is due to the customer base?

A: The product line and the customer base work together hand in hand. We do have a strong customer base, but Ford also has a very good lineup of the products our customers buy. We match our customers with the right products.

Q: Your website also has a menu item to bring up autos that are less than \$15,000, but June 23, 2021, nothing was listed. How is the used car market right now?

A: A used truck that used to sell for \$15,000 will now sell for \$23,000. There's a huge buyer's market, especially that price range, and high demand drives the price high. You can't find used inventory unless you

spend more money. We're waiting to see what happens, but we are also looking at auctions and searching in more places. We are still selling new trucks, but the new car inventory is also very limited. We have 4-5 to sell.

Q: Do you have expansion plans?

A: When we built the dealership, it was big enough. If anything, it is too big now for a little town, so the footprint is fine. We are very comfortable getting most of our income from the service shop. For us, expansion consists of buying the techs better equipment. That's how we expand.

Not too many dealership owners are driving their own trucks. We have a car hauler and can deliver all our own cars, but we mostly just haul our own stuff. The car hauler helps us when we drive back and forth to the auctions. We are pretty rural, and waiting for a truck would be hard. (Eric owns the dealership that is the nearest to mine, and he's still 50 miles away over the hill.) A semi is better to drive because I can take what we want to sell and bring back what we bought. Our system works well for us.



Q: What are the big issues for Montana dealers in the next 5-10 years?

A: The biggest issue currently is getting inventory and parts. In the long term, it will be finding technicians. There is a definite technician shortage.

It's hard to find younger people with the qualifications to work on the new cars because you just about have to be a computer engineer before you can work on them. The grease monkey days have changed. Now you need computers and laptops, and it's hard to find the technicians who can do what is needed. The service personnel in the shop are important to us. Car dealers can emphasize sales, but if they don't have people to support what they're selling, they have a problem. Who is going to buy an \$80,000 rig if they can't get service on it?

I stay in touch with people at the college up in Havre, and I try to find local guys who like living in a small town. As much as we can, we like to grow our own. If you take somebody and transplant them to Plains,

Montana, they might not be happy because we don't have the stores they are used to. If they are married, their spouses move with them, but if someone is single and moves here, they find that you don't really have a dating pool here. It's more like a mud puddle. That's hard.

We have been fortunate with COVID. We have hired some good people who moved from a good area where the town used to be small, but it grew. They still wanted to live in a small town, so they moved here with all the credentials. We hired a service guy from Nevada. He was a great find. His in-laws were here, and he came with his family. For young guys who are 23-25, they will love it if they like outdoor sports like hunting and fishing, but if someone moves here and doesn't have a boyfriend or girlfriend, that's a problem.

A lot of our staff are women. Ally is a service writer, Heidi is a sales manager, Brittany does F&I, and Pete (her name is Becky, but she goes by Pete) does bookwork and accounting. However, we don't have any women in the service department.

Q: What are your goals as an incoming executive board member?

A: I don't have any real goals other than sitting, learning and giving input when I can. You learn a lot by listening. I may have some goals in a year or so, but first, I have to get my feet wet. I have been to one meeting in Helena, and I've already learned that Bruce Knudsen is an excellent leader who knows how to make everybody else look great, too.

Q: How will your past experiences help you?

A: Managing the dealership teaches you how to deal with people and problems.

Q: What are your personal interests? What do you do for fun?

A: I enjoy collecting, rebuilding and driving cars, especially old cars. The cycle is to fix, drive, enjoy and sell. Also, I collect old gas station memorabilia like gas pumps, signs and pictures. Sometimes I go to swap meets. I really enjoy the old stuff.

My oldest car is a 1934 Ford two-door, which is in the showroom, but I also have four or five others. I sell them periodically.

My uncle owns cars, too. We use them in shows. We can drive them to work in the summertime, but then we put them away in the wintertime.

Q: What about your family?

A: My wife teaches seventh- and eighth-grade algebra in Plains. My daughter lives in Bozeman. She is an aesthetician, and her husband manages a restaurant. They have a little girl. My middle child is a son who lives in Vancouver, Washington, and works for a construction company. He is an account manager. In addition to managing money, he keeps track of job costs. My youngest boy is going to school in Bozeman and studying to be a draftsman.



Jim Taylor Motors

CONGRATULATIONS TO THE 2021 MTADA EAGLE AWARD WINNER

JIM TAYLOR, SR.

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Q: You won the 2021 MTADA Eagle Award! What does winning the Eagle Award mean for you?

A: The Eagle Award is given to those who strengthen the association. I was touched to be considered for it.

I've been working hard the last few years on behalf of the association to get my young partners into MTADA and NADA. I've also brought our dealerships into the insurance trust to support the association. It was really neat to get the award after my work in those two areas.

Mr. Knudsen has worked so hard to grow our association and make it better all the time. You just want to support that kind of leadership!

Q: What did your service as a U.S. Marine teach you?

A: There are a number of things.



First of all, stay extremely calm under duress in the most difficult of times. Second, be disciplined and never, ever, ever give up. And finally, do not be ruled by fear.

Q: What is your educational background?

A: I graduated from Great Falls High School in 1968. After high school, I started college at the University of Montana. During my first quarter there in 1969, I was in a serious car accident, after which, I was financially devastated afterward and could not return to school.

At that time, I knew I was probably going to be drafted because I could not get back to school. So I joined the Marine Corps, because I wanted to be with the best, if I was going to go to war. When I came back from Vietnam, I wanted to go to school on the G.I. bill, and I tried, but then I met my love, my wife. She was young and had two little children. I now felt I had to go to work to support my family.

At first, I worked full time selling shoes in Missoula, while going to school full time. The children had to go to day care, and we never saw each other. It didn't seem feasible at the time to complete college. I then moved back to Great Falls and became a car salesman at City Motor Company. Eventually, I went to work for Rice Motors in Great Falls and was elevated to Management.

Years later, after working in the car industry, I audited a few college courses in business. I knew I would not go back to get a degree, but I wanted the education. It was a good decision.

