

FEATURE |

REPAIR DONE RIGHT

*Changing the Narrative
on Right to Repair* PAGE 4

WORKFORCE DEVELOPMENT REVISITED

*Recent survey looks at trends
by dealership groups* PAGE 22

AgDirect.



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approach to the argument over right
to repair. Read about *Repair Done
Right* that begins on page 4.



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WESTERN EQUIPMENT DEALER RESOURCES FOR SUCCESSFUL DEALERS

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REPAIR DONE RIGHT

Changing the Narrative on Right to Repair

by ERIC WAREHAM

WHETHER YOU OPERATE equipment dealerships in the United States or Canada, the Right to Repair issue cannot be taken lightly. If the Biden administration and some policymakers have their way, how dealers provide service could be in jeopardy and the agricultural industry could face something it hasn't faced in a long time – increased downtime from poor equipment performance unrelated to dealers or manufacturers.

In an executive order signed by the president on July 9, 2021, a federal agency would have discretionary power to enact rules regarding "...unfair anticompetitive restrictions on third-party repair or self-repair of items, such as the restrictions imposed by powerful manufacturers that prevent farmers from repairing their own equipment ..."

At face value, the wording alone doesn't seem unreasonable. But it's based on misleading information that equipment owners and repair shops not affiliated with a particular brand are being denied access to parts, tools and equipment manuals to make repairs.

The Western Equipment Dealers Association has been involved in this issue since day one – and day one began more than six years ago. With the help of WEDA members and key supporters, the association has been able to refute claims by right to repair advocates. However, the association believes it's time to change the narrative entirely and back up its position with facts, something right to repair advocates don't have or have chosen to ignore.

Eric Wareham is the association's vice president of government affairs and he explains herein how the industry is going to replace fiction with facts.

Beginning in January every year, Right to Repair legislation turns up like a bad penny in legislatures across the country. Since 2016, it has been introduced in nearly every state and, in every state, Right to Repair legislation has failed year after year.

Propped up by a lack of understanding and insincere claims from proponents, the issue draws the attention of legislators until they are dispelled of the notion that farmers can't repair their equipment.

Over the last six years, our arguments against the legislation have been refined and the industry has combatted an avalanche of false information. The Industry Commitment to make parts, tools, documentation, and diagnostics available went into effect last year. Demonstrations have been held at dealerships throughout North America for legislators and stakeholders to show incontrovertibly what is available for equipment owners and third parties to perform their own repairs. There have



The average dealership needs to hire five additional technicians to meet customer demand. The capacity problem doesn't stop there, though. Without rural broadband, a dealership cannot use remote diagnostics to stretch its limited capacity further.

also been countless meetings with legislators, farm bureaus and commodity groups to present what our industry is doing to support customer repairs and discuss what this issue is really about.

All of these efforts have had a positive effect. We no longer hear proponents of Right to Repair claiming they can't get a manual for their tractor because, as we all know, that is preposterous. A 30-second Google search has led many legislators to see how disingenuous that claim is. Yet, the Right to Repair issue still claims a certain hold on people who have bought into the narrative that despite all the information to the contrary, dealers and manufacturers have a monopoly on repair and are preventing their customers from performing their own repairs. The Right to Repair executive order by President Biden last year repeated those unfounded claims against our industry without a shred of evidence.

That action by the president made it clear we needed to do more than kill legislation each year – we needed to change the conversation. As the old



ERIC WAREHAM
is vice-president of government affairs for the Western Equipment Dealers Association.

political adage goes, "If you're explaining, you're losing." We have been explaining for far too long when the reality is our industry has a great story to tell.

Repair Done Right

Instead of talking about Right to Repair, which insinuates dealers and manufacturers are infringing on someone's rights, we decided to change the narrative under a different banner. That is where Repair Done Right was born. When it comes to how our industry supports customer repair, the facts are on our side. A concerted campaign to provide dealership personnel and customers with irrefutable information about what our industry actually does to support repair is the foundation that will change this conversation over the long run.

For too long, proponents of Right to Repair legislation have been relying on "sham surveys" and misinformation to advance their argument that manufacturers and dealers have a monopoly on repairing equipment.

Repair Done Right is launching this spring. There are two key components of the campaign.

First, the association will be hosting a training platform for dealership personnel. In that training, the association and manufacturers have teamed up to create a brand specific video that talks about what Right to Repair is and provide details about what is available to customers and third parties under the Industry Commitment to support customer repair. Using data collected from industry surveys, the training will provide key talking points to equip dealer personnel with the knowledge to have a positive conversation with customers about what the dealership does to support customer repair.

