

MONTANA Auto Dealer

PUB. 2 – 2022 – ISSUE 1

12 Why You Should Participate In Your Association's Convention

20
Getting To Know Audrey Knight – MTADA's Nextgen Director

36
The Ins & Outs of Dealership Communication



Official Publication of the Montana Auto Dealers Association



Eliminate 100% of credit card processing fees

Payroc enables you to share or pass the cost of processing to the customer. Now, you can cut or completely eliminate your business' credit card processing costs!



More money in your pocket with RewardPay

Primarily used for large ticket businesses, Payroc's RewardPay Choice program allows processing fees to be split between the customer and the business.

Let's say your business has enabled a 4% surcharge but doesn't want to pass all of it off billed at the end of the month (EOM). With RewardPay Choice, we allow the merchant to absorb whatever % they do not want to pass along to a credit customer.

Pay Less, Save More: Example of Savings

- ✓ Merchant signs up for RewardPay with 4% surcharge
- ✓ Merchant passes 2% to credit card customers and absorbs the other 2% billed daily
- ✓ Merchant is still billed for all debit transactions and fees



SAVINGS

Receive 100% of the sales price when customers pay by credit card



COMPLIANCE

Compliant with major credit card networks & individual state restrictions



INTEGRATION

Seamless integration with compatible POS systems



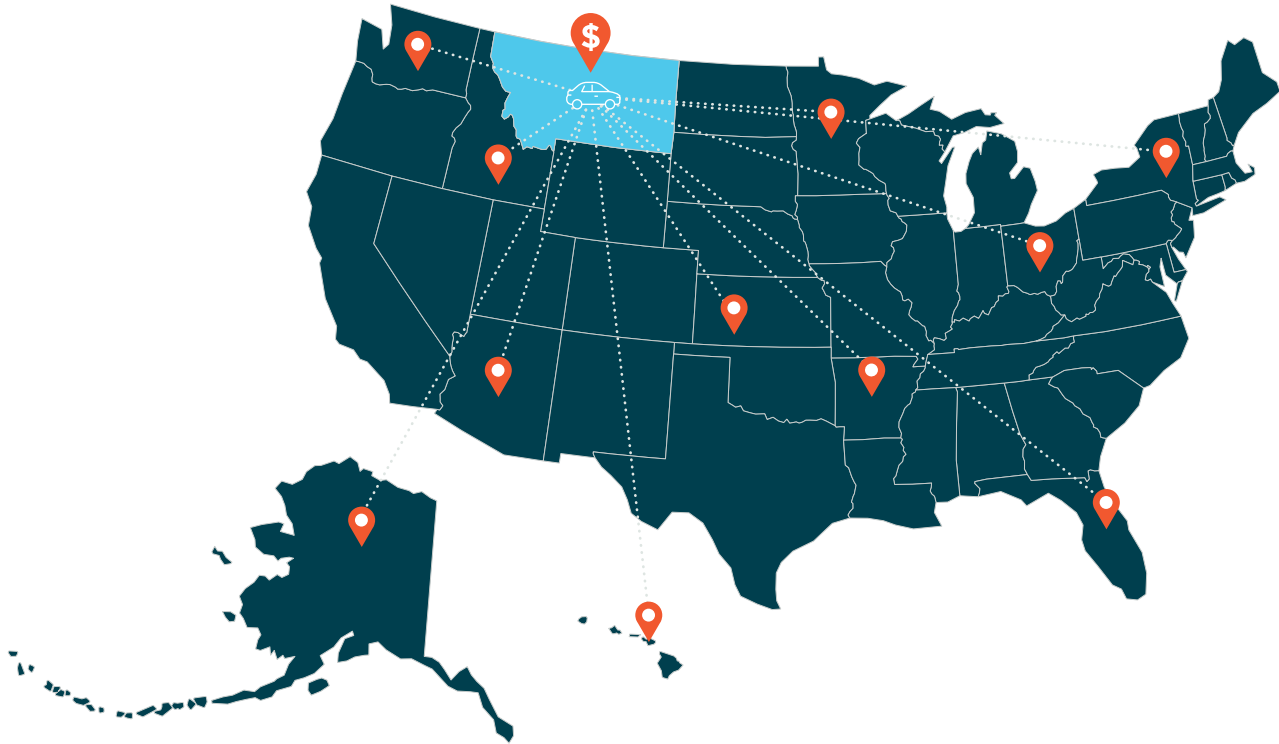
AUTOMATION

Automatic surcharge alert & notice of alternative payment options

Discover How Much You Can Save

Michael Peterson | 406.548.5345 | michael.peterson@payrocsales.com

USE VITU INTERSTATE. NEVER SAY SOS WITH OOS DEALS AGAIN!



Instantly take advantage of:

- On-demand fee estimates
- Ready-to-sign forms for all 50 states
- Full service title & reg after you send the deal to Vitu

*Yeah, that's Alaska!
We mean it when we say,
"we cover all 50 states."*

vitu



MONTANA

Partner

Your National Title & Reg ~~Provider~~

Visit [vitu.com/mt](https://www.vitu.com/mt) or call **844-848-8468**
to learn more and schedule a demo.

AK - Forms & Fees
2020 TOYOTA Passenger

VIN	BODY TYPE	SELLING PRICE	REGISTRATION CITY
XX1BURHE9KC123456	4 door (4D)	\$25,000.00	BETHEL

OWNERS	LIENHOLDERS
Lee Sally A 123 TEST STREET, BETHEL, UNORGANIZED BOROUGH, AK, 99559	Lien 4 You 123 TESTING STREET, PETERSBURG, WRANGELL, PETERSBURG, AK, 99833

FORM SELECTION	FEES APPLIED
<input checked="" type="checkbox"/> INSTRUCTIONS - AK TITLE AND REGISTRATION CHECKLIST	<input checked="" type="checkbox"/> TITLE FEE
<input checked="" type="checkbox"/> 812 - APPLICATION FOR TITLE & REGISTRATION	<input checked="" type="checkbox"/> LIENHOLDER FEE
<input checked="" type="checkbox"/> AK - FEE REPORT	<input checked="" type="checkbox"/> REGISTRATION FEE
<input checked="" type="checkbox"/> 828 - MILITARY AFFIDAVIT	<input checked="" type="checkbox"/> MVRT FEE
<input checked="" type="checkbox"/> 847 - POWER OF ATTORNEY	



CONTENTS

- 5** MTADA 2022 EXECUTIVE BOARD
- 6** MONTANA AUTOMOBILE DEALERS ASSOCIATION EVP'S MESSAGE
- 8** LEGAL UPDATE: CONSUMER LOSES SUIT VS. MT DEALER
- 11** MTADA's 108TH ANNUAL FAMILY CONVENTION
- 12** WHY YOU SHOULD PARTICIPATE IN YOUR ASSOCIATION'S CONVENTION
- 14** VITU: PROVIDING DIGITAL REGISTRATION AND TITLING TECHNOLOGY FOR MONTANA AUTO DEALERS
- 16** MTADA PARTNERS WITH ComplyAuto FOR GLBA COMPLIANCE
- 20** GETTING TO KNOW AUDREY KNIGHT - MTADA's NextGen DIRECTOR
- 22** MICHAEL "MIKE" DEAN TAYLOR NOVEMBER 4, 1956 – APRIL 11, 2022
- 24** MTADA's EMPLOYEE BENEFITS PROGRAMS KEEP GETTING BETTER
- 25** SAVE THE DATE!
- 26** WEIGHING IN ON EVS AND THE VALUE OF DEALERSHIPS
- 28** AUTO BUYING PREFERENCES
- 30** HELPING DEALERSHIPS FIND SKILLED EMPLOYEES
- 35** THANK YOU TO OUR ASSOCIATE MEMBERS
- 36** THE INS & OUTS OF DEALERSHIP COMMUNICATION

©2022 The Montana Auto Dealers Association (MTADA) | The newsLINK Group, LLC. All rights reserved. The Montana Auto Dealers Association is published annually each year by The newsLINK Group, LLC for the MTADA and is the official publication for this association. The information contained in this publication is intended to provide general information for review, consideration and dealer education. The contents do not constitute legal advice and should not be relied on as such. If you need legal advice or assistance, it is strongly recommended that you contact an attorney as to your specific circumstances. The statements and opinions expressed in this publication are those of the individual authors and do not necessarily represent the views of the MTADA, its board of directors, or the publisher. Likewise, the appearance of advertisements within this publication does not constitute an endorsement or recommendation of any product or service advertised. The Montana Auto Dealers Association is a collective work, and as such, some articles are submitted by authors who are independent of the MTADA. While the Montana Auto Dealers Association encourages a first-print policy, in cases where this is not possible, every effort has been made to comply with any known reprint guidelines or restrictions. Content may not be reproduced or reprinted without prior written permission. For further information, please contact the publisher at 855.747.4003.

MTADA 2022 EXECUTIVE BOARD



James Johnson
High Plains Motors
Chair



Erick Anderson
Placer Motors
President



Wade Rehbein
Rehbein Ford
President Elect



Eric Henricksen
Don Aadsen Ford
Vice President



Don Kaltschmidt
Don "K" Whitefish
NADA Director

MTADA Board of Directors

- Eric Henricksen**, Don Aadsen Ford, District 1
- Wade Rehbein**, Rehbein Ford, District 2
- Erick Anderson**, Placer Motors, District 3
- Craig Tilleman**, Tilleman Motors, District 4
- Aaron Jones**, Courtesy Ford, District 5
- Joe Billion**, Billion Dodge Chrysler Jeep, District 6
- Chuck Notbohm**, Notbohm Motors, District 7
- James Johnson**, High Plains Motors, District 8
- Audrey Knight**, Clark Nissan/Hyundai, Next Gen Dealer
- Don Kaltschmidt**, Don "K" Whitefish, NADA Director
- Shane Morinville**, Group Dealership Director

Insurance Trust Board

- Bill Underriner**, Underriner Motors, Chairman
- James Johnson**, High Plains Motors, Executive Member
- Craig Tilleman**, Tilleman Motor Co.
- Don Kaltschmidt**, Don "K" Whitefish
- Robert DeMarois**, DeMarois Buick GMC Truck
- Jim Stanger**, Helena Motors
- Erick Anderson**, Placer Motors
- Erick Anderson**, Executive Member

MONTANA AUTOMOBILE DEALERS ASSOCIATION EVP'S MESSAGE



We are living in turbulent times. At this point, the pandemic and supply chain shortages have become old news even though they refuse to go away. The good news? COVID-19 is declining across the U.S., and manufacturers are doing what they can to produce more vehicles. They are currently using many different strategies to make vehicles, such as having manufacturing plants run night shifts, altering designs to eliminate chip usage, and shipping partially completed vehicles that can be retrofitted later. The entire country is rethinking supply chains, and I have confidence that our supply problems will eventually be solved. Along the same lines, the pandemic may never go away, but medical professionals are doing their best to understand it, prevent it, and (when people are diagnosed) treat it.

