

# CAR DEALER

The Auto Dealer's Management Briefing

**INSIDER**

December 15, 2007

## EXECUTIVE SUMMARIES

### **A cost-effective program for developing future dealership managers ..... 2**

**Problem:**

Multi-franchise, multi-location dealer groups would like to be players in today's dealership buy-sell market. They have access to capital and strong track records. But do they have the management depth to run the new dealerships and auto-related business opportunities. A Philadelphia-based dealership group created its own solution.

**Solution:**

- Do-it-yourself, grow-your-own approach was the most cost-effective option.
- Use experienced managers to serve as faculty members for the training programs.
- Key outside advisors like lawyers and accountants will volunteer to help.
- Unexpected benefits prove to be a real bonus.
- Some third-party advice is needed for organization and to overcome unforeseen hurdles.

### **From browsing to buying: Online car shopping takes a new twist ..... 3**

**Development:**

New online shopping mechanisms, including a shopping cart tool, are making it possible for consumers to not just shop online, but also buy online without setting foot in a dealership. One dealer is closing more sales even though customers have not yet clicked on the "buy" button.

**Details:**

- Customers can check out prices, trade-in and financing information, and more – enabling them to get closer to a buying decision before contacting the dealership.
- Dealership staff can monitor customer activity.
- Customers decide to involve a real person when they are ready, without being pressured by dealership employees.
- Marketing your online technology is important to boost customer utilization.

### **Expected UNICAP changes could boost dealership taxes ..... 5**

**Situation:**

Higher income taxes may be on their way if a final IRS revenue ruling due out next summer concludes that auto dealerships are producers and not retailers for many everyday dealership activities. The rule would require deal-

ers to capitalize certain costs rather than treat them as expenses.

**Considerations:**

- Repairs on used vehicles held for sale and installation of accessories on new vehicles could be considered producer activity.
- The IRS may rule that many common dealership activities – including dealer trades, vehicle leasing, and warranty repairs – are off-site sales. Handling and storage costs associated with those sales would also be subject to capitalization.
- For the average dealer, this could add \$100,000 or more to capitalized UNICAP costs – translating into an additional \$40,000 in income tax assuming a 40% tax rate.

### **Do your homework before offering dealership promotions and prizes ... 5**

**Concern:**

A recent crackdown on dealership advertising practices in Washington State should be a wakeup call to dealers nationwide to examine their own compliance efforts, particularly with regard to using out-of-state promoters for prizes.

**Corrective Action:**

- Research your promoter and try to get them to sign an indemnification agreement so you won't be held responsible for any blunders on their part.
- Make sure your attorney is familiar with dealership advertising statutes and state statutes governing promotion of prizes.
- Find out how long you are required to hold onto print ads and videotapes of TV ads.

### **Don't leave dealership 401(k) plan \$\$ on the table ..... 6**

**Summary:**

Although many dealerships are offering 401(k) plans, too many don't fully understand how they can put these plans to work for the dealership's maximum benefit.

**Solutions:**

- Encourage employee participation and add safe-harbor provisions so highly-compensated employees can boost contributions.
- Work closely with your plan administrator and get your tax professional involved to make sure you're plan is meeting your dealership's goals.
- Look at the cost of sponsoring your plan and administering it.

## Trend spotting

**One reason** why Chinese cars aren't yet ready for the big time in the U.S. or European markets market: They don't hold up well in crash tests. China's Brilliance BS6 sedan is the latest to fail, earning only one star in a European 40-mph offset frontal crash test.

**Chrysler's major shift.** A new Chrysler transmission plant being built in Indiana will produce dual-clutch automatic gearboxes for Chrysler at the rate of 700,000 a year. The twin-clutch technology will replace conventional automatics on many Chrysler front-wheel-drive V-6s by 2010.

**New York mayor** Michael Bloomberg gave hybrids a big boost with his proposed PlaNYC. The program would result in an all-hybrid taxi fleet in the city by 2012. Manhattan's traffic snarls make it a good incubator for ideas like this. It is estimated that switching the city's 13,000 cabs from Crown Vics to hybrids could save 25 million gallons of fuel a year.

**Ford's next generation Fiesta** will help the factory meet stricter fuel economy standards for its fleet. With the Honda Fit, Nissan Versa and Chevy Aveo selling well, it is clear that Ford could use a car smaller than the Focus. Ford of Europe happens to be putting the finishing touches on a replacement for the Fiesta. The new model, which will probably get a new name too, will be in dealer showrooms in about a year. The U.S. version is expected to be a four-door notchback with a 115-horsepower, 1.6-liter engine. There could also be a hybrid version.