The second component of the Repair Done Right campaign is material to convey the same message to customers. That will include material like trifold brochures and posters with Repair Done Right infographics and themes on them. It also entails digital versions of those materials to be used on closed circuit televisions in dealerships or for social media posts.

The question you may be wondering about is what kind of information would that be? It's a great question.

One of the most important data points from the industry survey is what percentage of parts a dealer sells out the door and are installed by customers or independent repair shops. This goes right to the heart of whether dealers have a monopoly on repair.

The answer is the average dealership sells 56% of its parts out the door. In other words, a majority of repairs are performed by someone other than the dealership. This is an important point to make because it clearly shows there is no monopoly on repairs. Having dealership personnel understand this will arm them with information to change the conversation with their customers from a defensive discussion to a positive one about how they support their repairs.

That is just one of the statistics that will be discussed in Repair Done Right training. There are many more statistics that point out what dealerships invest in parts inventory and technician training to support customer repairs.

There are other points that address what leads to downtime for customers. If there is availability and access to parts, tools, documentation, and diagnostics then something else is the culprit. From the survey, the answer is clear: Our industry has a capacity problem. That is no news to anyone reading this.

The average dealership needs to hire five additional technicians to meet customer demand. The capacity problem doesn't stop there, though. Without rural broadband, a dealership cannot use remote di-

Continued on page 6

The Facts of the Matter

For too long, proponents of Right to Repair legislation have been relying on "sham surveys" and misinformation to advance their argument that manufacturers and dealers have a monopoly on repairing equipment.

To refute some of the preposterous claims made by Right to Repair advocates, the equipment industry, which includes manufacturers, associations and dealers, has invested time and money to meet with policymakers and stakeholders to set the record straight.

In order to change the narrative, the equipment industry has decided to counter Right to Repair with Repair Done Right. Repair Done Right is a training program to arm dealers and their employees with indisputable facts about what is available to customers to perform repairs on their equipment.

Here are some of the facts from industry surveys that will be offered in Repair Done Right training:



Of the parts sold by dealers, 56% are sold out the door and not installed by dealerships.

The average dealer has two independent repair shops as top 10 parts customers.



On average, a dealership sells parts and tools to nine independent repair shops.

Dealers stock an average of \$1 million worth of parts.



The average dealership will spend more than \$100,000 per year on training for technicians.

Dealership technicians receive 20 to 40 hours of training yearly to keep up with model and technology changes.



The average dealership needs to hire 5 additional service technicians to meet customer demand.

What these mostly unknown facts illustrate is dealers and manufacturers really don't have a monopoly on repairs and they fully support Repair Done Right and have for some time.



Equipment owners are not strangers to making repairs in the field and on the go.

agnostics to stretch its limited capacity further. Workforce development and rural broadband are two issues that people understand and they represent valid limitations on the ability of a dealership to serve all the needs of customers, especially during peak periods. It's important to make this a part of the conversation as well.

Advocacy

The Repair Done Right campaign will serve another important purpose. The Industry Commitment to push Repair Done Right was agreed to and went into effect in 2021, but it's time that policymakers know this effort is more than a superficial promise.

Under President Biden's executive order, the Federal Trade Commission will be looking into Right to Repair. So far, policymakers and those

REPAIR DONE RIGHT

in favor of Right to Repair have quoted "sham surveys" from outside groups to explain the need for regulations that would be harmful to our industry. The FTC relies on that contrived data because there has been no information to rebut it. That is, until now.

The results from industry surveys provide the data needed to portray an accurate picture of the repair landscape. We can also show our industry's dedication to customer repair by training our people on the issue through completion of the Repair Done Right training program.

Aggregating hours of personnel training from dealerships across the country will eventually add up to thousands of hours dealers have dedicated to the issue of Right to Repair. Presenting this kind of information to policymakers shows the Industry Commitment is not mere words, but action. It also says to policymakers that mandates and regulations are not necessary because we are voluntarily addressing the issue within the industry and with customers. This will be an extremely important component of the advocacy campaign in future legislative events.

Going Forward

The rollout of the Repair Done Right campaign will be this spring. We hope every dealer engages in the training and equips their people with the ability to share a positive story about what our industry does to support customer repair.

Right to Repair is a complex issue and judging by the introduction of legislation and hearings on bills throughout the years, it can also be a confrontational one. It doesn't need to be.

When dealers and their employees have the right information, it can help build on the positive relationships of trust that dealers have already cultivated with their customers. **WED**

ERIC WAREHAM is vice president of government affairs for the Western Equipment Dealers Association. He is a graduate of the Willamette University College of Law and Augusta State University. Eric may be reached by writing to ewareham@westerneda.com.