Q: How did you become a dealer? Did you always want to be a dealer, or did you discover it?

A: It's interesting. I was a car salesman first, and I was eventually promoted to used car sales manager, then to general sales manager. But I was working a crazy amount of hours and still had no time with my family. We had another son by then, and my three children needed a dad. I decided it was more important to figure out how to spend more time at home, so along with my brother Mike and my spouse Bamma, we opened a used car lot. We were struggling financially, but we were making it.

I became friends with Mike Tilleman, and that was serendipitous. He was a Chevrolet dealer in Havre, Montana.



We did business together. He called me and asked me to partner with him and purchase the Chevrolet store in Fort Benton, which is now called JT Motors. Taylor's Automax Buick GMC Nissan, Automotive Credit Resources, and Taylor's Transportation would evolve from this first store.

I don't know how I would have become a new car dealer without Mike's help. I had no financial capability, but he did, and he trusted me. He was very savvy, with significant business acumen. He was also very knowledgeable about the Automotive franchise system.

Mike was a wonderful man who spent his life helping other people. He was just an incredible friend and a wonderful human being. I'm sure many stories like mine surrounded Mike Tilleman.

Q: Which people have been the biggest influences on your professional life?

A: Mike Tilleman is one of them. There are others, especially NADA coordinators and some fellow dealers who are involved in 20 Group. NADA has 20 groups across the country where dealers come together and solve problems. A few of those dealers were very instrumental in my life and my success. There are a number of people who helped me in that arena, and I will always be grateful for their help. Additionally, spiritual leaders in my Christian community have been important to me. I'm also a big reader, which has influenced me, and I'm a history buff, and drawn to inspirational reading.

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Q: What did your mentors teach you? Are there three life lessons you would pass on to the people you mentor?

A: First I would say, be disciplined. Work harder than everybody else around you, but remember to play along the way. Second, find your spiritual center. Find God. And third, be fair, always, with everyone. The right thing may not be the popular thing.

Q: Are you still working, or have you retired?

A: I am not involved in daily operations in any of our stores or businesses, but I am still working on a few projects. I also assist our businesses in large projects, and do our corporate flying.

Q: You founded Jim Taylor Motors in 1989, and you currently co-own the company with Michael Schneider. How did you get to know Michael, and what's the story behind his becoming a co-owner?

A: I got to know Michael Schneider through a longtime friend Dan Clowes, who is now one of our partners at our Taylor's Automax Buick GMC Nissan store. Dan knew that I was looking to have a partner or sell the store in Fort Benton, and he was also friends with Michael Schneider. I was basically looking to retire from that operation, and I had the financial wherewithal and

knowledge, but I didn't have a family member ready to step into Jim Taylor Motors. It's the reverse story that I had with Mike Tilleman. Dan suggested interviewing Michael Schneider.

Michael Schneider has incredible integrity. His family is known for it, and he also has a heart as big as he is. We knew it was a gamble because of his limited financial capability, but it was worth a try, the same way it was with me and Mike Tilleman. He intends to own the dealership. We've been partners for two years, he is doing an incredible job, and he is very successful. He is already a half-owner, and he plans to buy the rest very soon.

My children are part of my legacy as well. Two of my sons are in business with me, and one son is on his own. My youngest son, Jim Taylor Jr and my brother Mark are in charge of the automotive efforts in Great Falls, Montana. I am still partners with my brother Mike and my wife Bamma in all operations. My oldest son, John Schmiedeke, runs our transportation company as its president. Our son Scott has his own large construction equipment sales business.

Q: What are the most important issues facing dealerships in the next 5-10 years?

A: Many interruptive technologies are emerging. They are pointing to the electrification of our industry in the form of EVs. In the northern tier states, we have great distances and a scattered population. Electrification is going to be a complex transition here.

It will be very difficult for dealers to make good, informed decisions and take calculated risks for their futures.

I recommend that Montana dealers stay involved in NADA and MTADA. The two associations will keep them informed at the highest level. The associations are an important source of the information stream these dealers need.

Q: Tell us about your family and your corgi, Gracie.

A: We have three sons and with those three sons, 11 grandchildren. We are an extremely close family. We work hard and play hard together.

Gracie is our director of activity: she is in charge. She is one of the most delightful, engaging, vocal, fun animals we have ever had.

Q: What do you like to do for fun?

A: I'm a musician. I play the guitar. I was involved in a rhythm and blues band for many years, and I've also been a Christian worship leader in the church for many years. I like to ride Harleys and dirt bikes, and I really enjoy boating and snow skiing. Also, I fly high-performance aircraft and I do all of our corporate flying. I tell people I spent 45 years in the car business to get the job I really like, the high office! I also like to golf.

I love to read, and I have a big library. I have studied world history and the history of our nation at a high level. I also love spiritual books, especially Christian Inspirational.

THE IMPORTANCE OF PRIMARY CARE PROVIDERS

By Teresa Liter, SCL Health Montana



One of the most important benefits of good car maintenance is that you will give the vehicle a longer life. Ideally, maintaining your car will not require as much repair on its parts. You should regularly check the fluid levels, tire pressure, lights, brakes, and battery. If you keep these parts in good shape, they'll likely last longer. The same applies to the human body.

Generally speaking, people in good health rarely need medications or need to see a specialist. So it's probably natural that most individuals give little thought to selecting a primary care provider (PCP).

At some point, though, everyone will feel under the weather, which might call for a medical opinion. This is where and when it makes sense to have a provider you can trust and act as the first point of contact in a health care system. A PCP can provide preventive care, teach healthy lifestyle choices, identify and treat common medical conditions, and make referrals to medical specialists when needed.

Many patients, once they find a PCP they like, stay with that provider for decades. With this kind of long-term relationship, PCPs develop a baseline for your well-being and get to know you and your family, allowing for optimal total health management. The relationship you build with your primary care provider is one of the most important you will ever have.

The best PCPs are great communicators who work in teams that keep the patient at the center of all diagnostic and

treatment activities. A PCP team often comprises medical assistants, nurses, pharmacists, and social workers. At any given time, a patient will need support from the team member best qualified to find a solution to a specific problem. This approach extends the reach and efficiency of busy clinicians and helps patients navigate a complicated health care system.