## Management matters

# Innovative program proves to be a cost-effective way to develop dealership managers

**T**hree years ago, Gail Faulkner, the owner of a group of dealerships in eastern and central Pennsylvania, was confronted with a problem that is common to large dealership groups these days. Her organization, which forms part of the larger Faulkner family of dealerships, is a buyer in today's buy-sell market. The business is well managed, has been very profitable over the years, and, therefore, has access to the capital needed to fund expansion.

But who would manage the new dealerships, new franchises, and other new business opportunities available in a buy-sell market that was shifting to favor the buyers? Gail needed to develop more "bench strength" in her mid-level management group.

The organization's director of operations, Bob Lewis, and chief financial officer, Bill Sebald, were given the responsibility for developing the managers.

When Bill and Bob looked at the available management development options for car dealers, the list was remarkably short. There is the excellent NADA Dealer Academy and there is the more organic do-it-yourself approach. Taking nine to twelve middle managers out of their dealerships to attend week-long Dealer Academy sessions was not going to be workable in an organization that runs lean to begin with. That left the D-I-Y option.

Bob Lewis contacted Mike Bowers at *DealersEdge* to test some ideas for the management development program. The ground rules were stringent. It was to be

a rigorous, graduate-school-level program in dealership management. Over the course of a year, the participants were to get in-depth exposure to each dealership operating department as well as to the financial, legal, and human resources elements of dealership management.

In short, the Academy, as it came to be known, would encourage the students to examine a dealership just as a general manager or owner would.

And the course had to be structured to allow the participants to continue in their regular jobs as sales, F & I, and fixed operations managers with minimal disruption.

The Faulkner people got the job done. Here's how:

### The participants:

Each of the organization's general managers was asked to nominate a high-potential middle manager from his store for the program. Nine people were selected for the first class, which kicked off in January 2005.

### The faculty:

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## NEWS YOU CAN USE

**Dates to save, trends to watch**

**New I-9 form.** U.S. Citizen and Immigration Services (USCIS) has announced that a revised Employment Eligibility Verification Form (I-9) – which reduces the number of documents employers may accept from new employees during the employment verification process – is now available. For more info, including details on the 30-day grace period employers will have to transition to the form, go to [www.dealersedge.com](http://www.dealersedge.com) and click on Free Stuff.

**Upcoming healthcare trends.** Benefits experts, at global consulting firm Watson Wyatt Worldwide, have identified the following trends that large companies are offering for 2008: incentives/penalties for healthy/unhealthy behaviors; full coverage for preventive care benefits; health coaches/onsite health centers; more choices to meet individual needs; more communication/more tools; more health savings accounts/fewer plan options; and scrutiny of spousal/dependent coverage.

**Voting amid vehicles.** Some New Jersey voters had the opportunity to cast their Election Day ballots at several auto dealerships including Dodge dealership Elm Auto and Lynn Chevrolet, both in Kearny, and at Union West Auto Sales, a used vehicle operation in Union City, reported the *Associated Press*. Lynn Chevrolet has been a polling place since 1954. Dealerships are a desirable location because they are handicap-accessible. Private businesses in New Jersey are compensated for lending their facilities.

## From browsing to buying: Online car shopping takes a new twist

**W**ith just a few shopping days left until Christmas, many dealership customers will be wrapping up their gift buying online to avoid the mall crowds. They'll be stuffing online shopping carts with sweaters, slippers, toys, and maybe some automotive accessories too. And if they want to, yes, they can even click on a car.

While it'll probably be a while before most customers are ready to take the leap from online shopping (i.e. research) to true online buying – going through the whole car buying process without setting foot inside a dealership – the options are growing.

In August, Lithia Motors, an avid supporter of the Internet sales process, unveiled L2, its web-based concept for used vehicle buying. TeamDirect.com, a website for some of AutoNation's Atlanta-area car dealers, is currently testing an online buying process which can handle trade-ins, financing, and more. But it's not just the big players getting involved. Some smaller dealer organizations are also taking steps to bump up online vehicle sales – and boosting traditional traffic along the way.