Your WEDA Online Connection



Equipment Dealer Magazine is your one-stop shop for news updates from the association on policy, government regulations, manufacturer relations, dealership surveys, public awareness campaigns, CODB Study, North American Dealer Conference, and much more.

Check out the WEDA Connect podcast series that explores all the hot topics affecting the equipment dealer industry. You'll find featured webinars, Industry Insights, as well as insightful videos and training opportunities from Dealer Institute.

Also enjoy access to digital content of WEDA's flagship publications, *Canadian Equipment Dealer* and *Western Equipment Dealer*, featuring some of the equipment industry's most notable experts in dealership management.

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Online Resources for Successful Dealers



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The showroom at Lawn Care Equipment offers plenty of options for the dealership's residential and commercial customers.

"It's all about people."

Dale Hughes, vice president,
Lawn Care Equipment

OPE dealer ushers in "new era of excellence"

By LYNN GROOMS

When Dale and Christy Hughes purchased Lawn Care Equipment Company, their hope was "... to bring a new era of excellence to the outdoor power equipment world." That was in 2016 and the dealership is making good on its vision. It's also one of the few outdoor power equipment dealerships in the area that's owned by a woman.

The dealership originally opened in 1957 and was located in Brentwood, Missouri. But the dealership outgrew the old space so the Hughes' moved it in 2018 to a new state-of-the-art facility in nearby Webster Groves, Missouri.

Lawn Care Equipment also operates a second store in DeSoto, Missouri. The two locations serve much of the St. Louis area and the majority of Jefferson and St. Francois counties.

Dealing with transition

When a business changes ownership, it's not unusual to see employees exit the "new" business. Lawn Care Equipment was fortunate key employees were retained and continue with the dealership. Overall, the success of the dealership is also reflected in employee growth.

"Some of our employees have more than 40 years in the industry. They bring their knowledge to their jobs," said Dale Hughes, vice president of Lawn Care Equipment.

To make certain the "new era of excellence" is maintained, Hughes said technicians and sales associates all receive equipment training via online school and in-person classes provided by the manufacturers.

"It's all about people," he said. "None of this would be possible without our employees. When you work together as a team, things go smoothly."

The rate of transition in the equipment industry is not just about ownership changes, which seems to occur daily, weekly or monthly. Employees are on the move, too, through retirement or job changes. Attracting people to the industry has been challenging.

To make sure Lawn Care Equipment increases its visibility and promotes the industry, the dealership participates in the annual job fair conducted by the State Technical College of Missouri in Linn, Missouri. This kind of activity is something more dealers throughout North America are doing to reach career counselors and future employee prospects.

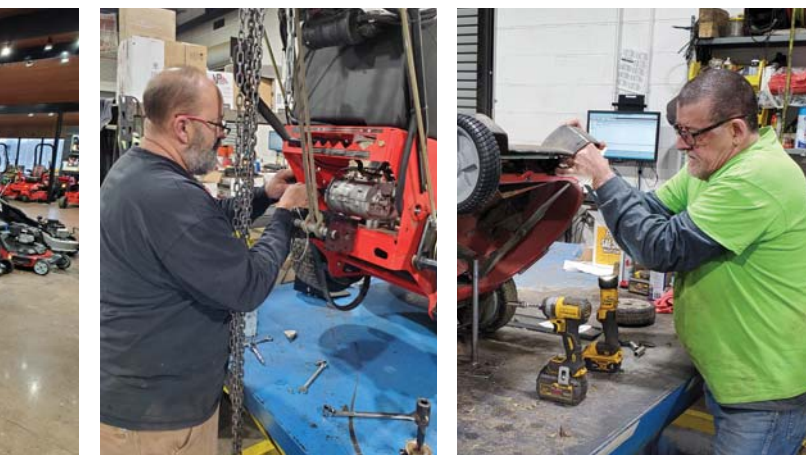
Service is the center of attention

The Webster Groves location at a casual glance doesn't look like a hub of activity, but it is – and in a big way.

In addition to a parts department and sales center, the dealership's service area provides technicians with a productive work environment. Work benches are hydraulic scissor-type lifts to give technicians adjustable height options when working on either commercial or residential equipment. The shop is fitted with overhead cranes to lift equipment. It's also a heated and air-conditioned space to provide comfortable working conditions.



LYNN GROOMS
is an agricultural
journalist living in
Mt. Horeb, Wis.



Bob Garrett (photo left) has nearly 40 years as an industry technician.

Rob Jackson (photo right) brings more than 40 years' experience as outdoor power equipment technician.



Dale Hughes (right), vice president, Lawn Care Equipment, works alongside his brother Kevin. In the background is a really cool attraction near the lobby, a small pond of fish fronted by a live-edge bench.