But the pandemic and the supply chain aren't the only challenges. The dealership model is still being challenged by manufacturers who want to go around dealers and use a direct sales model instead. Cellphone companies have been using over-the-air data transmission for a while now, and the technology has expanded to applications such as updating autonomous vehicles. These are changes with far-reaching consequences.

We know the dealer model works. It took decades to develop, and now that it is here, it would be foolish to throw it away. Customers benefit from our ability as dealers to look at their needs and help them with any problems

they may have with their vehicles. Now is the time to communicate and help customers understand the value dealers add every day.

Another significant business change that seems to have kicked into high gear is EV production and sales. Although the EV market is growing faster in China than in the U.S., the market here is certainly increasing. In 2010, 1,191 EVs were sold in the U.S. By Dec. 31, 2020, the number for that year was 231,088. That's still a small number compared to the number of vehicles currently on U.S. roads, but EV sales have picked up momentum. Adoption is probably going to be uneven — California will switch over much faster than Montana, for example — but manufacturers are shifting their focus away from combustion engines. On a national level, there will be a great deal of money for building charging stations so that drivers can take road trips and have plentiful choices about where to charge their vehicles if they are away from the outlet or charging station they have at home.

A final challenge is rising interest rates. In March 2022, inflation triggered the first interest rate increase in three years. Some economists predicted 25 basis points, and that's what happened, but it won't be the last increase and might not be the smallest one. There will be six more meetings this year, and the expectation is that the rate will reach 1.9% by the end of 2022. New and used car prices are already high; higher interest rates will make vehicles even more expensive, making it harder for your customers to afford the vehicles they need.

Life isn't likely to get less complicated anytime soon. Still, a time-honored secret to getting through hard times is facing challenges as a group.

MTADA is your ally, and we work hard for you. We advocate for dealerships on a state level, and we help you with benefits, legal advice and a big-picture view of the industry, nationally and locally.

It is my privilege to represent and help you, and it will be exciting to see how everything turns out. But if association members stick together and pool our resources, I am certain we can continue to prosper no matter what problems are headed our way.

BRUCE KNUDSEN
EXECUTIVE VICE PRESIDENT GOVERNMENT RELATIONS
BKNUDSEN@MTADA.COM | 406.461.7680



BACKED BY THE INDUSTRY'S
ONLY COMPLIANCE GUARANTEE



Our confidence is your peace of mind

We are so confident in our software that if you receive a notice of violation from your state's Attorney General (or any other state enforcement agency) or the Federal Trade Commission (FTC) while you're using our solution, we will pay your penalty. No "credits," "discounts" or "points." We'll just cut a check.*

Facts

- The NADA estimated that the new rules would cost even small dealers \$276,925 per year.
- Penalties for non-compliance are \$43,792 per violation.
- ComplyAuto represents 80+ dealers nationwide with a 100% client retention rate.
- Built by dealers, for dealers!

PRICING

Single rooftop dealers: <https://complyauto.com/pricing-single/>

Dealer groups: <https://complyauto.com/pricing-groups/>

Contact us!

info@complyauto.com
<https://www.complyauto.com>
(385) 277-5882



*Terms and conditions apply. See Section 11 of our Terms of Service for more details:
<https://dealer.complyauto.com/termservice>



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

CONSUMER LOSES SUIT VS. MT DEALER

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

A February 2022 decision by the Montana Supreme Court upheld a Summary Judgment Order by Hon. Mike Menahan, First Judicial District Judge in Helena, in favor of Lithia Motors, dismissing a consumer lawsuit brought over the installation of a replacement engine in an 8-year-old Subaru Legacy with 100,000 miles on the odometer.

On Sept. 12, 2017, Lee purchased a used 2008 Subaru Legacy from Lithia. At the time of purchase, the vehicle was eight years old and had almost 100,000 miles. Lee also purchased a two-year extended service agreement on the vehicle from First Extended Service Corporation (FESC) to cover the cost of any unexpected repairs to the vehicle. In November 2017, Lee began experiencing problems with the engine. He took the vehicle back to Lithia for repair. FESC paid the service department to rebuild a portion of the vehicle's engine pursuant to its extended service contract. The engine continued to experience issues following this repair, and Lee took the vehicle back to Lithia. Lithia recommended a full engine replacement with a remanufactured engine. FESC approved payment for the replacement engine under Lee's extended service agreement. Lee initially declined FESC's offer to have the

engine replaced. The remanufactured engine had already been delivered to Lithia, so Lithia had to pay over \$1,000 to have the remanufactured engine returned. Lee then filed suit.

After Lithia's counsel inquired why Lee had declined the benefits of his extended service agreement with FESC, Lee changed his mind and agreed to allow FESC to pay for the installation of a remanufactured engine. An appointment to install the new engine was scheduled. As the date approached, Lee's counsel advised Lithia that Lee was also experiencing issues with the vehicle's clutch. Lithia's counsel telephoned Lee's counsel to discuss a settlement agreement. During this call, Lithia offered to have its service department replace the clutch on Lee's vehicle at Lithia's expense in exchange for a release of Lee's claims against Lithia. Lee's attorney sent a one-line email to Lithia's counsel stating: "Mr. Lee will accept the offer to have the clutch replaced in exchange for settling all his claims against Lithia." Later that day, Lithia's counsel sent a reply email stating that this was "great news" and scheduled the repair work for the clutch. In his reply,

CONTINUED ON PAGE 10

RECONSIDER

EASE OF USE.

CONSIDER VUE DMS.

“What took me 3 minutes on VUE DMS used to take 45 minutes. Customers will remember that forever. That’s important for customer retention and satisfaction.”

Baxter Howell
General Manager,
Brad Howell Ford



Baxter strives to retain top talent. He needed a system that employees could easily learn, to drive the high customer satisfaction that helps his dealership differentiate itself from online vendors. Baxter also wanted a DMS that was accessible offsite and on mobile devices, so he could run the business from anywhere.

Thanks to the flexibility and ease of use of VUE DMS, his employees have become more productive. Between the improved workflows and mobile capabilities, the dealership has sped up the process between sales and F&I, dramatically decreasing delivery time and boosting customer satisfaction.

CONSIDER VUE DMS
866.928.3210 | VUEDMS.COM/MONTANA

CONTINUED FROM PAGE 8

Lithia’s counsel also promised to send a more formal release for Lee to sign at a later date.

Lithia installed the remanufactured engine for which FESC paid, and replaced the clutch at its own expense. The total cost to FESC to replace the engine was \$7,352.06, and the cost to Lithia to replace the Subaru’s clutch was \$1,293.99. After the clutch was replaced and the remanufactured engine installed, Lee continued to drive the Subaru for nine more months and 17,349 miles. He then took it back to Lithia, claiming the new engine had many issues. Lithia’s inspection revealed no significant issues with the vehicle. Lee ultimately traded in the Subaru to Lithia for a new Jeep Compass at a discounted price.

After purchasing the Jeep, Lee went back to court demanding \$11,000 in damages and \$4,500 in attorney fees. Lithia asked the court for Summary Judgment dismissing the case because it had already been settled. Judge Menahan granted Lithia’s motion because the November 2018 email correspondence between the parties’ counsel formed a valid settlement agreement that barred Lee’s continued litigation of his misrepresentation and MCPA claims against Lithia.

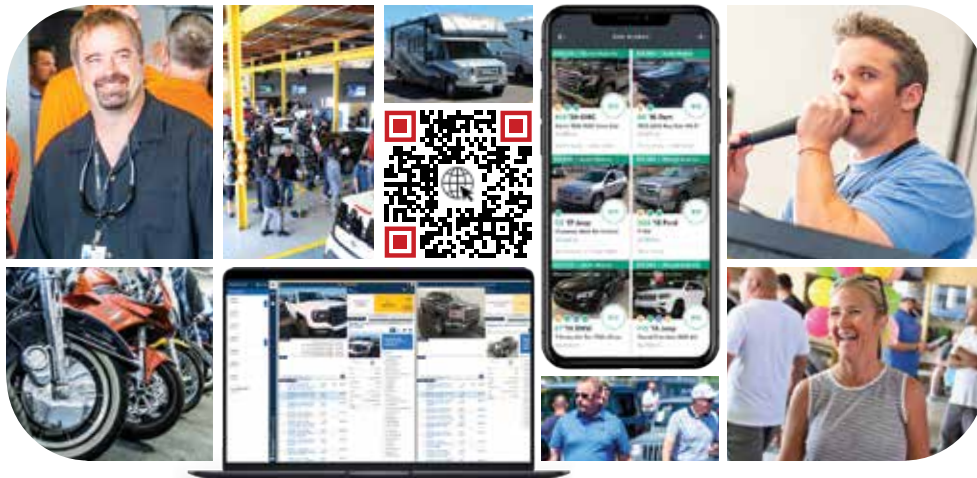
The Supreme Court held it did not matter that Lee had not signed the formal release sent by Lithia, concluding “[i]t is established case law that an unconditional acceptance may bind parties in a settlement agreement, even without a detailed agreement.” In particular, the court noted the clear similarities between Lee’s case and the controlling case of *Hetherington v. Ford Motor Co.*, 257 Mont. 395, 399,

“After Lithia’s counsel inquired why Lee had declined the benefits of his extended service agreement with FESC, Lee changed his mind and agreed to allow FESC to pay for the installation of a remanufactured engine.”

849 P.2d 1039, 1042 (1993), which held that the failure to execute a formal settlement agreement did not bar the formation of a valid agreement when shorter written correspondence between two parties where one party agreed to release all legal claims in exchange for payment from the other party constituted an “unconditional” offer and acceptance.

While it would have been better to get the settlement agreement signed before the repairs were undertaken, Lithia won the case because Lee’s counsel stated in writing that Lee accepted the offer, Lithia’s counsel accepted as well, and Lithia then performed all its obligations, so the settlement was complete – the correct result. 🌿

MEETING YOU WHERE YOU ARE



Facebook Instagram YouTube @mcconkeyauctiongroup

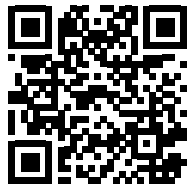
MAG | McCONKEY AUCTION GROUP

magauctions.com AUCTIONEDGE ServNet

MTADAs 108TH ANNUAL FAMILY CONVENTION!

The convention will be held in Billings, Montana at the DoubleTree Hotel from June 9-11, 2022.