Several months ago, the David Thomas Auto Group, which includes Subaru of Dallas and Subaru of Plano, signed on with the dealer shopping cart system from Ohio-based Ai-Dealer LLC ([www.ai-dealer.com](http://www.ai-dealer.com)), which can be accessed through its stores' websites. Although a customer has yet to hit the "buy" button, the

technology – which interfaces with dealer management system (DMS) software and links to valuation, credit, and manufacturer info – is already helping drive dealership sales.

"We're closing half the people who go in (the shopping cart)," Chris Hanson, the auto group's director of eCommerce, tells *Dealer Business Briefing*. "Once someone goes in, they go back over and over and over." There they can look at not only vehicles and pricing but also trade-ins, credit and financing options, monthly payment calculations, extended service contracts, interest rate rebates, and more.

"It lets you do everything you do when you go to a dealership except drive a car," says Chris.

Dealer David Thomas, who has

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always been a big proponent of giving customers a lot of information to help make a decision, tells us that “customers who’ve gone through (the shopping cart) like it. It lets them involve a real person when *they* want to...at any point in the process they’re comfortable with.” His customers can then choose the method of communication they desire, such as e-mail; a phone call; or live chat via the Internet, technology his group added a year ago.

“This is a counterculture to the traditional Internet approach. In my opinion, as soon as others sniff a (traditional) lead, they’re all over the customer,” says David. In contrast, this lower-key approach can be very appealing to customers – and not just the younger ones.

A 50-something-year-old customer, who went into her password-secured cart about a dozen times before contacting the dealership said “this was the best car shopping experience she ever had,” Chris tells us. Previously “she had been buying a car every

ten years because she hated the car buying process so much.”

Seeing all the information, which is explained by pop-ups, can also be a big customer motivator. One customer who e-mailed Chris’s Internet staff looking for information initially indicated that they were six months away from a purchase. But after going into the shopping cart four times and looking at financing, the customer said they might purchase sooner than they had thought, Chris tells us.

Chris is starting to see people go into the shopping cart every week. To market the feature, he has posted it on the dealerships’ websites and has been putting a link in dealership e-mails. He tells us he also wants to start marketing the shopping cart feature in radio and TV ads, and in mailings.

The shopping cart method can also be helpful to dealership employees, who are sometimes confused by other Internet data that customers may dig up prior to visiting the dealership – which can be inaccurate. Instead, these shopping cart searches help put

everyone on the same page, says Chris.

Ai-Dealer President and CEO Brian Hoecht tells us that dealerships are experiencing higher closing rates with customers who create shopping cart accounts (30 to 60 percent for the best dealers), compared to leads captured through traditional lead services. The shopping cart “allows people to descend more low down into the purchasing funnel,” meaning they’re closer to buying, he says. In contrast, traditional leads tend to be high up in the funnel.

But the shopping cart, emphasizes Brian, is just a tool – how successful you are ultimately depends on the effectiveness of your dealership processes, he says.

Will a significant number of customers ever be ready to buy cars with a click of a button? Brian is hopeful. “People aren’t test driving with eBay,” he notes – but it’s drawing plenty of traffic. eBay Motors’ website says it’s selling a vehicle every 60 seconds and logging 10 million site visits each month. ♦

## Expected UNICAP changes could boost dealership taxes

**R**etail automotive is the name of your game. Your dealership sells and fixes cars but doesn’t produce them and never will. Sounds simple, right? Maybe not. If your dealership engages in typical everyday tasks – like repairing used vehicles acquired through trade-in or at auction, installing accessories on new vehicles, engaging in dealer trades, leasing vehicles to customers, or repairing vehicles covered by manufacturer warranties or extended service contracts – much higher income taxes may be in your dealership’s future.

### Background

For the past five years, the IRS has permitted auto dealerships to use the zero uniform capitalization (UNICAP) method to comply with Internal Revenue Code Section 263A. In brief, dealerships that met certain criteria (no person spends more than one-third of their time purchasing inventory, no

off-site storage, and 90 percent of sales are to customers) were not required to capitalize certain costs and instead could treat them as an expense.

Now, though, the IRS appears to be making it tougher for auto dealers to qualify as pure retailers so they can use the zero UNICAP calculation, says Bob Zwiers, an

executive specializing in federal tax issues for retail dealers with Crowe Chizek and Company LLC.

In September, the IRS released a technical advice memorandum (TAM) which stated that a dealership is a producer, not a retailer, in certain circumstances – such as when it performs repair work on

vehicles held by a dealership for sale and when accessories are installed on new vehicles, explains Bob. He thinks the IRS will maintain this position in its final revenue ruling expected to be issued in June 2008.