"There's a camaraderie among the employees, but the actual physical facility also provides a good work environment," Hughes said.

Best brands available

The equipment lines carried by Lawn Care Equipment are based on overall product quality. The dealership sells and services Mahindra tractors. It also sells and services trailers and a wide variety of power equipment, such as commercial and residential mowers, snowblowers, pressure washers, trimmers, chainsaws, blowers, generators, attachments and hand tools.

"We think they're the best brands available to our customers," Hughes said.

About 60% of the dealership's customer base is comprised of residential customers and 40% is comprised of commercial customers. Hughes said one of the goals is to increase the dealership's commercial customer base to 50% in the future.

Dealing with the unexpected

Whether you're in the business of selling potato chips or outdoor power equipment, the pandemic has presented serious challenges. Bottlenecks in the supply chain are chief among them. Hughes said he's had difficulty obtaining both wholegoods and parts in a timely manner.

Staffing problems also hit Lawn Care Equipment in the early stages of the pandemic. Fortunately, the dealership has hired many qualified employees from within the industry.

Staying the course

Dale and Christy Hughes have been business owners since 1991 and they've had to dodge a few potholes along the way. "The pandemic has been just another bump in the road," Hughes said.

In addition to Lawn Care Equipment, the Hughes' own Kranz Body Co., a full-line truck equipment distributor in St. Louis.

"We started a business with nothing and survived The Great Recession from 2007 to 2009," he said. "We had to get through that and we have to get through this. We have no choice."

It's no easy task "to bring a new era of excellence to the outdoor power equipment world." Lawn Care Equipment is determined to do just that. **WED**



Lawn Care Equipment Company

Established: 1957, new ownership in December 2016

Locations: Webster Groves, Missouri; DeSoto, Missouri

Owners: Dale and Christy Hughes

Employees: Approximately 40 employees

Major lines: Mahindra, Stihl, Gravely, eXmark, Echo, RedMax, Toro, Honda

Customer Base: residential customers, commercial customers

Website: <https://www.lawncareequipmentco.com>

Keys to Success:

- Customer service
- Good relationships with manufacturers and vendors
- Surrounding ourselves with good employees

2021 WEDA REVIEW IT'S ALL ABOUT YOU!

We're an advocacy association that works tirelessly to advance the interests of our members – more than 2,200 North American agricultural, industrial, forestry, outdoor equipment dealers, and hardware and home centers. **Every day, in everything we do, we never take our eyes off one essential question: "Will it help the dealer?"** WEDA members have access to value-added products and services that help them grow and be successful, in three key areas...

- + ADVOCATE
- + ELEVATE
- + EDUCATE

We get it.

Running any business is challenging, and in our industry, it's even more so. That's why all we do is work to provide the support, the services, and the benefits that help members succeed.

You get it.

If we can help fortify the financial position of a single member through one of our many beneficial programs, we count that as a success.