We are looking forward to seeing you and your family!



Register Now
mtada.com/convention



Be prepared for the **road ahead.**

Whether you're optimizing operations or preparing for a sale or acquisition, our experienced advisors can help you map the road to success.

eidebailly.com/dealerships



WHY YOU SHOULD PARTICIPATE IN YOUR ASSOCIATION'S CONVENTION

People really do need each other in order to succeed. Association membership can be one of the most important investments you can make professionally, and attending conventions and events is important.

Your time is valuable. So are your financial resources. That being the case, why should you invest the time and money in attending an association convention? Couldn't you have just as much impact professionally by participating in something like social media?

Social media is important, of course, and doing it well can be vital to career development. But there is just no substitute for seeing people face-to-face and talking to them. MTADA provides a valuable way to get you in a room with other people, learning from each other; the resources they provide can strengthen you professionally as well. You might be surprised at the number and variety of resources available to you through an association event.

The Pitch for Professional Development

The top reasons why convention attendance should be a must-do item on your list include the following:

- **Contacts, contacts, contacts:** Everyone talks about the importance of networking, but many people don't understand what networking really is. It's an intersecting of friendships and acquaintances, some strong, some weak, and it isn't something you lock in your desk and expect to keep fresh. If you know someone and never call them or have any regular contact with them, there's always a chance that your friendship will starve a slow and lonely death. More than likely, you will begin to slide away from each other. On the other hand, relationships that benefit from regular feeding will thrive. A cell phone call or a blog entry is better than nothing. But don't you want to raise the bar just a little? A convention is a great excuse for getting together. Share a lecture, a meal, a



MTADA provides a valuable way to get you in a room with other people, learning from each other; the resources they provide can strengthen you professionally as well.

laugh. Done right, it will build you professionally. It might also be fun.

- **Feeding your brain:** How long can you expect to stay at the top of your field – or even just get there in the first place – if you don't ever put yourself in situations where you can get a lot of different information from a lot of different sources in a short period of time? There's a collective synergy that can only come to life when you have many competent, professional people all in the same room, ready to talk shop. Don't fool yourself: search engines can never replace personalized, expert information delivered in real-time. You'll learn about trends, legislation, and important issues by becoming a member and actively choosing to participate.

The Game Plan

To get the most out of any convention, you need to start ahead of time.

- **Do the research.** You want to get an idea of what the program

will be so you can make the best use of your time. You should also read any available publications to figure out the important players and what people are currently involved in. Figuring out where to spend the time might be a challenge; you may have to make some difficult choices. Which speakers will teach you the most? What subjects could have the most benefit for your life? Who are the most important people to meet?

- **Focus on being more extroverted than usual.** Arrive early, stay late, and look for opportunities to meet people. If you are shy and talking to strangers is hard for you to do, focus on making it easier for other people to talk to you. Strangers don't have to stay strangers. Getting into a genuine conversation can happen with remarkable speed once you identify some common interests. At the same time, be polite, but make sure you continue to circulate. You will be in many different social situations while at the convention. Each one is an opportunity for another new conversation.
- **Pay attention to the professional information presented.** Education is a privilege in all of its forms. What you learn during a convention may significantly change or enhance your career direction.
- **Bring business cards, and exchange them with others.** It's easier to reconnect later with someone if you do.

- **Keep initial conversations light.** The first time you talk to someone is probably not the time to talk about your childhood dreams and aspirations. Instead, ask questions about subjects of interest to you, such as finding out major employers in our field, ways to get involved, and skills to focus on for improvement.
- **Take advantage of discounts and handouts.** There may be product and service exhibits that would help you, and the convention cost may be lower than it would normally be.

After the Convention

The convention should continue to benefit you after you leave:

- Your association may offer professional services to members. You may also gain access to directories and journals.
- Seasoned professionals may decide to mentor you.
- Put the knowledge you gained to work and continue to collect more insight as you progress forward.
- Most importantly, look for service and leadership opportunities where you could benefit others, then make sure you give these opportunities your best efforts. You might write and publish articles, serve and eventually lead committees, influence legislation, and become one of the must-meet attendees yourself.



MVD YOUR WAY — ONLINE VEHICLE REGISTRATION RENEWAL SERVICES.

VITU: PROVIDING DIGITAL REGISTRATION AND TITLING TECHNOLOGY FOR MONTANA AUTO DEALERS

“ MTADA recently spoke with Kelly Raines, an operations manager at Vitu since June 2016, about the company, its current Montana products and its plans.

When did Vitu get started, and what does it do?

Don Armstrong and Kelly Kimball founded the company in 2005 to provide digital registration and titling technology for auto dealers. In Michigan, Don created the first U.S. online vehicle and watercraft registration renewal system in the nation. Kelly is an innovator and eGovernment consultant who has been involved in digital systems for worldwide governments. They combined forces with Rob Cohen at an auto dealer compliance consulting company called Auto Advisory Services and developed Vitu's title and registration solution. Vitu now specializes in developing registration and titling solutions for auto dealers, consumers and governments. Most recently, Vitu also entered the payments business with solutions for both auto dealers and governments. Products are built on a modern and secure foundation. We work to deliver the industry's best compliance record and highest customer satisfaction.

As of 2022, Vitu has grown to almost 400 employees and 12 offices in 11 states. Vitu processes more than 400,000 vehicle title and registration transactions per month. In addition, Vitu Interstate provides forms, fee calculations and title and registration processing in all 50 states. It is the newest, most comprehensive and accurate interstate title processing system in the nation.

How long has the company been in Montana?

Vitu established its Montana team in 2018. It has grown to eight members and continues to expand rapidly. Vitu's entry into Montana was led by John Brueggeman, Vitu's Chief Strategy Officer, a former Montana senator born and raised in Montana. After he got out of government, he started working for 3M, then met Don Armstrong and joined Vitu in 2012. He has strong ties to Montana. It may be a large state, but it has a small-town vibe. Everyone knows everyone.

What is the connection between the Motor Vehicle Division and Montana's state government?

Montana's Motor Vehicle Division is housed within the Montana Department of Justice. The Montana State Attorney General, Austin Knudsen, is charged with delivering vehicle and driver licensing services to the public.

What does Vitu do in Montana?

We have a contract with Montana's Motor Vehicle Division to provide consumers and businesses with the latest government technology and services. Over the next couple of years, Vitu will be launching an extensive list of technologies, beginning with consumer services such as online vehicle registration and driver licensing. Next,

we will be deploying systems for Montana's auto dealers, lenders, and fleet operators.

Vitu's first solution in the state was its lending system that allows Montana lenders to electronically file lien releases on vehicles, dramatically speeding up the process for the industry as well as for Montana's citizens and auto dealers. If a dealer reaches out to one of the lenders on our list, the lender can immediately use the portal to release the vehicle online. In the next phase of this project, we will be adding the ability for lenders to file liens electronically as well.

How many lenders are using the lending portal?

For the first phase, we started with credit unions and Montana-chartered banks. We now have 30 lenders out of 110. Many financial institutions are waiting to onboard, but the remaining lenders are on hold until the MVD approves the second phase. During the second phase, we will electronically add lanes so that as soon as a dealer applies for a loan on a vehicle, the dealer can add it so that their interest in the vehicle appears online.

Our new online vehicle **registration renewal** system was launched in September 2021. Montana residents can renew their vehicle registration online, and they generally don't have to go into the County Treasurer's office. Instead, they can visit the MVD website for online vehicle registration renewal, and it redirects them to our website. There are only three steps, and inquiries and checkout are extremely fast. The rollout was smooth, and now we are doing thousands of renewals per month.

Our **inquiries** system allows people to look up information about drivers or vehicles. There is an onboarding process, but it is simple. We ask for some information and have customers sign documents. Once someone has been set up, they can click one link for driver records and a separate link for vehicle records. Typical users include auto dealers, airports, court systems, employers, hospitals, insurance companies, security companies and tow companies.

The only way to pull a driver's license in Montana and see the history on a driver's record is through Vitu. Court systems use it, but not police officers.

Vitu Interstate is for interstate transactions, and there are three levels of service. For full-service customers, Vitu finishes the transaction after the buyer has signed the papers. Vitu follows the rules for the buyers' local jurisdictions during the entire process and delivers plates, registration and stickers. Dealers can track each step of the process until it is complete.

What programs are in development for the future?

Two programs are very close to being rolled out, and some others are further away, but I will tell you about the ones that are almost here. Dealer title-only transactions for digital titles might be available sometime during the first half of the year, and online driver's license renewal should be in place on a similar schedule.

Dealer Digital Titling is an incredible new product. It's cutting-edge and very exciting.

Digital dealer titling is the first phase of our partnership with the Montana MVD to make vehicle titling through auto dealers completely digital. They will be able to process the title transfer online.

When a Montana dealership buys a vehicle and needs to re-title its vehicle into its name, they will be able to log into the Vitu system. Vehicle data will be entered into the Vitu system through integration with each dealer's management system; the transaction can then be digitally signed and submitted to MVD. Dealers will upload any required paperwork, such as a previous title or lien release, into the Vitu system to be filed with MVD.

When Vitu handles the digital-title process, the title will go to the MVD system and be printed at the state office the next day. Dealers will then have three different ways to get the title. If they need it for something such as an auction, they can choose to have the MVD send the title to them. Alternatively, they can ask the MVD to send it to the appropriate party or a one-time separate mailing address.

We are currently testing the process. When the MVD signs off, it will go into beta testing with some dealers, and then there will be a full rollout to the rest of the state and its dealers. It is very, very close to happening.