When choosing a PCP, it is essential to consider your current health status and needs. Those with complex needs or chronic medical illness would benefit most from a PCP team that can help with all aspects of health care. Looking for a practice that is a certified medical home is one way to find a good PCP team. Ask questions about the team and how it works.

If you are currently healthy and do not have extensive medical needs, now is a great time to establish a relationship with a PCP who can get to know you and help you meet your health care goals. They will also be there when you need them to ensure you have the means for longer life.

SCL Health has been a partner of the Montana Auto Dealer Association Trust since 2015. We are proud to offer medical resources to ensure members can access the health care they need when and where they need it.

Thank you for trusting SCL Health with you and your family's health care needs. Visit SCLHealth.org/Montana to select a PCP and schedule online 24 hours a day.

RECREATIONAL MARIJUANA IN MONTANA – WHAT EMPLOYERS SHOULD KNOW



On Nov. 3, 2020, almost 57% of Montana's voters approved Ballot Issue I-190, which legalized medical marijuana in the state. Half of Montana's counties approved the measure, which means that legalization will occur by default in those counties. The counties where voters did not approve recreational marijuana will need most voters to reverse their decision before recreational marijuana can become legal in those counties.

Ballot Issue I-90 law went into effect Jan. 1, 2021, but the state has until Oct. 1, 2021, to administer, enforce and issue dispensary licenses. Other laws about marijuana use include the following:

- Constitution Initiative 118 (CI-118) was approved to modify the state constitution so that the legislature could do its work to control the possession and use of marijuana. CI-118 also designated 21 as the legal age for using recreational marijuana.
- H.B. 655 prevents employees who fail a drug test or refuse a drug test as part of a workplace drug policy from getting workers' compensation benefits. There's an exception for employees who take marijuana for medical reasons.
- H.B. 691 will provide guidelines for implementing and regulating the medical marijuana program voters approved. H.B. 691 goes into effect in January 2022.

There are rules about using recreational marijuana.

- You are allowed to smoke it.
- Consumption has to be in private.

- You can't operate vehicles, planes or boats while under the influence.
- You are in trouble if there is enough marijuana in your system to cause impairment.

What constitutes impairment under Montana law? It's not just the amount of THC in your blood; if you act impaired, you are impaired. A driver can be convicted of a DUI with less than 5 ng/ml if they act impaired. However, blood levels are not allowed to be at or above 5 ng/ml of THC.

Legalization is a big step for any state to take, especially since the federal government continues to lag on legalizing recreational marijuana, but that doesn't mean residents (or employees) can use marijuana anytime they want. Specifically:

- Employers don't have to accommodate use or possession on the employer's property or in the workplace. Employees also can't use or possess it while using the employer's equipment.
- They can discipline employees for working while intoxicated with marijuana or for violating a company drug policy.
- Employees can't drive while they are impaired or under the influence of marijuana.
- Employers can put a clause in employment contracts prohibiting the use of marijuana to treat medical conditions, even serious ones, if there is a conflict with a bona fide occupational qualification that is reasonably related to the employee's work. In other



What constitutes impairment under Montana law? It's not just the amount of THC in your blood; if you act impaired, you are impaired. A driver can be convicted of a DUI with less than 5 ng/ml if they act impaired. However, blood levels are not allowed to be at or above 5 ng/ml of THC.

words, penalties and discipline are limited to cases where the employee's work performance is affected.

- If someone violates a workplace drug policy or works while intoxicated, employers can fire them, discipline them or take some other adverse action. Also, employers don't have to hire someone with a record of work-related marijuana use.
- Employees can't file a wrongful termination suit against an employer if the employer fires them because of work-related marijuana use.

The legal line being drawn is reasonable because it is based on whether marijuana use will negatively affect the employer or other employees. As a dealer, you can't refuse to hire, promote or increase compensation for someone if you know they use marijuana when they aren't working and aren't on the dealership property. However, that doesn't mean an employer has to ignore the problem if an employee's job performance is affected by marijuana.

Employers should be cautious about blood tests. A positive drug test is not enough reason to take action against an employee. There also has to be some evidence of impairment on the part of the employee.

Some employers have employees take random blood tests, and they also sometimes ask prospective employees to take pre-employment drug tests. All tests have to be confidential. However, Montana law does not define "intoxication," and there are limits about which employees can be asked to take a drug test.

You should be familiar with Montana's restrictions on drug testing so you can comply with them as an employer. Talk with an attorney if you have specific concerns, but in general, drug testing is legal in the following common-sense situations:

- When mandated by federal law
- When the employee operates or is close to equipment such as industrial machinery
- When the employee handles substances that are flammable or could explode, toxic substances or present some other danger

In 1996, California was the first state to legalize medical cannabis. (Montana legalized medical marijuana in 2004.) California legalized recreational marijuana in 2016. How have California companies handled drug testing? Those employers that test for drug use in prospective employees have usually chosen to ignore tests that show traces of cannabis. Employees are told they can't use marijuana on the job, and the employers trust them to comply.

Employers do have a responsibility to remind employees about existing prohibitions that affect possessing or using marijuana at work. Now is also a good time to update drug-testing policies.

For more information about issues to consider when deciding about workplace rules for marijuana, refer to the following website: <https://www.nationaldrugscreening.com/employee-marijuana-use-checklist-of-impacting-issues/>.