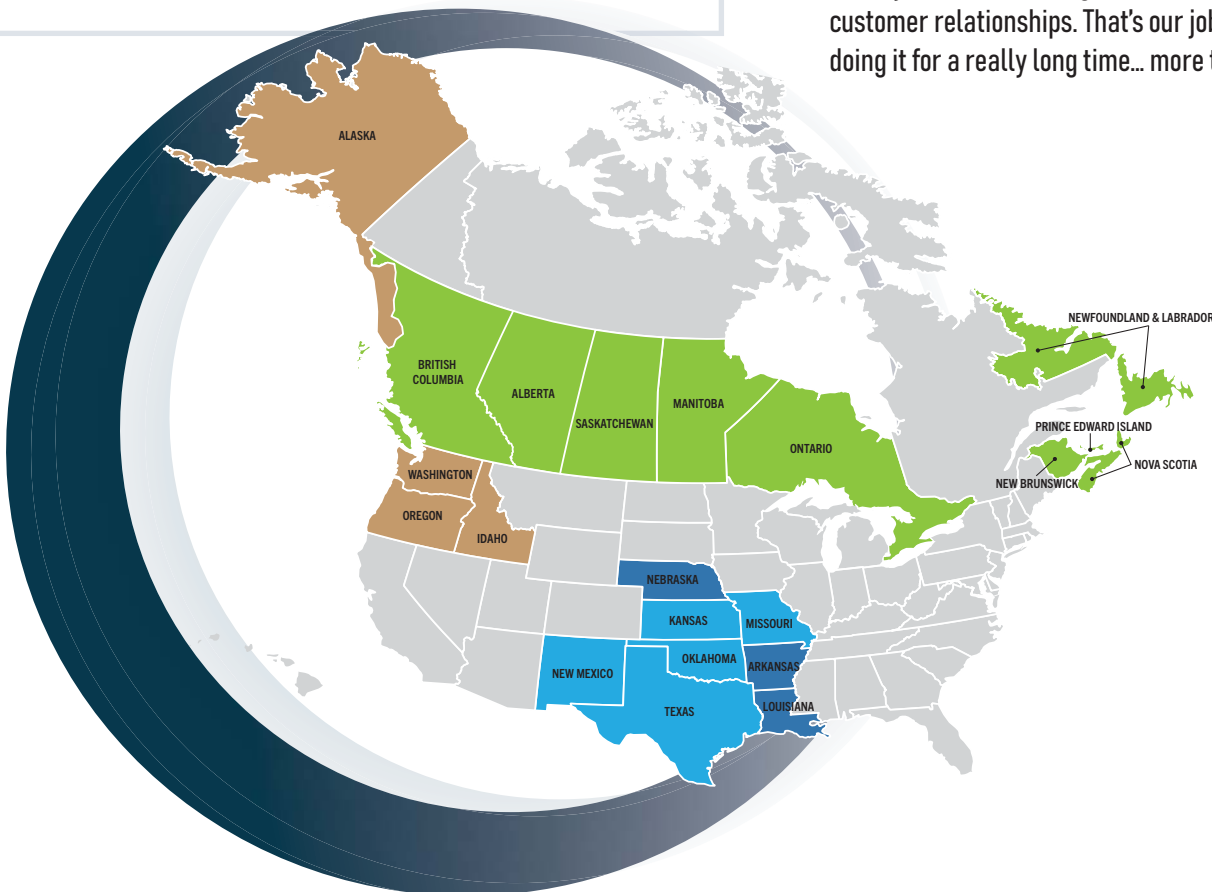
When our classroom, in-dealership training courses, or consulting efforts improve the business skills of a manager or the technical capabilities of a service technician, we're thrilled.

When we facilitate a networking opportunity among dealerships from around the country, we know we're doing our job.

Our ongoing discussions with key decision-makers advocating for legislation that protects and promotes our industry are invaluable to a dealer's success.

Why?

Because our job is you. Specifically, to help make you better. Better growth. Better business. Better customer relationships. That's our job, and we've been doing it for a really long time... more than a century.





ADVOCATE

WEDA is the only organization that presents viewpoints and opinions to elected representatives from an equipment dealer's point of view. Your support advances our advocacy work. Our advocacy work helps your business.

The three key areas where WEDA's advocacy services help your dealership stay current, informed, and successful are:

- Manufacturer and Industry Relations
- Legislative and Regulatory Actions
- WEDA Dealer Hotline

HERE'S WHAT WE'VE BEEN DOING IN 2021:

- Finalized unification plan on merger with three other associations.
- Held 4 board meetings.
- Held 13 committee meetings.
- Held 16 dealer meetings.
- Held Dealer Director elections in South West region.
- Helped many dealers with various tax, sales tax, PPP Loan Forgiveness, Employee Retention Credits, and merger & acquisition questions throughout the year.
- Continued relationships with manufacturers for the continued benefit of our dealers.
- Attended 6 Industry Relations Task Force meetings with manufacturers.
- Held over 20 meetings with manufacturers on dealer issues.
- Made presentations to manufacturers on M&A services.
- Met with 4 Ministers of Agriculture on industry issues.
- Gave 9 state of the industry presentations to various groups.
- Conducted Bobcat Dealer Survey.
- Conducted Workforce Development Survey.
- Represented dealers on Morris bankruptcy and purchase of assets.
- Participated in Ritchie Bros. industry panel.
- Lobbied federal government on interoperability.
- Made presentations to various farm commodity groups on dealer issues.
- Kept dealers aware of current tax law changes and COVID-19 (OSHA) requirements affecting employees with over 100 employees.
- Hosted dealer meeting with Members of Parliament on *Right to Repair* and inventory interest reduction.
- Addressed *Right to Repair* concerns in numerous provinces and states.
- Conducted over 10 media interviews on *Right to Repair* and supply chain issues.
- Held successful *Right to Repair* dealer demonstration in Red Deer, Alberta with attendees from Alberta's Ministry of Agriculture, various industry farm groups, commissions, and commodity groups, plus representatives from mainline manufacturers and dealerships.

***Pursuing
policies
that
support
your
success.***



Continued on next page.



ADVOCATE CONTINUED

WEDA CEO John Schmeiser explains the benefits of association unification.