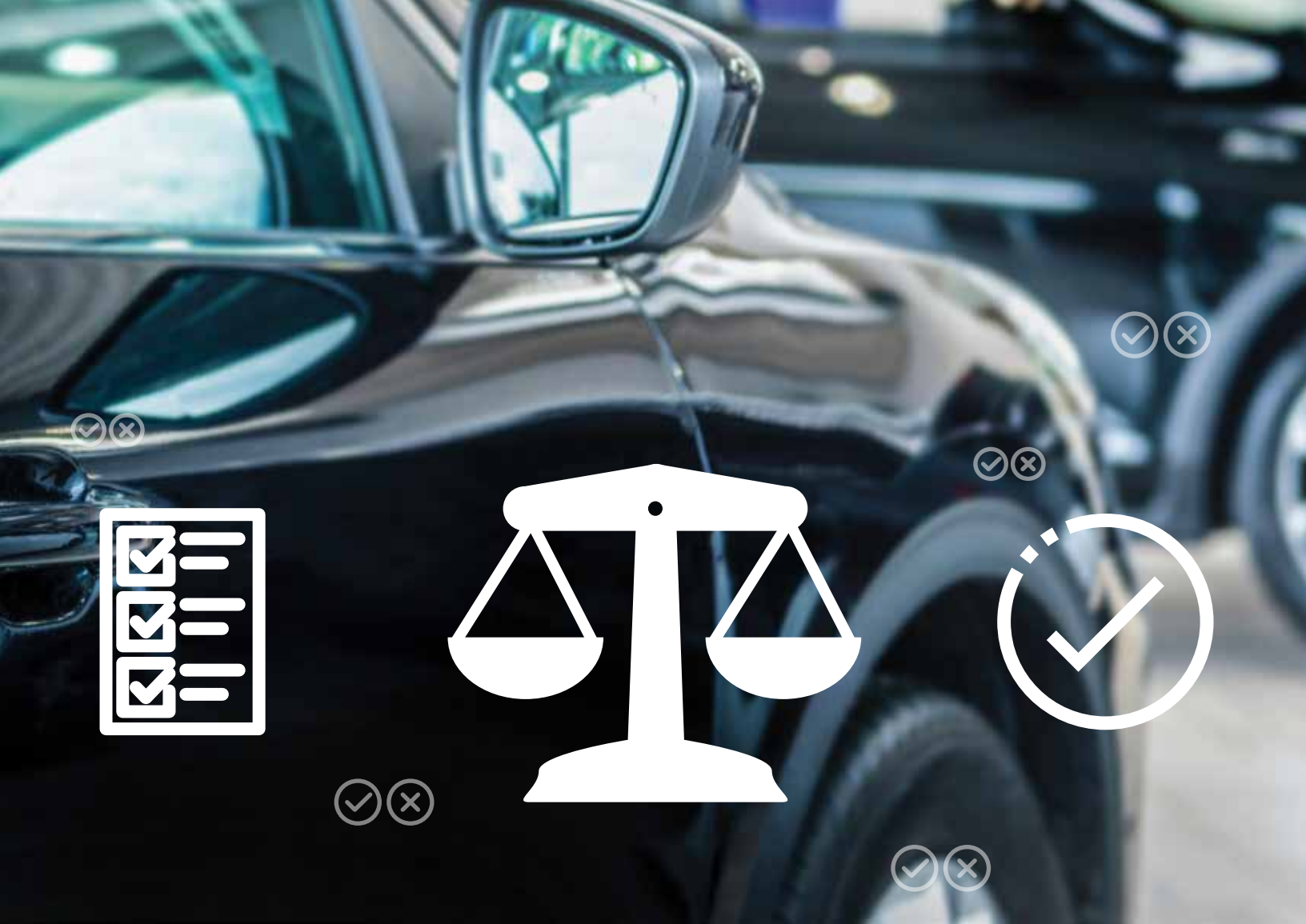
In the next phases, Vitu will implement its complete registration and titling platform. Dealers will then be able to submit title and registration through the Vitu system eliminating the need for dealers or their customers to make a trip to the county office. Instead, customers will be able to choose and pay for their license plates at the dealership. Once the transaction has been submitted to MVD, the license plates will then be shipped directly to the customer or the dealership for installation. All transactions will be available electronically with digital signatures for each form. Vitu will work with each dealer to integrate with their DMS and contracting flow to create a fully digital, streamlined title and registration process.

We are also pretty close to being done with a driver's license renewal system. The MVD has two departments, one for drivers and one for vehicles. Suppose someone has a Montana driver's license but doesn't want to come to the MVD to renew it. Once our system is in place, they will be able to go to a website and renew their license through that, and then the license will be mailed out to them. There will be some restrictions on it, depending on who wants to renew, but the eligibility criteria will be posted on the website, and the software will stop people who aren't eligible from renewing online. 🌱



Kelly Raines is an Operations Manager at Vitu since 2016. For more information visit vitu.com.





MTADA PARTNERS WITH ComplyAuto FOR GLBA COMPLIANCE

The Montana Automobile Dealers Association (MTADA) is continually looking for ways to protect its dealer members, so we are proud to announce a partnership between us and MTADA to help Montana dealerships comply with the Gramm-Leach-Bliley Act (GLBA). We know that Bruce and the rest of the team at MTADA go through a very strict process in onboarding partners, so to secure this relationship is a very validating and humbling achievement. We look forward to helping Montana dealers with this complex set of federal regulations so that dealers can go back to what they do best: selling and servicing vehicles.

Dealers need to be compliant with the updated Federal Safeguards Rule as soon as possible, given that the law went into effect on Jan. 10, 2022. Compliance with these federal regulations will **not** be an overnight solution, and

the penalties associated with not complying are **extremely** expensive (up to \$46,517 per violation, to be exact). Dealers are urged to begin immediately if they want to put themselves in a position to succeed in the ever-changing legal landscape.

With over 60 years of dealer experience, ComplyAuto's dealer-focused suite of tools is helping over 1,000 dealerships across the country achieve state and federal compliance in an efficient and cost-effective way.

What is the revised Safeguards Rule under the Gramm-Leach-Bliley Act?

On Oct. 27, 2021, the Federal Trade Commission (FTC) announced the revision of the GLBA's Safeguards Rule ("Rule") for the first time since the Rule was issued in 2002.

In its announcement, the FTC specifically names “automobile dealerships” as non-banking financial institutions that fall under the purview of these new revisions. The Rule requires dealers to implement operational changes regarding their data protection and cybersecurity measures, such as creating, updating, and implementing a written information security program (“ISP”) to protect consumer financial information as well as to conduct periodic risk assessments to make sure the organization is abiding by strict protocols to protect this information. Dealers must act immediately to meet compliance with the new rules or otherwise face stiff penalties of up to \$46,517 per violation.

What does the revised Safeguards Rule require?

Here is a short list of requirements that impact dealerships the most:

1. Submit a periodic written report to the dealership’s board of directors or senior officers on compliance with these new requirements and the overall status and results of the **Information Security Program (ISP)**.
2. Implement a written **Incident Response Plan** in case of a data breach.
3. Perform periodic **written risk assessments** within the organization that adhere to certain requirements. This will be discussed at length below.
4. **Encrypt** all data in transit over external networks and at rest.
5. Require **Multi-Factor Authentication (MFA)**, such as an SMS/text verification code, for all systems containing customer nonpublic personal information (NPI).
6. Implement a **data retention policy** and dispose of customer information within two years after the end of a customer relationship, unless doing so conflicts with state or federal law.
7. Adopt procedures for **IT change management**.
8. Appoint a single **Qualified Individual** to oversee the dealership’s ISP.
9. **Monitor and log the activity** of authorized users and detect unauthorized use or access of customer information.
10. Implement a system or software to continuously monitor cybersecurity threats, including **annual penetration tests** and **bi-annual vulnerability tests**. This will be discussed at length below.
11. Perform **security awareness training** for all employees.
12. Periodically **assess service providers** for their adequacy of physical and technical safeguards and have agreements that contractually obligate them to implement and maintain appropriate safeguards.

Written Risk Assessment:

The Revised Rule revisits the requirement and expands on it with more detail and specificity. The Revised Rule requires that dealerships create a written risk assessment that includes:

- Criteria for the evaluation and categorization of identified security risks or threats faced by the dealership;
- Criteria to assess the confidentiality, integrity, and availability of the dealership’s information systems

and customer information, including the adequacy of existing controls; and

- Requirements describing how identified risks will be mitigated and how the information security program will address the risks.

Annual Penetration Testing:

New to the Revised Rule, dealers are required to perform annual penetration testing to evaluate the effectiveness of the safeguards’ key controls, systems, and procedures. Penetration testing means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting penetration of databases or controls from outside or inside your information systems. Additionally, the FTC cited “social engineering and phishing” as an important part of penetration testing because the testing involves employees with access to the information system rather than the system itself, which does not exclude them from the definition of penetration testing.

Biannual Vulnerability Assessments:

The Rule now requires that dealers conduct biannual vulnerability assessments to detect publicly known vulnerabilities. Note that these tests, in this context, are not relevant to information in the physical form. In its comments, the FTC notes free resources are available that automate vulnerability assessments, such as “OpenVAS” and “Nmap.org.”

Service Provider Agreements and Other Requirements:

The definition of “service provider” is not updated with this revision, nor is the requirement for dealers to “take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguard for customer information and require those service providers by contract to implement and maintain such safeguards.”

First, dealers should contractually require the service providers (*i.e., any person or entity that receives, maintains, processes, or otherwise is permitted to access customer information through its provision of services directly to a financial institution*) they work with to implement and maintain appropriate safeguards including encrypting the information they process for the dealers. Second, dealers must periodically assess these measures that their service providers have purported to put in place. To accomplish this, dealers should consider requiring vendors to complete a risk assessment questionnaire to ensure the vendor confirms to applicable industry standards regarding physical and technical safeguards. For example, any vendor with access to nonpublic personal information should confirm that they support MFA login and encryption of data at rest and in transit.

Incident Response Plan:

New in the Rule, these required plans must outline goals and address internal processes for responding to security events, define clear roles and responsibilities of parties involved, prescribe internal and external communications and

CONTINUED ON PAGE 18



ComplyAuto is the most trusted privacy software tool for dealers representing over 1,000 dealerships and some of the largest groups in the United States.



CONTINUED FROM PAGE 17

information sharing, identify weaknesses in information systems and how to remediate, document and report security events and related response activities, and evaluate and revise the incident response plan as necessary following the security event. It needs only to establish a system that outlines the dealers' response if such incidents should occur.

If you feel overwhelmed by the content and potential time and expense that abiding by these new revisions may require, you're not alone. In 2019, the National Automobile Dealers Association (NADA) suggested that fulfilling these new rules would cost dealerships an average of \$277,000 *per year*.

Introducing: ComplyAuto

ComplyAuto is the most trusted privacy software tool for dealers representing over 1,000 dealerships and some of the largest groups in the United States. Partnered with NADA as their first Affinity Provider in compliance, ComplyAuto can not only help dealerships at a fraction of this cost, it can get dealerships compliant with these new rules in a matter of days, not months.

Here is a short summary of what ComplyAuto's suite of tools can accomplish.

1. Privacy Rights Management

This software serves as an all-in-one privacy solution for dealers. It offers an efficient data mapping tool and vendor management system that identifies how consumers' personal information is captured and which vendors have access.

2. Federal Safeguards Rule Compliance

This is the first dealership software to operationalize and automate the complexities of the FTC Safeguards Rule. It creates information security programs unique to each dealership with a user-friendly tool that updates all required documents in real-time. It also allows dealers to perform and document required physical and technical risk assessments and efficiently collect data processing agreements from service providers using its proprietary built-in eSign feature.