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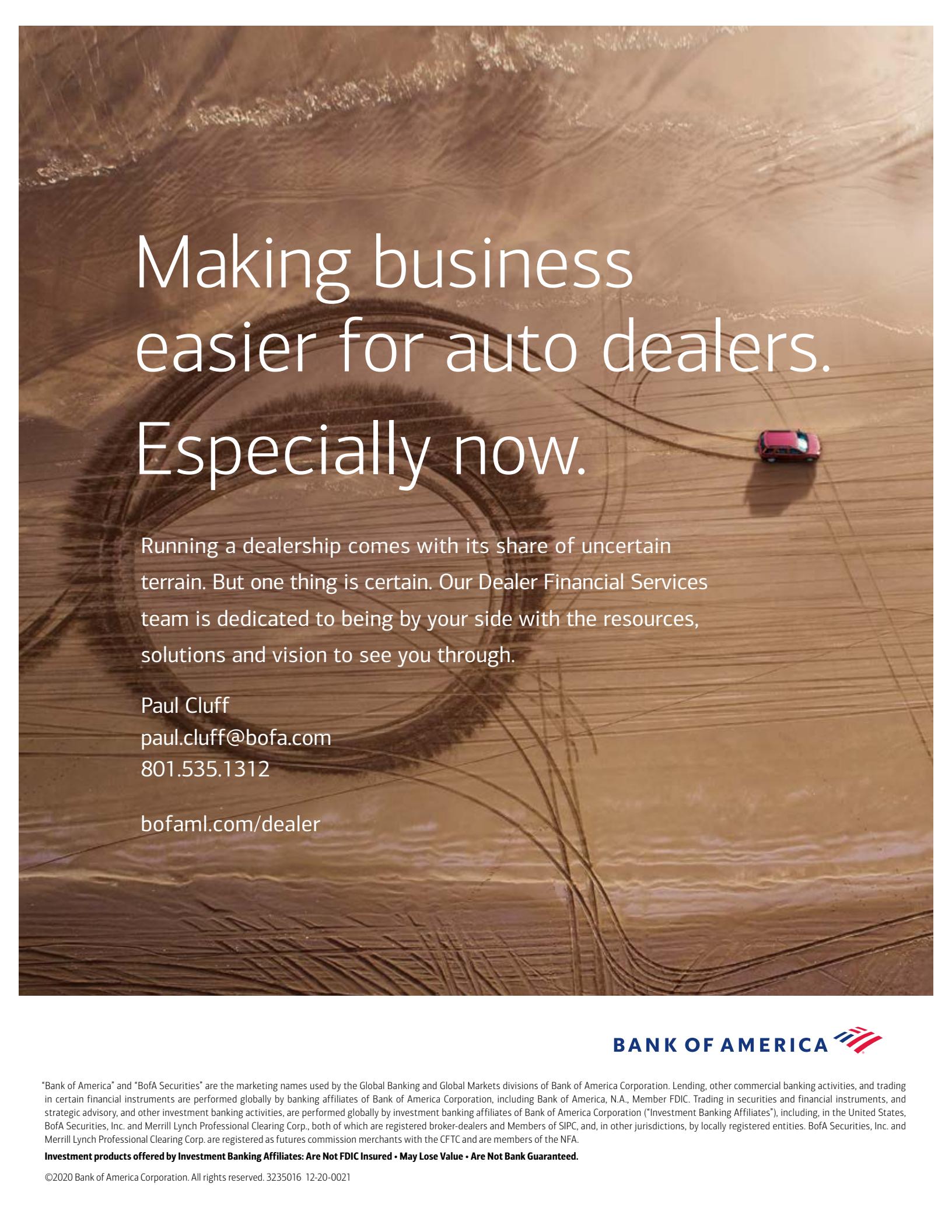
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THE ELECTRIC VEHICLE CHARGING INFRASTRUCTURE PLAYS A SIGNIFICANT ROLE IN BOOSTING THE DEMAND FOR ELECTRIC VEHICLES

During the first quarter of 2021, the number of EV sales in the U.S. was greater than 300,000. More specifically, EV sales outperformed the overall market and increased 81% when compared against Q1 2020. The following table shows the exact numbers:

Category	Q1 2020	Q1 2021	Increase
EVs	68,247	98,832	44.82%
HEVs/PHEVs	99,719	204,921	105.50%
<i>Total EVs, HEVs and PHEVs</i>	<i>167,966</i>	<i>303,753</i>	<i>80.84%</i>
Total Market	3,509,299	3,907,738	11.35%
Percent Electrified	4.79%	7.77%	62.40%

The largest growth was for hybrids and plug-in hybrids. The reason is obvious. Although an increasing number of people are buying EV technology to help counter high gas prices and reduce their carbon footprint, they don't want to risk running out of fuel when traveling, even if traveling only consists of a short commute. Federal tax credits on some popular models have been phased out, though, and that has caused a corresponding decline in sales. The pandemic also caused a decline, but it wasn't as big as many people feared when the economy first shut down in March 2020.

What is currently selling best? Consider EVs first. The main players are Tesla, Chevrolet and Ford. Tesla has the two top spots for 2021 (Model Y is No. 1 and Model S is No. 2), but No. 3 is the Chevrolet Bolt. Chevrolet sold almost 10,000 of them during the first quarter. No. 4, an all-new

version of the Ford Mustang Mach-E, first went on sale in December 2020 and did better in Q1 2021 than Tesla's Model S and Model X combined. Tesla had some additional bad news. The Model 3 was No. 1 in 2020, but year-over-year sales fell more than 50%.

What about hybrid sales (HEVs and PHEVs)? More than 60 different kinds are available in the U.S., but the main players are Toyota, Honda, Ford and Volvo.

Toyota is No. 1. It sold 124,449 hybrid vehicles in Q1 2021. The most popular one was the Toyota RAV4 Hybrid, which accounted for 32,263 of those sales. No. 2, at 26,044, was the Toyota Sienna minivan, which is now sold only as a hybrid. Almost one-fourth of all Toyotas being sold now are hybrids.

Honda is No. 2 after selling 22,000 hybrids in Q1 2021, and Ford is No. 3 after selling more than 18,000 hybrids. Of the vehicles they sold, 7,176 were F-Series pickups. Volvo is No. 4. It sold 2,800 hybrids in Q1 2021.

These numbers are small when compared against sales of traditional combustion engines, but a Pew Research Center survey found that even though only 7% of U.S. adults own an electric vehicle of some kind, 39% said they were very likely or somewhat likely to think seriously about buying one the next time they buy. Almost 1.8 million U.S. EVs were registered in 2020, but that is more than three times as many as were registered in 2016.