A dealership that is considered to be a producer will have to look at every cost incurred to see if it's related to producer activity and then determine how to allocate it to inventory, says Bob. "That's a horrendous thing to put 20,000 dealers through," says Bob, who along with the National Automobile Dealers Association is working with the IRS to get more guidance

and a favorable resolution.

Producer activity isn't all you have to be concerned with. The IRS is also further scrutinizing what it does not consider to be on-site retail sales – including dealer trades, leasing of vehicles to customers, and service work covered by factory warranties and extended service contracts, notes Bob. Handling and storage costs associated with such sales would be subject to capitalization. Handling costs include the wages, fringe benefits and indirect costs paid to any dealership employee involved in handling a part or vehicle, including technicians. Stor-

age costs pertain to the cost of your facility. As you can see, this gets complicated.

The exact percentage of your sales that are not considered to be on-site would be subject to capitalization, which could add \$100,000 or more to capitalized UNICAP costs for the average dealer, says Bob. At a 40 percent tax rates, that's another \$40,000 in income taxes. And the \$100,000 figure is conservative. ❖

*Bob advises dealers to look to NADA for updates on this important issue. He can be reached at [rzwiwers@crowechizek.com](mailto:rzwiwers@crowechizek.com).*

## You make the call...

# Do your homework before offering dealership promotions and prizes

**D**ealers nationwide should be taking a closer look at their advertising practices, especially with regard to using out-of-state promoters for prizes. Recent scrutiny of Washington dealers – and an increase in civil actions filed against them – could be a sign of things to come well beyond the Evergreen State.

"This could be a hot button for any dealer in any state," Peter Petrich, a labor employment attorney and business litigator with law firm Davies Pearson, P.C. in Tacoma, Wash., tells *Dealer Business Briefing*. "We have several clients under the microscope and in some cases facing some fines."

For more details, Mr. Petrich referred us to his partner Brian King, a member of the firm's Dealer Practice Group who has been dealing directly with the issue.

Mr. King tells us he has seen numerous clients receive letters from the Consumer Protection Division of the Washington Attorney General's office questioning recent ads they've run. In one case, a dealer had been using on

out-of-state promoter for prizes which failed to follow Washington law.

The letters being received basically say that the CPD has recently reviewed the dealer's advertisement (a copy of it is typically attached) and that it's in violation of Washington law, says Mr. King. Dealers are asked for written assurance that they reviewed the ad with their attorney and are put on notice that further violations can result in fines and penalties, he explains. The letters his clients have received have also cited violations of federal statutes.

Although the letters are usually about recent ads, "if a dealer gets on their radar (the AG's office) may look back a couple of years," says Mr. King.

All dealers, he says, should try to get an indemnification agreement from every promoter indicating that the promoter will agree to defend the dealer and pay any fines. The promoter should also put in writing that their materials are in compliance with all state and federal regulations related to advertising and promotional prizes, says Mr. King.

That being said, an indemnification agreement "is only as good as the paper it's written on and dealers also need to take their own actions," he says.

For starters, you should be checking out a promoter's references. Check with the Attorney General's office of each state to see if there have been complaints against the promoter. Beware, though: "Promoters change names

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often and they come and go,” notes Mr. King.

You should also get your attorney – who should be familiar with dealer issues, dealer advertising statutes, and state statutes governing promotion of prizes – to look at all agreements, he says.

You don’t want to be stuck holding the bag if a promoter goes out of business, but you can be held liable under contract law, he adds. Also consult with your state attorney to find out how long you are required to hold onto print ads and videotapes of TV advertisements.

If you are served up with an ad-

vertising-related complaint, Mr. King notes that it may not be a consumer who initiated the complaint. In some cases, other dealers may be turning in their competi-

*Contact info: Davies Pearson, P.C., 800-439-1112.*

## Don’t leave dealership 401(k) plan money on the table

**D**ealers have pretty much resigned themselves to the fact that they have to offer 401(k) plans for employees to stay competitive in the marketplace. But many of them may be going about it all wrong – leaving a lot of money for themselves and their key employees on the table.

“So many dealers don’t fully understand how their 401(k) plan can work to their benefit,” Robin Welch, a CPA with Hulse, Harwood & Co. in Monroe, La., tells *Dealer Business Briefing*.