3. Advanced Cybersecurity Suite

This solution reinforces data protection and cybersecurity protocols through completely remote vulnerability assessments and penetration testing (VAPT) software. With online security training, it integrates dealership-specific phishing simulation software into your data protection processes.



For more information on ComplyAuto products and services, or to learn more about its transparent pricing, please visit complyauto.com or email them at info@complyauto.com.

Disclaimer: Nothing in this email is intended to be legal advice. Please consult with competent legal counsel if you have questions regarding this article, the Gramm-Leach-Bliley Act, or the federal Safeguards Rule.

ADS of Montana

Montana's leading provider of F&I training and products.



Automotive Development Services (ADS) is an independent agency founded in 1988, representing the leading providers of F&I products in the auto industry.

We are one of the largest providers of F&I products and programs in the U.S. and are currently working with over 200 dealers in 11 states. We are a Montana company headquartered in Bozeman, which means that for our Montana dealers, we're local and here to serve your dealership.

We apply our expertise in training and personnel development with your people to achieve outstanding results. Being independent agents gives us the ability to find the best products in the marketplace that fits your needs and allows us to develop long-term relationships with our dealer customers. There's a reason that 75% of Montana dealerships work with us.

Call us today.

Automotive Development Services, Inc.

P.O. Box 11669

Bozeman, MT 59719

Phone: 406-522-9071



www.adsfi.com



GETTING TO KNOW AUDREY KNIGHT –

MTADA's NextGen DIRECTOR

Audrey Knight is the general manager at Clark Nissan and Clark Hyundai in Kalispell, an MTADA member and MTADA's NextGen director. The association recently spoke with Audrey about her life, career and plans as a director.

Audrey Knight grew up in Renton, Washington. “I feel like I was very blessed to grow up with a family who supported me and gave me a really solid start to life,” she said. “There has been less for me to overcome because I had a supportive family growing up.” She is close to both her parents and her older sister. “My dad started taking me to horse shows when I was a little child. We spent a lot of time on the road together, and our experiences gave me confidence and independence. My mom has been a solid rock throughout my whole life, and I am also close to my sister. She’s about a year and a half older than I am. When life is hard, or even when it just seems that way, my family and friends give me the support I need. I am grateful that I don’t have to walk through life alone.”

Horses have always been a big part of Audrey’s life. She worked at the barn when she was a child, cleaning stables and exercising or working with the horses.

Audrey did Running Start while she was attending high school at John F. Kennedy Catholic High School. The program allows high school students in Washington State to take college courses at community and technical colleges for high school and college credit. She moved to Helena, Montana, in 2008 to study at Carroll College, and she graduated with a bachelor’s degree in civil engineering and a minor in Spanish. The college motto is “Non scholae, sed vitae” (Not for school, but for life).

Audrey loves the beautiful outdoors in Montana. She is often outdoors to ride horses or hike, and she enjoys the scenery, too. “I stayed here after graduation because I loved living in Montana so much,” said Audrey. “I’m very active, and Montana fits my lifestyle.”

Working at a dealership was not part of Audrey’s original plan. She needed a job after doing some internships with the forest service and an engineering company, saw a job ad on Craig’s list and applied. She was hired as a dealership finance manager at Penco Power Products and worked there for a year and a half.

Audrey was referred to the Green Auto Group when they purchased a Hyundai franchise in 2014, and they hired her to work in finance at Hyundai and Nissan for six years. Steve Justice, the regional manager for the Green Auto Group,



**Trust your gut.
Be self-confident.**

promoted Audrey as the general manager about two years ago. The Clark Auto Group acquired the Green Auto Group's Hyundai stores about a year ago. Audrey is now the general manager at Clark Nissan and Clark Hyundai in Kalispell.

Audrey is grateful to her mentors. "I've learned from so many people," she said, "but the ones who stand out are the initial people who gave me opportunities despite my lack of experience." For that reason, she is especially grateful to Rob and Larry Green, the owners of the Green Auto Group, and the late Ricky Franks, the former general manager. "I'm thankful to them for being open-minded and giving me the opportunity," she said.

Audrey's current mentor is Steve Justice. "He is the one who saw the potential in me in finance and offered me the general manager role. He taught me the value of doing right by the customer and our employees. He also taught me how important our people are." She also values the current dealership owner, Cam Clark: "I couldn't ask for a better person to learn from," she said.

Audrey became an MTADA member because she appreciated the association's support, and she wanted to support the association's work for the dealership and the local community.

Membership has benefited Audrey personally and professionally because of the association's amazing collective knowledge. She can ask questions about regulations or the correct procedure for situations that

arise at work. "Personally, it's great knowing there is a network of people I can talk to about ideas and the problems I am up against," she said.

Audrey has now reached a point in her career where she is in a position to mentor others. When asked about the three most valuable lessons she has learned during her life so far, she gave the following list:

1. Trust your gut. Be self-confident.
2. Be honest with yourself and others.
3. Stand firm in your convictions and always be open to learning. Ask the questions.

Audrey saw two important problems when she was asked about the problems currently facing the auto industry in Montana. One had to do with trust, and the other was about staffing problems. "As a whole, the auto industry has a tough time shedding past stigmas and earning our customers' trust again," she said. "In this market, it is important to establish trust and really take care of customers. But it takes good people at our dealership to give people the experience we want to give them, and it's hard to find and train the right people."

Audrey suggests that "the biggest part in earning our customers' trust is having the right people and culture to solve those problems. You have to invest in your people and dictate a firm culture about how you want to treat employees and customers."

She continued, "It's important to invest in training our people on how we want them to interact with our customers and the end goal of the experience we want customers to have when they come into the dealership. It's a long-term investment, but we will reap the rewards for years if we can invest in the right people and maintain the right culture and standards."

When the MTADA board recently approved Audrey as next year's NextGen Director, she made plans for what she wants to accomplish during the year. Audrey has decided to invest in the future of Montana's auto dealers by encouraging them through support and education. She also wants to reach out to people outside the dealership industry and encourage them to have a career in the car business. "Too many people don't know about the employment opportunities, or they don't think it's an option for them," she said. Audrey plans to have networking events to tell people about the many jobs that dealerships can offer. These events will be educational and a good place to recruit employees.

"Dealerships have a lot of opportunities," she said. "People know you can work at a dealership if you are on the sales side or are a skilled mechanic, but there's also the whole support staff. You can also be a customer relations manager or a receptionist, work at the parts counter, provide office support, and be a delivery or shuttle driver. Many people don't think about all the different jobs at the dealership."

Audrey is glad she is an association member, and she is also grateful for the opportunity to be the NextGen Director. "I look forward to being part of the team and having an opportunity to learn," she said. 🌿



MICHAEL "MIKE" DEAN TAYLOR

NOVEMBER 4, 1956 – APRIL 11, 2022



Michael "Mike" Dean Taylor, 65, Great Falls, died April 11, 2022, in a motorcycle accident near Parker, CA. He was an owner-partner of Taylor's Auto Group.

A viewing was held at Hillcrest Lawn Memorial Chapel on Wednesday, April 27, 2022. The funeral took place on Thursday, April 28, 2022, at the Central Assembly of God followed by the burial at Highland Cemetery.

Mike Taylor was born Nov. 4, 1956, in Clovis, NM, the fifth of six sons of Lloyd and Barbara Taylor. An Air Force family, they moved to Sembach Air Force Base, Germany, then to Glasgow Air Force Base, Montana. The family settled in Great Falls in 1964 when his father retired from the military.

At 17, he became a car salesman, which was the beginning of a long career in the automobile business. In those early years, he was passionate about building and racing stock cars. He loved his horses and hunting trips in the mountains. A hard worker, he also played hard. He loved to ski, dirt bike, and snowmobile with his family, brothers, nephews, and his many friends. He was passionate about riding his Harley Davidson, traveling the open roads of most of the western U.S. and Canada for the past 24 years as one of the "Three Amigos," including wife, Karon and brother, Ron.

Mike loved his earlier vacations at Camp Tuffit on Lake Mary Ronan, his special cabin in the Little Belt Mountains, and boating, most lately at Flathead Lake. He lived "Large,"

touching many people in many ways. He had an especially huge heart for anyone who was alone or down on their luck.

In the early 1980s, he started a business venture with his brother Jim, and sister-in-law, Bamma. He made a Catholic Cursillo and started his walk with Jesus Christ and joined Alcoholics Anonymous. He was a few months from celebrating 40 years of sobriety. He helped many become sober, and shared this ministry with several brothers, mentoring more people than can be listed. He loved all animals! His dogs, Rusty, Jake, Chevy, and now Torque and Wesson, were precious to him. Over 20 years ago he became a private pilot, eventually accomplishing the coveted instrument rating.

Starting with basically nothing, the business venture became what is now known as "Taylor's Auto Group." This includes Taylor's Automax, Buick GMC, Nissan, Jim Taylor's Motors, Taylor's Transportation, and The Taylor Land Partnership.

He was a beloved, phenomenal car man, and the best brother-partner you could ever have. Without Mike, the Taylor's Auto Group would not be what it is today. He traveled millions of miles and bought thousands of cars. He truly was our Superman.

Mike's children from a previous marriage, Lindsay and Chad are the delights of his life. In 2009 he met his true love, Karon. She would bring her sons Joey and Trevor into



the family. Altogether they would bless Mike and Karon with eleven grandchildren, Kade, Henley, Aspen, Grey, Caelin, Rilynn, Remingtyn, Koen, Jackson, Hailey, and Lincoln. He was crazy about the times he spent with them. Mike also made sure that his special needs son, Trevor, was living life to the fullest.

Whatever he decided to do, he was all in. He knew he wasn't perfect, as none of us are, but he never quit trying to change for the better. Mike had a deep personal relationship with Jesus Christ and loved God with all his heart, all his soul, all his mind, and all his strength. He was always trying to make a friend, be a friend, and bring that friend to Christ.

We all love you and will miss you, Mike.

Mike was preceded in death by his parents. He is survived by his wife, Karon Taylor; daughter, Lindsay (Corbett) Somerfeld; sons, Chad (Abbey) Taylor and Trevor Taylor; stepson, Joey (Stephanie) Iverson; and eleven grandchildren, all of Great Falls; brothers, Lloyd (Sharolyn) Taylor of Great Falls, Ronald (Peggy) Taylor of Missoula, James (Bamma) Taylor of Great Falls, Steven (Annie) Taylor of Great Falls, Mark (Heidi) Taylor of Great Falls; and numerous nieces and nephews.