Who is most likely to buy an EV of some kind?

- **People who live in big cities and have garages or access to charging stations.** In 2015, there were less than 32,000 charging stations in the U.S. That number had tripled by May 2021, and the International Energy Agency expects the U.S. to have between 800,000 and 1.7 million by the end of 2029. The place with the most charging stations is Washington, D.C. (237 stations). No. 2 is Vermont and No. 3 is California. However, the national average is one outlet for 2,570 vehicles.
- **Those who live in Europe or China.** Between 2016 and 2020, the compound annual growth is 60% in Europe, 36% in China and 17% in the U.S.
- **Residents of states such as California, Washington, Oregon, Colorado, Arizona, Hawaii, Vermont and Massachusetts.** In 2018, California had more EVs than any other state (12 per 1,000), with Hawaii in second place (6 per 1,000). Other states in 2018 that had between 1.0 and 1.9 registrations per 1,000 people were Nevada, Utah, Georgia, Maryland, New Hampshire, Connecticut, New Jersey, and the District of Columbia.
- **Those who want to avoid the service shop. The engines are simpler, and so is the maintenance.** This may eventually be a significant factor for dealers, who often benefit from their service departments, but not until more EVs are on the road. Even then, though, less service is not the same as no service.
- **Car lovers who enjoy the combination of great driving performance and almost no emissions.**

It's clear that the automobile industry is moving toward full or partial EVs and away from gas-powered vehicles.

This is especially true because of the current emphasis on providing the necessary infrastructure so owners can rely on being able to charge their cars the same way they currently rely on being able to buy gas.

Now is the time to begin building the infrastructure that will support EVs.

How many electric vehicles (EV) and charging stations are there currently in Montana?

As of January 2021, there are about 1,800 electric vehicles (hybrid and full-electric) registered in the state of Montana. Including all networks and levels, there are about 65 charging locations at the time of this publication. Of those locations, about two-thirds of them are non-Tesla (non-proprietary) level 2 and 3 chargers. In total, there are 7 level 3 DC fast chargers for non-Tesla drivers to rapid charge at, while there are 13 Tesla Supercharger locations.

How much savings can be achieved when using electricity instead of gasoline?

Driving an EV can save over \$1,000 per year in typical energy costs. When primarily charged at home, electricity costs a fractional amount of the price of equivalent gasoline needs. For example, if electricity rates are 12 cents per kWh; charging an EV for 100 miles of range would cost around \$3. Those same 100 miles would cost around \$10 in gasoline for a combustion engine car rated at 25 mpg, and a gas price of \$2.50 per gallon. Public charging prices will often exceed residential electricity costs for offering the convenience of quick charging away from home and are often on par with gasoline price levels.

Do electric cars have the same speed and performance as traditional gas-engine vehicles?

In many cases, even better! While top speeds for EVs are comparable to similarly sized gas-engine vehicles, vehicles powered by electric motors enjoy the inherent benefit of high torque and can get up to traveling speed very quickly. In addition, EV drivers usually express an appreciation for the smooth, quiet and quick performance provided by an electric drivetrain.

Are maintenance costs higher with an EV?

On the contrary, maintenance costs for EVs have been shown to be significantly lower than comparably equipped gas-powered vehicles. Electric vehicles do not require oil changes, have no transmission or exhaust system service/parts needs, and have much longer brake life due to regenerative designs. Fewer moving parts and lower vibration mean a lot less wear and tear on the entire vehicle over time.

Do I need special infrastructure at my home to charge an EV?

No, all EVs come with a standard plug for charging in any home outlet. Many EV owners do choose to install a "Level 2" AC 240V charger at their home to charge their vehicle faster than in a 120V outlet. With their higher power features, DC fast charging units are best suited for many public, transit, and commercial fleet settings.

CONTINUED ON PAGE 38



Case studies of EV adoption rates show that fast public charging is a key component in the successful roll-out of electric vehicles to reduce or eliminate range anxiety.

CONTINUED FROM PAGE 37

How fast do EVs charge?

A standard 120V outlet can charge at about 5 miles of range per hour; a Level 2 charger at 220/240V can deliver anywhere from 10 to 25 miles of range per hour depending on the power limitations of the charger, the vehicle, and the power supply at the home or facility. DC fast charging systems can charge an EV in about 20-90 minutes at 50kW of rated power, and in less than 15 minutes with higher power technology. Some DC chargers can charge more slowly to manage site power concerns while fitting 1-2-hour use cases at 20-25KW rated power.

AC Level 2	DC	DC Fast	DC High Power
3 - 9 kW	20 - 25 kW	50 kW	150 - 350 kW+
4 - 20 Hours	1 - 4 Hours	20 - 90 Mins	5 - 30 Mins
<ul style="list-style-type: none">• Office, Workplace• Multi-Family Housing• Hotel & Hospitality• Overnight Fleet• Supplement DC Charging Sites for PHEVs	<ul style="list-style-type: none">• Workplace, Multifamily• Parking Structures• Dealerships• Urban Fleets• Public or Private Campus• Sensitive Power Supply Applications	<ul style="list-style-type: none">• Retail, Grocery, Mall, Big Box, Restaurant• High Turnover Parking• Convenience Fueling Stations• Highway Truck Stops & Travel Plazas• OEM R&D	<ul style="list-style-type: none">• Highway Corridor Travel• Metro "Charge & Go"• Large Fleet• Bus & Heavy Vehicle• OEM R&D

What is the difference between AC and DC charging?

An AC charger supplies AC (Alternating Current) to a vehicle's onboard charging device that then charges the EV battery. Faster charging is accomplished with DC (Direct Current) technology. A DC fast charging station converts the grid's AC supply, delivering power directly to the vehicle battery with no onboard charging infrastructure needed inside the vehicle.

What is the benefit of fast charging?

Case studies of EV adoption rates show that fast public charging is a key component in the successful roll-out of electric vehicles to reduce or eliminate range anxiety. Drivers are more likely to adopt EV technology when they are assured quick charging availability along their regular commutes and intercity travel routes.