She has seen cases where dealerships’ highly-compensated employees have had to take deferrals back into income because rank-and-file employees were not contributing enough for the dealership plan to pass discrimination tests required by the Department of Labor.

Adding safe-harbor provisions to your plan will exempt it from discrimination tests and may allow highly-compensated employees to defer the maximum, says Robin. Her other suggestions:

- Work closely with your plan administrator to make sure your plan is meeting your dealership’s needs and goals. Preliminary assessments should be done at different intervals throughout the year.
- Ask your tax professionals to communicate with your retire-

ment plan sponsor and third-party administrator.

- To boost participation, point out to employees that the 401(k) plan is part of their compensation package. Put in writing during performance reviews how much you put into the employee’s 401(k) account.

Most of her dealer clients are currently matching employee contributions, notes Robin. Matches don’t have to be made until the time the dealership tax return is filed (often September or October of the plan year), she says – so you do have some leeway if money is tight.

Jo Ann Pickering, a retirement plan consultant with Hulse, Harwood & Co. and a certified retirement plan specialist, tells *DBB* that dealers should be determining how many people are and are not contributing to their 401(k) plan each year. You should also break this down by highly-compensated employees (those making more than \$100,000 in 2007 and \$105,000 in 2008, according to the IRS).

### Biggest 401(k) plan pitfalls

Jo Ann Pickering, a retirement plan consultant with CPA firm Hulse, Harwood & Co., tries to steer employees away from making these common pitfalls:

- ▶ **Excluding a controlled group business.** If a dealer owns another company considered to be part of the same entity under IRS tax code, both businesses must be covered by the same 401(k) plan. Companies have gotten into trouble for failing to do so, notes Jo Ann. If the IRS declares your plan is not in compliance, you and your employees may face taxes and penalties.
- ▶ **Skimping on plan administration.** Make sure your administrator knows retirement plan rules and regulations. “Unless it’s in it everyday, it won’t understand the law,” says Jo Ann.
- ▶ **Not covering people.** Make sure you are covering whoever your plan says it’s covering. Any employee who works 1,000 or more hours in the plan eligibility period is not considered part-time by the IRS – and may not be excluded.

Many factors should go into your plan decision, she says, including your dealership’s tax rate and tax structure. When you talk about the cost of your plan, you should look at the costs of funding it and administering it, she says. Administration expenses are deductible, she notes. Also ask your plan administrator about profit sharing. Consider offering a Roth contribution option (i.e. after-tax) too, she says. ❖

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The Faulkner Organization has a reputation for being highly selective when it comes to hiring and promoting employees. So over time the company has developed a strong core group of senior managers. Who better to serve as the program's faculty than these folks who know the business, the company, and its culture so well? For more specialized topics, people who advise the company on legal, accounting, insurance, and advertising issues were enlisted to help.

### **The curriculum:**

Academy participants and faculty meet once a month at an off-dealership location. Each month is devoted to a different aspect of dealership management. The first session is a review of company financial reports and other analytical tools available to senior managers. Each month thereafter, every dealership operating department is examined in depth. All front-end departments and fixed operations departments, including the body shops, are discussed in detail. Toward the end of the year, staff functions like legal issues, accounting and internal controls, insurance considerations, advertising concepts, and human resources policies and procedures are presented.

### **The "consultants"**

So far so good, but what sets the Faulkner program apart from others are the "homework" assignments.

After each class session in which an operating department is covered, the seminar participants are divided into teams of three people each. These are then assigned to perform a one-day "consulting review" of that department in a Faulkner dealership. The teams gather financial reports, interview key personnel, and develop a list of observations about the department along with recommendations for improvement. The results are condensed into a written consultant's report. At the next class meeting, each team gives a 45-minute presentation of its findings and then fields questions from the assembled general managers in the room.

By the end of the year, each participant has accumulated two binders full of descriptive material, financial and analytical reports, and in-depth departmental reviews all compiled from dealerships within the Faulkner group.

### **Ancillary benefits**

As with any program as ambitious as this one, unexpected benefits are bound to emerge. Here are several:

**Talent identification:** Just because someone is nominated for the program, it doesn't necessarily follow that they will be selected. A discussion of each candidate's strengths helps ensure that the best of the best make it to the Academy. During the course of the year, leaders will begin to assert themselves during the presentations.

**Peer group identification:** The selected participants already know each other by virtue of working for the same company. But the consulting assignments require people to work very closely in teams. The common experience of going through the Academy and performing the consulting assignments creates a bond among the participants that lasts well beyond the class meetings.