Memorials may be made to New City Church building fund or Echoz. Condolences for the family may be shared online at www.schniderfuneralhome.com. 🌿



Whatever he decided to do, he was all in. He knew he wasn't perfect, as none of us are, but he never quit trying to change for the better. Mike had a deep personal relationship with Jesus Christ and loved God with all his heart, all his soul, all his mind, and all his strength. He was always trying to make a friend, be a friend, and bring that friend to Christ.

MTADA'S EMPLOYEE BENEFITS PROGRAMS KEEP GETTING BETTER

High-quality service for you and your employees.

Free access to the best clinical support and advice in the country.

Affordable and sustainable prices for all your benefits needs.

Combined 35 years of experience in employee benefits and health risk management.

Group and voluntary programs to choose from.

Ability to serve your organization with programs outside of the Trust as well!

The Montana Automobile Dealers Association Group Benefits Trust is a multiple-employer welfare arrangement (MEWA) trust.

It is lead by a board of Montana dealership owners who are committed to providing the highest quality health care and benefits while addressing the ever-rising cost of health insurance for employers and employees alike.



SERVICE, AFFORDABILITY and HIGH-QUALITY CARE!

To learn more about the Trust and all complementing benefits, call our dedicated and independent Insurance Consultant, Jacquelyn Gomes.

Bruce Knudsen
Executive Vice President
bknudsen@mtada.com
406.461.7680

Deb Jean
Enrollments, Administration
bkkpr@mtada.com
406.442.1233

Jacquelyn Gomes
Insurance Consultant
Jacq Creek Consulting Group
jgomes@jacqccg.com
406.465.7077



Save the Date!

Financial Statement Class

July 25-26 in Helena

A trap shoot and dinner for the class participants will be held on the evening of July 25th. VITU will be doing a drawing from the class participants and will be giving away a shotgun.

Registration will start soon. For more info please contact Bruce at bknudsen@mtada.com or (406) 461-7680.



Steve Brazill
NADA instructor

Steve is a 40-year veteran of the auto industry with hands-on experience as an OEM field manager, dealership owner-operator, and owner-operator of an automotive parts distributorship. As a dealer-operator, he was particularly fond of small to mid-sized startups; as an Instructor in NADA's Dealer Academy, he is unabashedly passionate about today's opportunities in automotive retail. Born in Detroit, Steve escaped early and now lives near Texas Hill Country.

We encourage you to watch this short video with Bruce Knudsen and Steve Brazill talking about what to expect from the Financial Statement class.



https://players.brightcove.net/1890707369/9GpSgM0ZxQ_default/index.html?videoId=6306009786112

WEIGHING IN ON EVS AND THE VALUE OF DEALERSHIPS



On Jan. 5, 2022, The Washington Post published an op-ed article by Liam Denning entitled “Car Dealership Laws Aren’t Fit for the Electric Age.” On Jan. 13, 2022, NADA’s president and CEO, Mike Stanton, responded. The following sections contain a summary of the op-ed and Mike Stanton’s response.

An Admittedly Biased Summary of Liam Denning’s Article in The Washington Post

The op-ed begins with Liam Denning’s view of the auto dealership world. It isn’t pretty. He sees dealerships as no more than a revolving door for products. (Isn’t that what any good retail store tries to be?) The pandemic and supply chain issues emptied lots, then kept them empty. He saw the dealerships’ response to the pandemic as an opportunity to raise auto prices as volume fell. To support that claim, he said volume for 2020 was 7% less than for 2019, but that gross margin almost doubled, making their response to the pandemic nothing more than a chance to raise prices while volume fell. He then notes that dealers have a “growing challenge” as they move forward.

How accurate are his claims? They are misleading. Although he doesn’t talk about auto manufacturers or other industries, they too had unexpectedly profitable years after the pandemic shutdown. And although net profit was up for U.S. dealers, net profit included net operating profit and incentives paid by automakers to dealers who exceed sales targets. Also, chip shortages meant manufacturers focused on building SUVs and trucks because they have higher margins than small cars. Higher net profit is to be expected for everyone under those circumstances.

The article then moves to an admiring analysis of EV manufacturers, with Rivian Automotive Inc. and Tesla Inc. mentioned by name. He says nothing about how direct sales affect EV profits, but he does say EV manufacturers are highly valued at the moment. He then talks about how the current system came to be. State laws passed decades ago were designed to prevent predatory behavior by big U.S. automakers and force them to use independent franchises for vehicle sales and service. After the history lesson, he claims that the current market is different from the 1950s market.

Why?

He says three U.S. brands no longer dominate the market. The current market, he claims, is too competitive to allow a repeat of the same issues that caused legislation to be



America's car and truck dealers are all-in on EVs and raring to get going in promoting them.

written in the first place. Really? Tesla dwarfs all other EV manufacturers. And although Elon Musk has plans to fill the global market with Teslas, Denning ignores Musk's gigafactories in Berlin, Shanghai and Texas.

Even though Denning names Rivian and Tesla as two important companies in the developing EV market, citing sky-high valuations, he is wrong there, too. The three largest EV manufacturers are Tesla, VW and General Motors ... not Rivian. Rivian is riding on expectations, not accomplishments. But since newcomer Tesla is the EV manufacturer currently dominating the EV market, why would anyone conclude states should throw away hard-earned legislative protections? Remember, too, that Musk – who is admittedly brilliant – will never remind anyone of the late Fred Rogers.

Next, Denning says that high dealership margins come from selling vehicles and then taking care of them. He implies that EV sales departments meet several times with buyers while educating them about their potential purchases and that franchise dealers are all about the hard sell. Since EVs have fewer parts, though, he suggests service departments will be much less profitable in the future.

It's hard to know what to address first. Selling is selling, and doing it right means building a customer relationship. That's why the best dealers have always made a point of helping their communities prosper. There are even many dealerships where the customers and employees are multigenerational. Dealerships like that do not fit a "hi, bye" model, especially in small communities. Dealerships have to care about customers, or they don't last. And "less service" is not the same as "no service." Tesla, in particular, has skimped so far on building up the service side of the business. As sales volumes increase, that's going to be a problem.

Denning then turns his attention to Michigan, Florida and New York. Yes, the market is changing, which means the way autos are built and sold will also change. Yes, dealerships have invested a great deal of time and energy working with legislators. Yes, Rivian and Tesla valuations are high and are affecting the market.

None of that somehow makes dealers dishonest or irrelevant.

That's our summary of Liam Denning's article. Read on for Mike Stanton's excellent response, with which we fully agree.

How NADA's Mike Stanton Responded

Dear Editor:

Liam Denning's piece on car dealerships (Car Dealership Laws Aren't Fit for the Electric Age, Jan. 5) uses decades-old tropes to make the case for direct sales as the best path to EV adoption. But he misses the mark by failing to grasp what is actually involved when average Americans buy or lease a new vehicle.

The truth is, America's 16,500 dealerships and million-plus highly skilled product specialists and technicians are essential to achieving the government's goals for broad EV adoption. Here's why:

The next stage of EV adoption won't mean getting affluent buyers into \$100k+ luxury or performance vehicles. It will mean getting average consumers into mass-market vehicles they depend on every day to get to work and manage family life. It will mean helping those customers figure out how to finance their vehicles and how to handle their trade-ins. It will mean educating them about the differences EVs present. And it will mean keeping these vehicles on the road when inevitable repairs and recalls happen – without long wait times.

Today's EVs are great vehicles – but they're not perfect. It's possible that EVs may need less service in the future, but in 2021 the data shows they require more service and repairs than ICE vehicles. Tesla's recent recall of some half million vehicles and GM's recent recall of some 100,000 Bolts suggest that EVs are not immune to safety issues that must be fixed.

Because local dealerships compete for customers on sales and service, the result is that pricing is competitive, and service is plentiful – from multiple same-brand dealers. It means you can always get a dealer on the phone, and you can always get a local appointment, with no waiting or frustrating 1-800 calls. With new complex new products like electric vehicles, personal service and education is needed more than ever.

EV buyers agree. In the largest and most comprehensive survey ever conducted of future EV buyers in the U.S., the analytics firm Escalent presented future EV buyers with a factory sales model and a franchise dealership model. Only 20% preferred the direct approach. Twenty-three percent were neutral. And a full 57% chose the current dealership model.

When 20,000 future EV buyers demand for dealerships be a big part of their EV purchase experience, it is clear that the franchise dealership model works just as well for EVs as it does for traditional vehicles.

America's car and truck dealers are all-in on EVs and raring to get going in promoting them. Our best environmental policy is to leverage the network of America's 16,500 dealerships to help America successfully make the transition to EVs.

Sincerely,
Mike Stanton
President and CEO
National Automobile Dealers Association



AUTO BUYING PREFERENCES

The auto industry is starting to undergo a massive switchover from ICE autos to EV autos, and there's no shortage of people to tell you EVs are going to have a big impact on the industry. What's less clear is how that implementation will occur. Many people expect direct retail from manufacturers to expand, but fewer people ask what customers want and like.

Escalent is an analytics advisory company that focuses on business disruptions and transformations. The company conducted a survey, May 5-June 16, 2021, of 1,248 new-vehicle buyers from a global database. Those who responded were selected based on age (18-80), gender and location, and the survey's demographics were weighted to reflect actual vehicle sales based on the vehicle segment. The survey was done on an opt-in basis as part of a panel.

What were the results? It wasn't the slam-dunk for direct retail you might have expected. The majority of those surveyed (57%) prefer traditional car buying. Only 20% prefer direct retail. If you think the older segment skewed that result, think again: 94% of those less than 30 were satisfied with dealerships. Overall, 87% were satisfied.

What about a hybrid buying experience?

Again, the preference was for being in-person at the dealership for at least part of the transaction:

- 75% for purchases
- 60% for financing
- 85% for taking delivery versus home delivery
- 79% for repairs and services versus having a technician come to a customer's home

The obvious takeaway is that most people, including younger customers, want to conduct business at the dealership. In particular, 63% want to take EVs for a drive before buying them. Test drives got a higher approval rating than any other source of information. However, they are less interested in getting information from a dealership salesperson; 31% said a salesperson would be a primary information source.

The 2021 Global Automotive Consumer Study, conducted by Deloitte, confirmed these survey results. Approximately

71% of customers want to buy their autos in person, and 64% are uncomfortable buying 100% online. When asked why they preferred going to the dealership, 75% said they wanted to see their vehicle before buying it, and 64% thought a test drive was necessary. Only 38% wanted to negotiate in person and face-to-face.

That doesn't mean they wanted to spend a lot of time there. They didn't want to be at the dealership for more than an hour. That's probably why car buyers also preferred doing online research and paperwork, including the financing portion. They wanted transparency and time while evaluating decisions such as buying extended warranties.