- **Met with Ag Ministers in Alberta, Saskatchewan, Manitoba and Ontario supporting *Right to Repair*.**
- **Passed: Oklahoma transportation bill exempting dealers from escort vehicle requirements. WEDA introduced legislation in response to enforcement action against dealer because of ambiguous law.**
- **Passed: Texas bill clarifying sales tax on credit card vendor fees are not subject to sales tax. Legislation introduced in response to dealer audit where six figure additional tax burden was levied. After bill passed, the issue was resolved in the dealer's favor.**
- **Killed: *Right to Repair* legislation. Introduced in over 40 states, *Right to Repair* did not pass a single state legislature for the fifth year in a row.**
- **Missouri *Right to Repair* Ballot Measure: WEDA lead a broad industry coalition submission to the Secretary of State and Attorney General arguing against the unconstitutional provisions in the ballot measure.**
- **Lead industry response to Biden *Right to Repair* Executive Order.**

WHAT DEALERS HAD TO SAY

"Government lobbying, manufacturer relations, legal assistance, education, educational scholarships, fundraising, business supplies, dealership surveys, agricultural dealer public awareness/recruitment, employee recruitment... the list goes on, and all for the benefit of our dealerships and their survival."

Gerald Swystun
Full Line Ag Sales, Saskatchewan

- **Reviewed new John Deere Credit agreement, providing comments to John Deere and advising dealers on the changes to the agreement.**
- **Reviewed new John Deere "Code of Conduct" agreement, providing comments to John Deere and providing our support to the concept of the agreement.**
- **Reviewed new Mahindra agreement, providing comments to Mahindra and advising dealers on the changes to the agreement.**
- **Reviewed new Cummins agreement, providing comments to Cummins and advising dealers on the changes to the agreement.**
- **Updated U.S. Rental and Lease agreement.**
- **Met with Amazone on dealership agreement.**
- **Provided guidance to dealers on federal stimulus programs such as PPP.**
- **Updated dealers on state and federal COVID related protocols and mandates.**
- **Monitored federal tax legislation and reported to dealers on proposals.**

"There are a lot of great benefits to being a member of the association, but the one that jumps out is the way they have kept us abreast of changes in laws and regulations that pertain to our business and offering possible solutions to those changes."

Shawn Skaggs, Livingston Machinery, Oklahoma



ELEVATE



**EQUIPMENT
DEALER**
CONSULTING, LLC.

Today, the success of an equipment dealership depends on many different factors – from day-to-day operations to finance, access to appropriate legal advice, and insurance protection. Your dealership might want to bring in partners, join forces with other dealerships or sell outright – and we can help.

We do the hard work of vetting and selecting the best people, companies, and resources in the industry to make it easier for you to guide your business to success. Put it all together and you have a vital WEDA service area we call ELEVATE to help your business succeed.

WEDA's partner services and business alliances can assist you with:

- Accounting and Finance
- Legal, Cyber Security and Insurance
- Value-added programs and services

HERE'S WHAT WE'VE BEEN DOING IN 2021:

- Achieved significant profit in both Canadian and U.S. operations. This helps keep your member dues low.
- Received "clean audit" assessment in both Canadian and U.S. operations.
- Performed over 25 valuations across the U.S. and Canada for dealers to merge or sell their dealerships.
- Working with various vendors, with the intent of providing equipment dealers more health care options for dealership employees.



*Member services
to take your
business higher.*

- EDC and Dealer Institute successfully sold a dealership on behalf of the seller.
- Performed estate valuations for various dealerships to utilize the Unified Gift & Estate tax exemptions.
- New preferred partner program with currency exchange partner Corpay who have a number of products and strategies to manage your Foreign Exchange risk.
- New preferred partner program with online safety management software provider SiteDocs who have a robust platform to make safety compliance easy and paperless.
- New partnership with Secuvant that prioritizes your cybersecurity needs.
- Signed new partnership agreement with Sunridge Partners, a private equity firm looking to expand their holdings in the equipment industry.
- Renewed partnership agreement with West Texas National Bank (WTNB).
- Renewed partnership agreement with AgDirect.



EDUCATE

In any equipment dealership, operational excellence is all about continual improvement, efficiently meeting your business goals, and making sure your staff is engaged and delivering exceptional customer service.



Dealer Institute is a division of WEDA, staffed with hand-picked top industry analysts and consultants with specific knowledge of the equipment industry across all dealership operations. We provide in-depth root cause analysis and customized solutions that grow your business and move your people toward success.

HERE'S WHAT WE'VE BEEN DOING IN 2021:

WORKFORCE DEVELOPMENT

Our recent Workforce Development Survey exposed glaring issues with personal and professional development provided in our industry. Dealer executives confirmed the issues, but also the challenges associated with finding people, let alone the right ones, to fill multiple positions in their organizations. While the focus on workforce development is at an all time high, COVID-19 created additional challenges, many of which we continue to face almost two years later.