How many DC fast chargers does ABB and Winn-Marion have installed?

ABB has nearly one thousand installed throughout North America, and almost 10,000 installed globally. Winn-Marion has installed several locations throughout the Rocky Mountain region and performed service for partnered ABB networks across the U.S.

Will a rise in EVs strain the electric grid?

Most EV charging is done at home and work in slower AC voltages, and often not during peak demand hours. With strategies like rate incentives and smart charging

algorithms, utilities have a fantastic opportunity to use EVs to balance loads while power producers can better balance generation and demand.

At fast charging sites, while more on-demand, there is still an opportunity to leverage time of use, demand response, and power limiting programs to manage demand. In addition, energy storage technologies may offer demand reduction possibilities.

Are there any incentives for purchasing an EV or installing a charging station?

State and federal incentives are continuously updated and retroactively extended. Eligibility for current charging and vehicle purchasing incentives is dependent on case-by-case factors such as the application (residential/business), vehicle make and age, and timeframe of purchase or install. We recommend contacting your local Winn-Marion representative to help you with incentives for your personal and/or business purchase.



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POST-PANDEMIC DEALERSHIP TRENDS THAT ARE HERE TO STAY

By Sharon Kitzman, VUE DMS



COVID-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 a concierge luxury service is becoming more popular. To do this effectively, you

“

The lockdowns forced some dealerships to temporarily close their doors at a time when consumers moved away from ride-sharing to car ownership.

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 as people avoided high-touch surfaces. 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 cloud-native 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.





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RECONCILIATION IS KEY TO CASH CONTROL FOR DEALERSHIPS

By Dennen Gamradt, Eide Bailly, LLP

Most dealerships have team members who are responsible for accounting and finance. These individuals might be trained in the position or hired for their expertise. Because managing a dealership is complex, it is easy for dealership owners and managers to entrust these individuals with their tasks without strict internal controls, regular check-ins or process and technology assessments.

Today's auto dealers are also managing disruption driven by the COVID-19 pandemic and resulting digital acceleration. They are forced to consider how they might change their business models, which adds a significant load to their long list of responsibilities.

As you can imagine, this leaves a lot of room for error, inefficiency and even fraud. One of the best defenses against these risks is good cash management, which

includes monthly bank reconciliation to confirm your cash is accurate. Conducting a dealership diagnostic check, along with consistent reconciliation, can help maximize efficiencies and profitability.

Why Good Cash Management is Critical for Dealerships

Careful cash management and monthly reconciliation are essential for dealerships to stay viable and pursue business-building initiatives. Understanding your actual cash flow and current cash status helps you identify and avoid risks, find opportunities to nurture and improve your cash flow, and make well-informed financial decisions.

Consider, for instance, that a team member might be entering numbers incorrectly without realizing it, giving

CONTINUED ON PAGE 44



When you conduct or outsource reconciliation regularly, it gives you greater control over your cash. You can catch problems in a timely manner and take care of them before they become costly and detrimental. Inconsistency could be as easy to fix as moving a comma, or it could be a sign of something significant happening in your dealership.

CONTINUED FROM PAGE 43

the appearance that you have more cash than you do. Or that there is regular, barely detectable theft occurring internally, adding up over time.

Timely monthly reconciliations can expose discrepancies like these so you can address them.

What Reconciliation Means for Dealerships

For dealerships, reconciliation primarily refers to bank reconciliation. This is a regular business activity where staff cross-checks the general ledger activity with the actual bank account activity to ensure all transactions are correctly posted. This is how you will reconcile your cash to your account activity. Other reconciliation activities include vehicle inventory and floor plan reconciliation.

Bank reconciliation is central to cash flow management because this regular view of your actual financial activity and cash status empowers you to identify:

- Where you might improve the inflow and outflow of cash
- Opportunities to improve processes
- Unnecessary spending and loss
- Unusual activity and errors

If your bank accounts and cash do not reconcile, it could be something as simple as a miscalculation or something as substantial as fraud. Even a simple miscalculation is worth identifying and fixing to ensure you always have the most accurate understanding of your cash status.

Common Issues with Reconciliation and Cash Control

If you have employees responsible for monthly reconciliations, you must check in with their processes to ensure they complete the task and do so with attention to detail. You must also assess whether you can better support them with process and technology improvements. There are a few ways your reconciliations might be stunted:

- Employees assume any discrepancies will work themselves out, as with pending payments and due-to-process payments in the following statement.

- Employees are not adequately trained to recognize errors and inconsistencies.
- There is no proper segregation of duties, so employees are less likely to catch their own mistakes.
- Employees do not have adequate tools and technology to reconcile errors, particularly in a timely fashion.
- Employees cannot conduct bank reconciliations because they are too busy.
- Owners and managers de-prioritize reconciliations because the business is doing well and other tasks demand attention.
- Employees are participating in fraudulent activity or theft.

To solve these issues, dealership owners and managers must emphasize the importance of reconciliations, ensure segregation of duties and involve themselves in the process to ensure procedures are followed. Outsourcing reconciliation to a third party can also help solve these issues. Using an outside party ensures an unbiased perspective, reduces the risk of fraud and provides assurance that the reconciliation is performed timely and correctly.

Benefits of Regular Reconciliation

When you conduct or outsource reconciliation regularly, it gives you greater control over your cash. You can catch problems in a timely manner and take care of them before they become costly and detrimental. Inconsistency could be as easy to fix as moving a comma, or it could be a sign of something significant happening in your dealership.

Find Internal and External Errors

All manner of errors could show up when you are reconciling your cash. The fault may be with the banks themselves or errors made by your staff. It may even be that employees are consistently making mistakes you can fix with better training, processes or technology.

Identify and Prevent Fraud

Unfortunately, your reconciliations might turn up fraud or theft at your organization. These activities could be incremental and difficult to see, but they add up over time and cost your dealership money. Additionally, you

don't want untrustworthy employees to remain on your staff.

Fix Costly Process Issues

Your documenting, accounting and reconciliation processes could be inefficient and full of bottlenecks that cost you money. Performing monthly reconciliations and having control over your cash will help you get a better view of your processes and where you might improve efficiency overall.