For decades, consumer pain points have included the following:

- Disliking long waits
- Evaluating financing options while under pressure
- Meeting too many people
- Having too much paperwork

Those pain points were a fact of life before the pandemic. Less than 2% of all vehicles were sold online. The pandemic changed that: 30% of U.S. new car sales in 2020 were sold online. But there's a difference between doing something because you have to and doing something you want to. People like going to dealerships. But they don't want to be there for hours.

Buying a vehicle by using a hybrid process gives customers convenience and speed. It also allows them to see their



The obvious takeaway is that most people, including younger customers, want to conduct business at the dealership.

vehicle in person and test drive it before making a final decision.

As a dealer, the key to understanding these survey results is reducing the pain of buying a car and increasing the convenience. Seeing a car and taking it for a drive is not a pain point and can only be done in person. People are always going to want that part of the auto-buying experience. But there's a great deal that can be done to make other parts of the experience more pleasant than they've been in the past.

Dealerships aren't going away. However, changing business practices to include better selling methods won't go away, either. And that's a good thing. 🌿



No matter what kind of work you do, safety works. Montana State Fund has been at the job of promoting safety for decades, and we're proud to say that it's working, all over the state. Watch stories of real Montana businesses starting every day with safety at safemt.com.

HELPING DEALERSHIPS FIND SKILLED EMPLOYEES

By MTADA Interview With Mary Heller, SkillsUSA Montana



Bruce Knudsen, MTADA's vice president, is a board member of SkillsUSA Montana, and Mary Heller is the state director. She has been the state director for two years. In June, Mary will begin working with the Montana Office of Public Instruction. She plans to continue supporting the SkillsUSA organization as instructors teach students skilled trades and help them connect with potential employers.

Before 2002, SkillsUSA was known as Vocational and Industrial Clubs of America (VICA). SkillsUSA is one of several national organizations that work with students to develop job-related skills. The organization was founded in 1965. Montana got involved in 1966. Nationally, there are currently 19,019 instructors and more than 394,000 members. Mike Rowe is the national spokesperson.

MTADA recently spoke with Mary about SkillsUSA, what dealers should know about the program, the most recent skills competition, and how it can help them hire well-qualified and well-rounded employees for their dealerships.

Finding skilled employees to work at your dealership can be challenging because of the employee shortage. For more than 40 years, most teachers and counselors have directed students toward a four-year degree as the path to a good, financially stable life, but "there are other good options besides a four-year degree," said Mary.

Industries need to advertise the many high-paying and rewarding careers available for anyone with the right skill set, such as repairing engines. Solving the problem includes reaching out to K-12 students and encouraging them to learn trade skills as part of their general education.

That's what SkillsUSA does. It is a Career and Technical Student Organization (CTSO) with programs for students as young as fifth grade. Industry experts develop the curriculum for schoolteachers, and subjects include soft skills. For example, students learn about leadership, community service, fundraising and Robert Rules of Order.

The course framework looks like a triangle. "On one side, you have technical skills grounded in academics," said Mary. "Then you have workplace skills, like being reliable, having a team attitude and working hard. The last side of the triangle is personal skills. When you get off work, you still need to be responsible and act with integrity, but you also need to care about your community. Our students have solid employability skills that outweigh knowing how to



crank wrenches. These are potential employees who can explain why the car engine light came on to someone who doesn't understand engines. Some dealership employees from Kenny Simpson Nissan had a table at our most recent conference, and they said, 'These are some of the most respectful young teenagers we have been around in years. It's so refreshing. We would hire every one of them if they are interested in the automotive industry.' That feedback means we are doing it right at SkillsUSA."

The state organizations partner with the state education department. SkillsUSA Montana focuses on hands-on skilled trades such as automotive and diesel technology, manufacturing and building trades. It gives teachers resources as they teach needed skills to their students. Students who participate in local chapters become well-rounded employees.

Montana currently has 48 chapters at different schools across the state. Teachers who want to become advisers in the SkillsUSA program can start new chapters. When they contact the state SkillsUSA office, they can sign up for a \$25 state and national membership and get access to the curriculum. Student members can attend two conferences each year; a Leadership Conference in the fall and the State Conference in the spring. The individual chapters generally have about two meetings a month. The advisers organize students and involve them with community service projects. "The president of the Great Falls chapter is a girl," said Mary. "Her goal was to double the number of girls in the automotive classes, and she got it done."

The fall workshops provide professional development for students and their advisers. There are workshops on critical thinking, work responsibilities, conflict management and effective communication.

"The state conference is fun for the students," said Mary. "They get engaged and get to test their skills in various contests. SkillsUSA Montana is not just a club. It is about getting involved, learning technical skills,

gaining leadership skills, and becoming involved in their community. It also gives students a chance to think about whether they like doing something mechanical and which career path to follow."

The three-day April 2022 State Conference was held in Helena, Montana, for the first time since 2019. Four dealerships were represented, and MTADA participated in a career fair with them. Students and advisers talked with dealership employees, and the dealerships were able to see demonstrations of basic technician skills. The specific competitions allowed students to showcase mechanical skills with regular, diesel and small engines. A job interview contest required students to put together a resume, apply for a job and interview. Students also competed in public speaking competitions. The Job Skills Demonstration contest, for example, requires students to demonstrate a job skill, such as the proper way to use a certain tool or how to change a tire.

This year's automotive contest was the first in-person competition since 2019. "Everyone had a good time," said Mary, "and the students learned a lot." There are 48 chapters, and 34 came. "Some schools were still concerned about COVID-19 variants and didn't want to risk attending. Others, such as Great Falls High School, have about 30 students but only brought a few to compete," said Mary.

There were 15 participants on regular engines, nine on small engines, and four on diesel engines. The top three in each contest win a gold, silver or bronze medal. "Montana has a small population," said Mary, "so having 15 students compete is good. The top three regular engine competitors were invited to attend the 2022 Auto Dealers Convention in Billings, June 9-11. After that, MTADA will sponsor the gold-medal winner in automotive at the end of June to attend the national SkillsUSA convention in Atlanta, Georgia. The gold medal winners compete with the other winners from other states."

CONTINUED ON PAGE 32

CONTINUED FROM PAGE 31

Interest from the industry in what SkillsUSA is doing has increased because people know students with mechanical and leadership skills become a future quality workforce. Montana has 524 members, the biggest number since 2016, and 254 of them — almost half — attended the state conference.

Mary wants dealerships to offer internships or scholarships to students so they can gain experience in the dealership industry before they graduate. “We want dealers to let students job shadow or hire as students get older and can work more,” said Mary. “For example, Capital High School in Helena has a very active automotive and SkillsUSA program. They had a young man who loved to work on cars. He was a senior in 2020 when COVID-19 hit, but he had already started working with Helena Motors on weekends. He graduated from high school and started full-time the next week as a technician. Now that’s a success story!”

“SkillsUSA Montana is an excellent way for the dealership industry to connect with a quality future workforce in the K-12 education sector,” said Mary. “The automotive industry needs to do some marketing and tell their story the same way universities did in the 1970s. This industry has amazing opportunities, and people don’t know about them. It’s not just working as a mechanic. Dealerships also need people to work in financing and sales. Together, we can teach young people about the various careers and help them get the training they need.”



Interest from the industry in what SkillsUSA is doing has increased because people know students with mechanical and leadership skills become a future quality workforce.

If you want to establish an internship or scholarship, your local school doesn’t have a chapter, or you want to learn more about SkillsUSA, please contact Mary Heller. Her cellphone number is 406-399-0640. You may also contact Bruce Knudsen at MTADA. He has been offering small annual scholarships to students who want to go to a trade school.

The following photos are from our 2022 State Conference held in April in Helena, Montana.

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

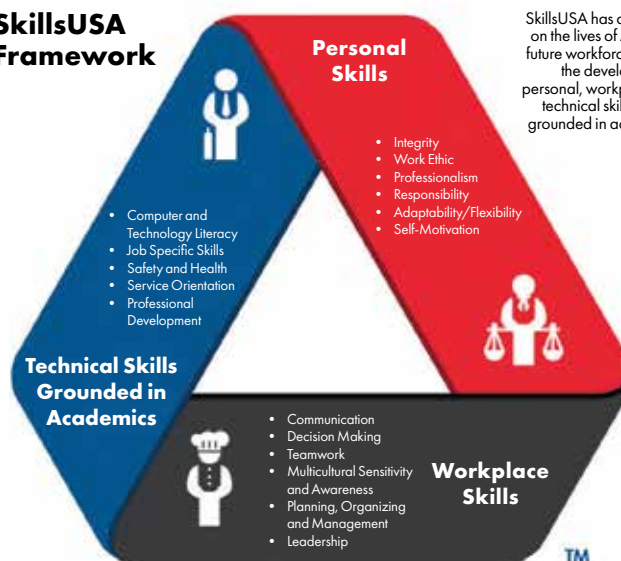
mary.heller@skillsusamontana.org
406-399-0640

To learn more: www.skillsusa.org

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



SkillsUSA Framework



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.



CONTINUED ON PAGE 34



THANK YOU

TO OUR ASSOCIATE MEMBERS

Ads Of Montana
Ally Financial
Auto Auction of Montana/MTADA
Auto Mate Dealer Systems
BMO Harris Bank N.A.
ComplyAuto (See ad page 7)
Cox Automotive
DAA Northwest
Dealer Development Systems
Dealer Teamwork, LLC
Dealer Vault
EBMS
Eide Bailly, LLP
EMC Insurance Company
Federated Insurance
First Call Computer Solutions
First Interstate Bank (Billings)
First Security Bank Helena
GP Capital Partners, LLC
Helion Technologies
It Starts With Me
Junkermier, Clark, Campanella, Stevens, PC
MOSS ADAMS, LLP
PartsEdge Inc
Sentry Insurance Company
Sonsio
Toyota Financial Services
US Bank Dealer Commercial Services
Valley Bank of Helena
Whitehall's Alpine Distributing
Winn-Marion Companies
Wipfli, LLP



THE INS & OUTS OF DEALERSHIP COMMUNICATION

Communication within your dealership can make a world of difference for your customers, your employees, and your staff. Even if you believe your dealership is great at communicating inside and out, improvement is always possible.

Working toward more effective communication can mean:

- **Increased Revenue** – Do your service technicians spend a lot of time walking back and forth to the parts back counter to discuss and retrieve parts needed for a vehicle? Are you service advisors waiting for customer authorization on services? How long do customers need to wait at the dealership to get updates on their vehicles and pay? This time adds up to fewer cars serviced, fewer cars sold, and money left on the table.
- **Happier Employees** – Businesses that present more transparency and communication improve employee morale. This means more engaged team members. In fact, according to the McKinsey Global Institute, effective communication can improve productivity in any workplace by up to 25%. Happier employees also mean reduced turnover.
- **A Fulfilling Customer Experience** – Put yourself in the shoes of a customer for a moment. Which sounds better: spending the day in a dealership waiting room,

or going about their day with the trust that they know their car is in good hands? People are known to take better care of their cars over their own health. Your customers want to take their vehicles somewhere where they will be frequently updated on services.