- To help dealers support personal and professional development in this changed environment, Dealer Institute adapted their curriculum and delivery methods to accommodate a robust virtual platform and maintain a strong, successful schedule of courses, with over 2,000 participants in various programs.



AFTERMARKET GROWTH

Continued challenges from COVID-19 presented many organizations with the opportunity to focus development of frontline parts and service employees. In 2021, we surpassed 3,500 students who participated in our Parts Counter Sales Training course and just under 2,000 in Service Counter Sales Training. With Aftermarket growth at the forefront, Aftermarket Leadership, Service Management Installations, coupled with Parts and Service Counter Sales Training have helped dealer organizations realize significant increases in efficiency and profitability.

- Over the last four years, the Service Management Installations averaged \$267,000 in additional revenue to installed service departments.

PERFORMANCE GROUPS

Our performance groups continued to help dealers expand their business and effectively meet the extraordinary challenges of today's market. While it may be new to some, it is no secret to WEDA and the dealers involved, WEDA Performance Groups are a life changing experience and have facilitated a platform for so many dealers to become industry leaders.

ON-SITE CONSULTING

With the increase in the level of sophistication of dealer organizations, the need for assistance in leading organizations through internal and external transitions has increased. Through Dealer Institute's IDP (Independent Dealer Performance Evaluations) and Executive Coaching programs, we have helped dealers understand the reality of their operations and develop and implement short- and long-term initiatives to excel in today's market.

- In 2021, we had over 700 students go through on-site training, focused specifically on their dealers' needs.

Developing people to grow your business.

MANUFACTURERS

Dealer Institute is working with manufacturers on three major fronts. The first is providing independent training and consulting initiatives directly to OEM dealer networks. The second is training OEM field personnel on dealer operational best practices, to enhance their ability to be a better industry partner. The third is navigating the complete merger and acquisition process, assisting dealers through one of the most complicated and stressful transactions experienced personally and professionally.

ADDITIONAL HIGHLIGHTS:

- Developed M&A Suite of Services.
- Held 15 educational webinars for dealers.
- Added additional trainers to Dealer Institute.
- Hired new Western Farm Show manager.
- Hosted a webinar on the CODB Study, with Gord Thompson highlighting the results for the 2021 study for the year ending 2020.
- Hosted a webinar on the equipment industry economic trends, impact of COVID-19, PPP loans and what to expect in 2022.
- Delivered 12 podcasts on industry issues.
- Provided article in the winter editions of the Association's magazines, *Canadian Equipment Dealer* and *Western Equipment Dealer*, on the impact of the CODB Study and importance in tax law changes, etc.
- Launched new Service Technician Test website for members at www.servicetechtest.com.
- Met with Saskatchewan Polytechnic on Executive Dealership MBA Program.
- In conjunction with Olds College and Careers, The Next Generation; launched a successful dual credit distance learning pilot program in Alberta for high school students to explore a career as an agricultural equipment technician.
- Working with Olds College to develop a dual credit program to attract high school students and more specifically, urban high school students to explore careers in agri-food, food science and precision agriculture in conjunction with their Techgromy Programs.
- Launched an online high school parts technician course in conjunction with Saskatchewan Polytechnic and the Sun West Distance Learning Centre to fill the void in both career awareness and recruitment for the parts counter.

WEDA'S FOUNDATIONS

Operated by a group of volunteer dealers and association staff, the Foundation's missions are to:

- create education and workforce development programs
- establish and fund scholarship programs
- promote public awareness campaigns of the industry's career opportunities
- fund research that delivers significant industry benefits.



Western Equipment Dealers Foundation

- Hosted board meeting for the WEDF
- Raised \$17,700 at the Summer Golf Classic
- Raised \$8,100 at the new annual Clay Shoot
- Total Raised for scholarships = \$25,800
- Donated \$5,000 to support WEDA's OSUIT Technician Training Program
- WEDF disbursed twenty \$1,000 ag technician and other industry education scholarships



Canada Equipment Dealers Foundation

- Hosted board meeting for the CEDF.
- Worked with Saskatchewan Polytechnic on fundraising for new ag technician facility.
- In year four of our five-year partnership with the Sun West Distance Learning Centre in Saskatchewan in support of our high school Ag Tech Programs – over the last four years 381 students have completed the AET20, AET30 or PT30 program.
- Launched a new Dual Credit AET program in Alberta with 15 students in our pilot year in conjunction with our partners: Olds College, Chinooks Edge School Division and Careers, The Next Generation.
- Fulfilled our \$250,000 five-year funding commitment with Parkland College in Yorkton, Saskatchewan.
- Raised \$10,000 from individual dealer contributions on Giving Tuesday.
- Raised over \$77,000 from the CEDF Online Auction held in February 2021.
- Awarded 130 scholarships totalling \$74,000 in matching scholarship funds to dealership staff to further their education.
- Planning to host our annual CEDF golf tourneys this June through August, stay tuned for more details.