Account for Cash More Accurately

Reconciling your cash each month means you will have a truer idea of what you actually have available, which empowers you to make business decisions from the point of financial security and assurance.

EIDE BAILLY CAN HELP

Cash Management Tips for Dealerships

To support effective cash control and reconciliation efforts, you must broaden the scope from just comparing documents each month. Good cash management requires:

- **Solid internal controls.** Proper internal controls are essential to controlling cash and avoiding risks. They include documented procedures, segregation of duties, approval structures, and activities like reconciliation.
- **Process improvement activities.** Look for process issues that create bottlenecks, causing delays and

leading to errors with your reconciliation and cash management processes.

- **Measure of cash needed.** How much cash you need on-hand will fluctuate as your business and demand changes. It's important to know what you need, what would be dangerously low, and what would be suspiciously high.
- **Constant training.** Keep employees vigilant and up-to-date on good practices, particularly if you update processes or technology.
- **Supporting technology.** Your technology and software may be limiting your capabilities and even costing you money. Consider introducing new technology for more harmonious processes, fewer errors and greater efficiency.

You will want to align yourself with a team of advisors with extensive backgrounds in accounting and consulting with dealerships industries. It is imperative for dealer owners to manage monthly reconciliations consistently and stay alert in detecting discrepancies. 



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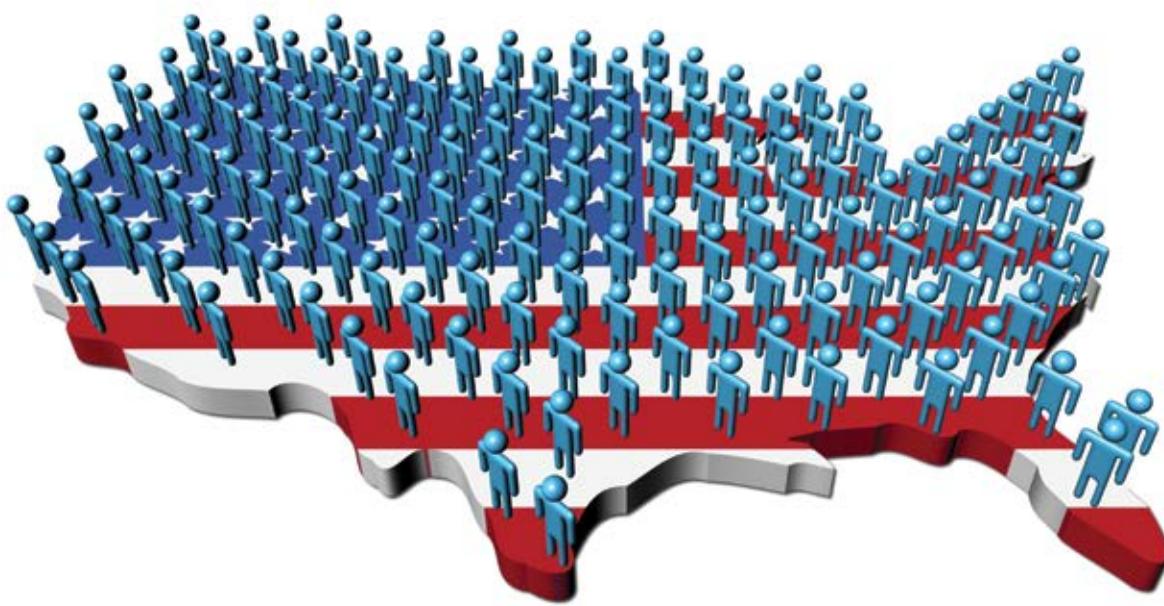
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SkillsUSA MONTANA: AN ACTIVE PARTICIPANT NARROWING THE SKILLS GAP

By Mary Heller, SkillsUSA Montana

Unless you live under a rock, you know full-well the crisis of workforce shortage in all the skilled trade industries. The automotive industry certainly is no exception to this problem. The lack of qualified service technicians is one of the most significant struggles dealerships face across the state and nation.

For the last eight years, I have been in the midst of this issue from the standpoint of trying to help the automotive industry build a quality workforce. For seven years, I was the Director of Career Center/Industry Relations at MSU-Northern in Havre, Montana. I worked with employers across the nation who came to that campus to recruit students trained in the trades programs that college offers, including Automotive Technology. In all that time, the common message from these businesses was: 1) we simply do not have enough qualified technicians in the pool to hire from; and 2) what do we need to do to get more into the pool?

These discussions focused on a central problem we all know about; in general, any skilled trade industry is viewed as “dirty, blue-collar” work. Young kids, their parents, and the guidance counselors at the high schools who play a key role in steering students down a career path have absolutely no idea about the amazing opportunities in careers such as the automotive industry. Not only that, but they also don’t realize that careers in the technician field can be obtained with a much shorter time and monetary investment than other careers that require high tuition costs for at least four years past high school.

Included in these discussions was the frustration from dealerships that the days of working jointly with secondary schools were gone. There are a handful of communities in Montana where dealerships have a well-worn path to the local high school, and those are great partnerships. Many others, however, find the doors closed to them. In my seven-year tenure at MSU-Northern, I was repeatedly asked, “What can we do to get into the high schools to change this ‘bad’ view of our industry, pique the interest of these kids, and educate them about all the opportunities we offer?” My answer to that question is what I have been doing for the last year.

Having a passion for the skilled trades, seeing the ever-growing skills gap, and knowing that more needs to be done in the secondary schools, I became the State Director for SkillsUSA Montana.

What is SkillsUSA Montana?

Historically, SkillsUSA was known as VICA, Vocational Industrial Clubs of America. Some of you may remember that this organization was started in 1965 at the national level. Montana created our association in 1966, and schools across the state had their own chapters. Then, in 2002, the name was changed to SkillsUSA.

So what, exactly, does SkillsUSA Montana do?