- **Transparency in Your Dealership** – If you communicate better and more frequently with your employees they are more likely to communicate better with you. This means problems are solved quicker, your staff is more relaxed, and your customers come back.

If one or more of these would be beneficial at your dealership, now is the time to start.

Barriers to Effective Internal Communication

If communication is lacking throughout the dealership, there might be a physical or psychological barrier causing it. The cause may be deeply rooted or something easily fixable.

Do any of these sound familiar?

A Lack of Transparency

There could be any number of reasons why staff members might not be in sync. Often it's because nobody understands the goal. For example, if you expect your dealership to service 1,200 vehicles a month, does everybody in your service department focus on that? If so, are they aware of

how they are performing? Not being transparent about information like expectations or even the vision of the business can get in the way of meeting goals.

Clearly defined goals set the right expectations. There should be a process or tool to help maintain an easy flow of internal communication.

Unclear Direction from Managers

An easy mistake a manager can make is to point out an issue without involving employees in finding a solution.

Let's say a service manager received complaints from customers about paint scratches on serviced vehicles. Relaying this to the service staff without a prevention plan going forward may not help. Reminding employees to be careful with vehicles is reasonable, but what if the vehicles were damaged prior to arriving at the dealership? Your team may suggest implementing a more consistent check-in inspection of the vehicle's condition upon arrival. This inspection could actually lead to higher service revenue in repairs to these damages along with more trust from the customer.

Employees Can't Ask Questions

Do you remember the old saying, "There are no stupid questions?" Is that what your employees actually believe? Fostering an environment where your team feels comfortable speaking up will strengthen your dealership. Creating a habit where experienced employees are encouraged to mentor others will improve their morale and allow new employees to get up to speed more quickly.

Not Recognizing and Celebrating Good Work

Staffing issues can mean that teams are stretched more thinly than before. With everyone so busy, it is easy to forget to show appreciation. The perception of being unappreciated can lower morale and lead to burnout. When employees feel recognized and seen by managers, they feel more open to voicing their ideas. Satisfied employees are far more likely to provide superior customer service and productivity.

Stressful Training

The more difficulty new employees have with their training, the less likely they will be comfortable asking questions or communicating well with others. According to a 2016 study by the National Auto Dealers Association, 28% of dealership terminations occur within an employee's first 90 days. Starting a new job often demands learning a lot of information. Investing in effective training programs can pay dividends in quicker new hire productivity while reducing turnover.

How to Improve Dealership Communication

There are several ways a dealership can implement to increase and improve communication between departments. These tips can break down many of the barriers listed earlier that prevent good communication within the dealership.

Start with Yourself

You are in charge. This means you influence a lot of what happens at your dealership for better and for worse. Create a culture of good communication. Set up ways to



Between all of the benefits, barriers, and tips discussed, there is one overarching theme: effective internal communication is important for a successful dealership, and it starts with you as the manager.

promote transparency in your dealership. Spend more time with your staff to create a comfort level for employees to ask questions, understand expectations, and feel more recognized. This should result in better goal attainment, a happier workforce, and more satisfied customers.

Communicate Digitally

It is hard to beat a face-to-face conversation, but that is not always possible or efficient. Digital communication is better than none at all. There are paid and even free options available for sending messages between departments. It may even be functionality that is already available. Using an internal chat tool can provide quick answers to keep your business running at its peak.

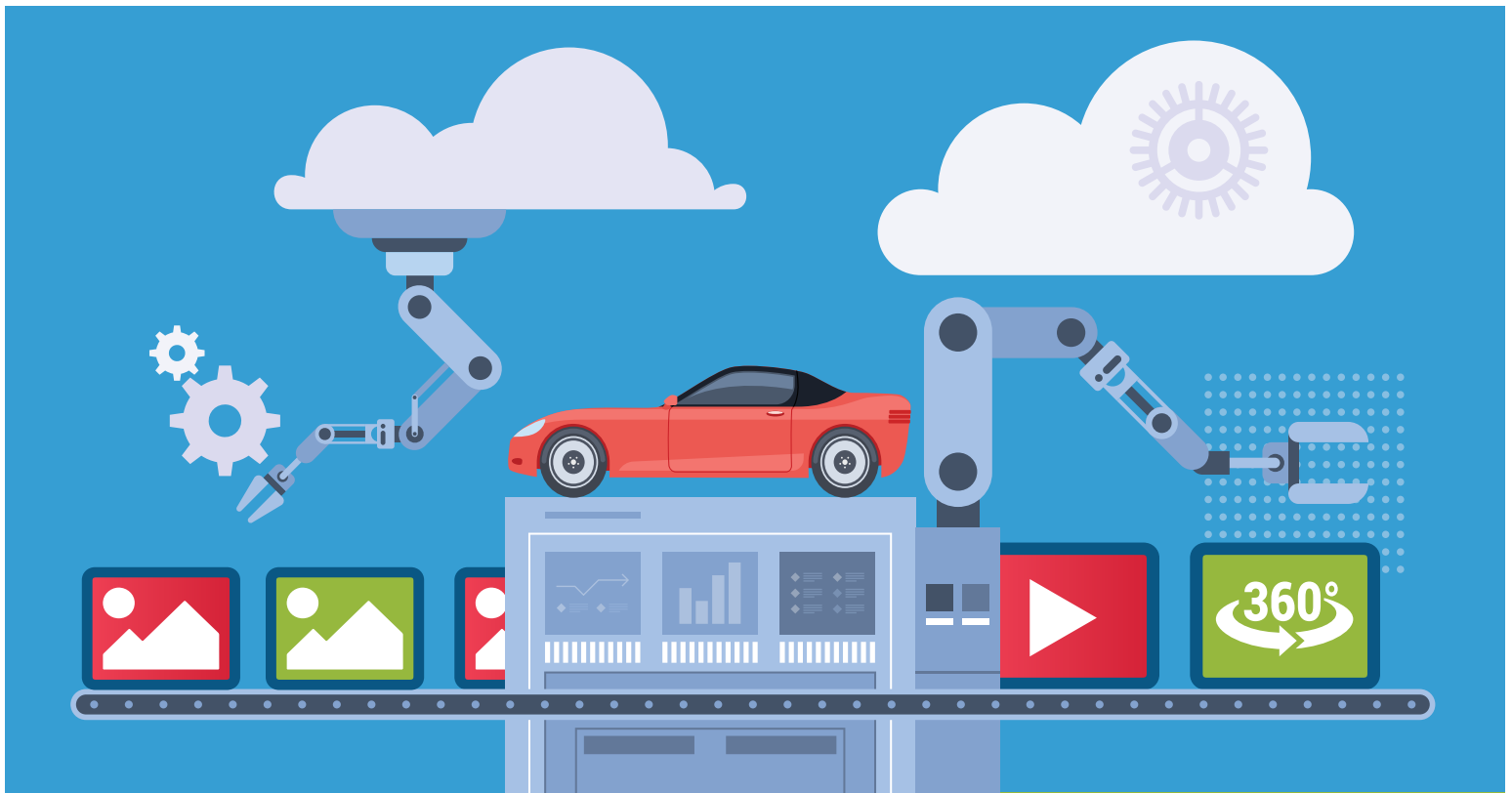
Create One Source of Truth for Information

A dealership typically invests in many different types of software, with different and sometimes redundant sources of information. Between your DMS, your CRM, and other tools in use at dealerships today, it can be confusing and inconsistent. A best practice is to choose one system to be the source of truth that all employees rely on. This will make transparency easier, and provide the foundation to communicate across departments.

Between all of the benefits, barriers, and tips discussed, there is one overarching theme: effective internal communication is important for a successful dealership, and it starts with you as the manager. It offers many benefits and prevents a lot of potential problems. Overall, it can improve productivity, boost profitability, and create a positive employee and customer experience.

If you are unsure where to start, take a look at your dealer management system. See what features are available that may make following the tips provided easier. As a DMS provider ourselves, we strive to make important processes like internal communication easier for you with dashboards, chat features, and collaboration tools. 🌿

Dominion DMS is a pioneer in Microsoft-based management systems with decades of experience partnering with franchise dealerships to deliver a superior experience, reduce costs and protect their business. Our cloud-native VUE DMS offers digital security, flexibility and efficiency to help dealers meet today's rapidly changing market. Explore more of our resources at VUEDMS.com.



AUTOMATED VIDEO & 360 PACKAGE

Getting quality videos and 360 spins doesn't need to be hard. With our FULLY Automated package, all you need to do is send us inventory photos and then our AI software takes care of the rest.



**INVENTORY
VIDEOS**



**INTERACTIVE
360 SPINS**

100% Automated



**No Expensive
Equipment**



**No Mobile App
Required**



**No Change In
Your Process**



FLICKFUSION

DRIVEN BY VIDEO. POWERED BY DATA.

**Build Your Video
Experience Today!**

flickfusion.com
800.247.2502

Making business easier for auto dealers. Especially now.

Running a dealership comes with its share of uncertain terrain. But one thing is certain. Our Dealer Financial Services team is dedicated to being by your side with the resources, solutions and vision to see you through.

Paul Cluff
paul.cluff@bofa.com
208.908.2099

business.bofa.com/dealer

BANK OF AMERICA 

"Bank of America" and "BofA Securities" are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA.

Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed.

©2021 Bank of America Corporation. All rights reserved. 3656605 11-21-1445



501 North Sanders Street
Helena, MT 59604

PSRST STD
U.S. POSTAGE
PAID
SALT LAKE CITY, UT
PERMIT NO. 4003

This magazine is designed and published by The newsLINK Group, LLC | 855.747.4003



ASSURANT®

Dealer
Services

What happens when you combine
two world-class teams?
You get real life results.

American Financial & Automotive Services is now part of Assurant Dealer Services.

Now, you can get everything you expect from your dealership partner—
plus a whole lot more.

MORE

F&I EXPERTISE

Transform your team into all-stars with world-class products, cutting-edge digital know-how, unique insights and goal-oriented DNA.

SERVICE

Transform goals into real, measurable success in sales, service and F&I with committed in-dealership support and training.

PERFORMANCE

Compete and win with innovative services, stronger results, increased efficiency and future-proof processes.

READY FOR MORE? assurant.com/dealers