**Problem identification:** Although the consulting assignments are set up as learning experiences for the students, there is, in fact, some real consulting going on. Invariably, each team comes up with observations and recommendations that the dealership's general manager agrees to implement. Moreover, larger dealership groups tend to get more decentralized as they grow. The consulting teams provide a non-threatening set of eyes and ears into whether company-wide policies are being followed at the departmental level.

### **The results**

At the beginning of the program, participants are told that there are no promises. No one is guaranteed a promotion, since no one can predict when or where new stores will be acquired. Even if the only result is a better-educated group of sales and service managers, the program is worth its modest cost.

The first class of the Faulkner Academy completed its course work in December 2005. Many of the participants have already been promoted to general manager or corporate-level management positions and other expansion opportunities are under consideration.

The second class of the Faulkner Academy will complete its course work in December 2007 and celebrate with a gala dinner in January 2008.

For a "do-it-yourself" management development program that requires no overnight travel, no airplane tickets, and uses faculty members who are already on the company payroll, the results have far exceeded anyone's expectations going in. ♦

*For more information on creating your own dealership management development program, contact Mike Bowers at DealersEdge, 800-321-5312 ext. 802 or e-mail [mbowers@dealersedge.com](mailto:mbowers@dealersedge.com).*

*Did you know?*

## The market research behind AskPatty.com

**C**TW Features reports on the purchasing power of women in automotive retailing. They buy about 65 percent of all new cars and at least one-half of all used cars, according to data from *Road & Travel Magazine*.

Women also influence 80 to 90 percent of all big-ticket purchases, said Kathryn Hutson, client services consultant with Maddox Smye in Naples, Fla.

“Yet there’s some research we’ve seen that says 75 percent of women take a man with them when they buy a car, just because they want to level the playing field,” Ms. Hutson said.

Ms. Hutson knows all about women’s automotive purchasing habits. Her company specializes in helping marketers sell their products to women.

Car dealers have probably never heard of Maddox Smye, but they certainly know one of the firm’s clients, AskPatty.com, Inc. All dealerships that affiliate with AskPatty.com must complete Maddox Smye customized training on how to relate to and sell more effectively to women customers.

The company has identified more than 60 buying behaviors unique to women that apply, whether they’re buying nightgowns or automobiles.

It’s hard to say why women lose confidence when it comes to car purchases. Ms. Hutson said one reason may be the traditional methods used by those who sell automobiles. “For years, auto salespeople have been taught that if a customer walks out, the salesperson has lost the sale,” she said.

But what she helps salespeople understand is that if they pressure a woman, she’s more likely to walk out the door than is a male shopper.

### New ideas

**SNUGTOP** has introduced a novel short-bed truck display for dealer showrooms. Designed specifically for the dealer showroom, this high-impact marketing tool saves floor space, yet adds to the professional look of a dealer’s display area. Measuring just 4 ft. X 5 ft., the compact display is designed to enhance any showroom. The truck bed display unit ships in knock-down form, sets up easily and quickly on a sturdy black metal frame, and includes heavy duty wheels for easy positioning on the showroom floor. All that’s left to do is attach any SNUGTOP product to cap off the display. For more information, please visit the company’s Web site at [www.SNUGTOP.com](http://www.SNUGTOP.com).

**Lista International’s** Automotive Workbench System is specially designed for automotive service and repair. Ideal for technicians, assembly and tear down applications, Lista’s Automotive Workbenches can be easily configured to suit specific needs without custom cost. The Automotive Workbenches come with a durable, attractive stainless steel work surface, and are available with a wet clean base for easy cleaning under the works station. The workbench feet are adjustable for leveling. Take a look at [www.listaintl.com](http://www.listaintl.com) for more details.

“When a man shops for a car, he’s probably looking at numbers, so when the salesperson comes up with a number, the man will buy. But a woman shops based on relationships,” Ms. Hutson said. The female customer wants to build trust with the person on the other side of the transaction.

Men prioritize, while women multitask. A man may make heading to a dealership the centerpiece of his day, while a woman’s visit may just be part of a list of errands she will get to that day. So women want to build a relationship, but they don’t want to waste their time. And more women than men research on dealers’ Web sites before visiting their lots.

Women ask friends, family and work colleagues for referrals to auto dealers and other businesses. Hutson said the sales professionals she trains want to do a better job of selling to women; often it’s just a matter of shifting strategies.



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