SkillsUSA is a national association and a partnership of students, teachers, and industry working together to ensure America has a skilled workforce. At the state level, SkillsUSA Montana has the same vision. We are a 501(c)(3)

Career and Technical Student Organization (CTSO) working integrally with the Career and Technical Education Division of the Montana Office of Public Instruction. There are over 50 chapters in the secondary and post-secondary institutions across the state. Meaning, we have members from junior high school students to college-level students. Our focus is to prepare quality leaders in the trade, technical, and skilled service occupations.

How do we do that?

Our advisors are the “shop” teachers in Career and Technical Education and Industrial Technology using the SkillsUSA Framework curriculum that promotes three components in their classrooms: Technical Skills Grounded in Academics, Workplace Skills, and Personal Skills. Not only are technical skills such as cranking wrenches and abiding by company safety protocols necessary, but so are skills such as teamwork, leadership, work ethic, responsibility, decision making, communication, and integrity. In fact, I’d venture to say that dealerships seek these employability skills in prospective employees over technical skills. Potential employees who bring these “soft” skills to a business at the beginning are much more easily trained because they see the value in having a learning attitude. Those employees then become more productive and promotable. That is our goal at SkillsUSA Montana.

What can we do to help the automotive industry?

We know you need a voice in the public school system. The cultural mindset that your industry is a “dirty, blue-collar” career choice needs to change. We can help, starting at the junior high school level. Our mission is to help educate and inform the students, parents, and guidance counselors about all the amazing opportunities in the automotive industry.

We also know that you demand not just a workforce but a quality workforce. We can open the doors to Montana schools so you can work with our advisors. It is vital for them to fully understand what your industry needs to turn around and guide their students in the right direction. In your direction.

SkillsUSA Montana is the bridge connecting you to classrooms – and a future quality workforce – across the state. 



Mary Heller is the State Director for SkillsUSA Montana. In March 2021, she was also appointed to the Montana Board of Public Education by Governor Greg Gianforte to provide a voice for Career and Technical Education in Montana's secondary schools. To learn more about SkillsUSA Montana, contact Mary at mary.heller@skillsusamontana.org or 406-399-0640.

Interested in narrowing the skills gap? Wondering how to promote your industry in Montana's education sector?

**SkillsUSA Montana is the bridge between
you and Montana's classrooms!**

Who are we?

**SkillsUSA Montana is a partnership of students,
teachers and industry working together to ensure
Montana has a skilled workforce.**

For more information, please contact:

**Mary Heller, State Director
SkillsUSA Montana**

mary.heller@skillsusamontana.org
406-399-0640

To learn more: www.skillsusa.org

**SkillsUSA Montana: Working with industry to
grow tomorrow's quality workforce.**



SkillsUSA Framework

Technical Skills Grounded in Academics

- Computer and Technology Literacy
- Job Specific Skills
- Safety and Health
- Service Orientation
- Professional Development



Personal Skills

- Integrity
- Work Ethic
- Professionalism
- Responsibility
- Adaptability/Flexibility
- Self-Motivation



Workplace Skills

- Communication
- Decision Making
- Teamwork
- Multicultural Sensitivity and Awareness
- Planning, Organizing and Management
- Leadership

SkillsUSA has an impact on the lives of America's future workforce through the development of personal, workplace and technical skills that are grounded in academics.

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- Opportunities to present high-quality content webinars to the members of the Association

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- Listing on the “Thank You to Our Associate Member” page in both issues of the MTADA magazine

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 - 1 registration (additional registrations \$300 each)
 - Booth is an additional fee
- Listing on the “Thank You to Our Associate Member” page in both issues of the MTADA

PLEASE CALL BRUCE KNUDSEN FOR ADDITIONAL INFORMATION AT 406-461-7680

MTADA 4TH ANNUAL TRAPSHOOT

Thank you Vitu for sponsoring the event and a big thanks to all that attended the MTADA 4th Annual Trapshoot on September 13th. A lot of fun was had by both shooter and spectator alike. The day was filled with networking, food, and prizes for the sharpest shooter. We hope to see you at our next event! Learn more at mtada.com.



mtada.com





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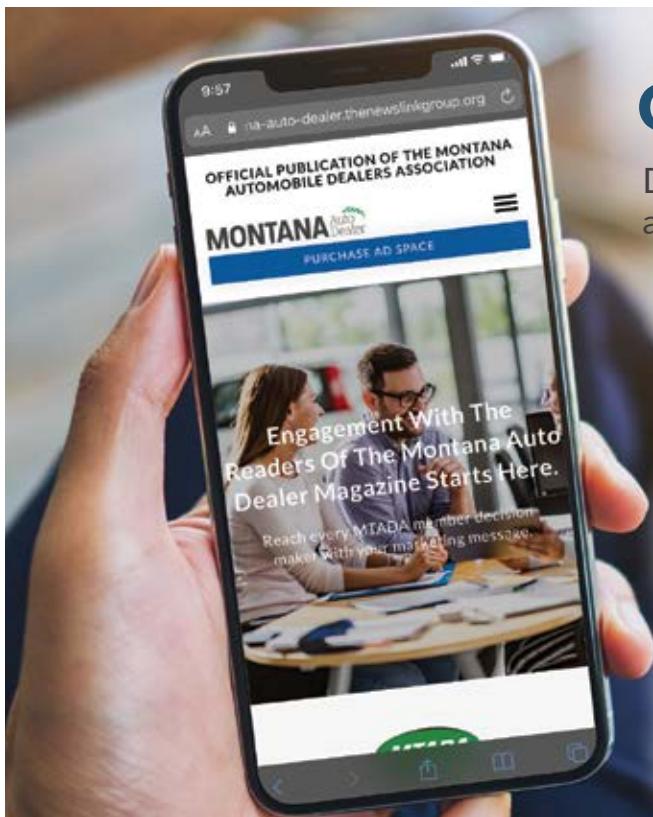
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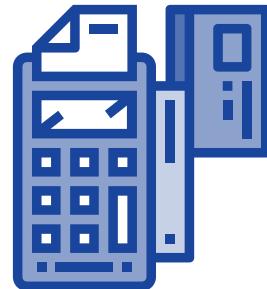
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