Association members vote to merge

New association expected to be in place July 1

by WEDA STAFF

AFTER SEVERAL YEARS of discussion and planning, the members of the Western Equipment Dealers Association, Midwest-SouthEastern Equipment Dealers Association, United Equipment Dealers Association, and Equipment Dealers Association have voted overwhelmingly in favor to merge.

Under the merger, the four associations will become the new North American Equipment Dealers Association – or NAEDA. The member vote, which began shortly after the first of the year and ended in February, was the final step in the merger process to create the new association of equipment dealers. The effective date of the merger is projected for July 1, 2022.

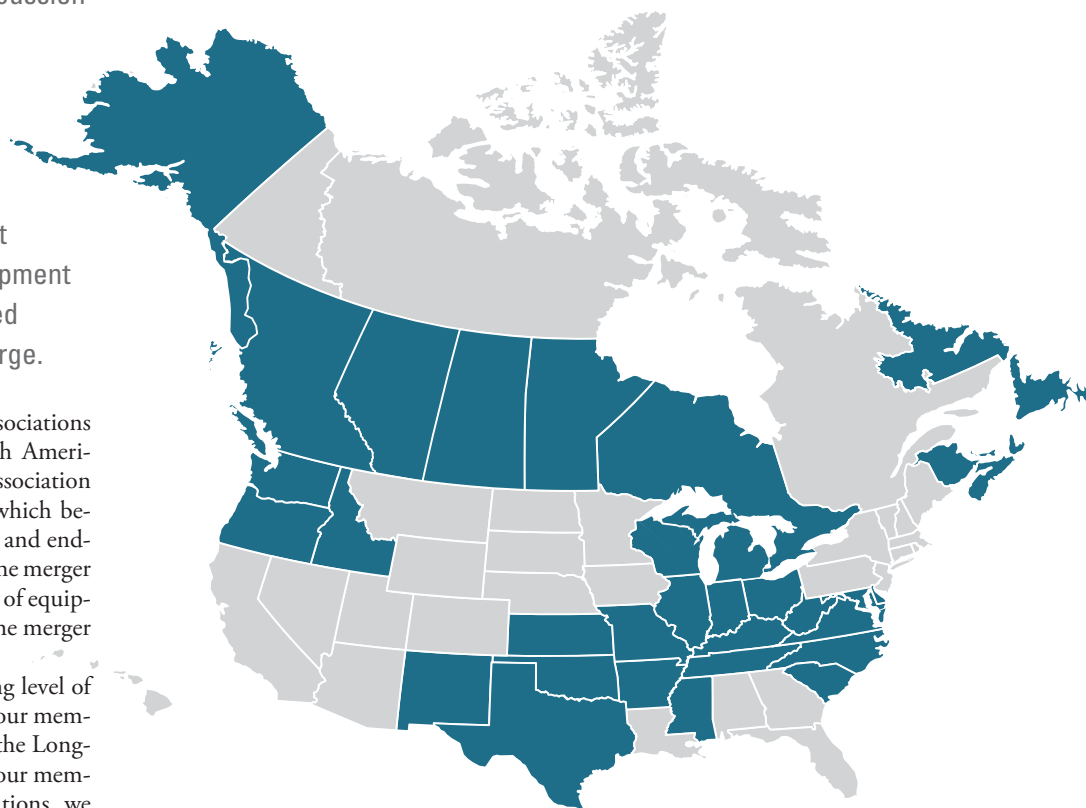
“We appreciate the overwhelming level of support that we have been given by our members,” said Tom Rosztoczy, chair of the Long-Range Planning Group. “Now that our members have ratified the merger resolutions, we will start with our transition plan and consolidating our resources – taking the best of all four organizations to enhance our value proposition to dealers.”

“A major reason for proceeding with this merger is our members will benefit from a larger, financially strong association that will provide more services to address the needs of today’s equipment dealers,” added Rosztoczy. “I am very pleased with the confidence that



“We appreciate the overwhelming level of support that we have been given by our members.”

TOM ROSZTOCZY, Stotz Equipment
Chair, Long-Range Planning Group



● The footprint of the new North American Equipment Dealers Association (NAEDA).

our members have shown in this unification plan.” Rosztoczy is president and CEO of Stotz Equipment.

The newly formed organization will continue to focus on dealer priorities, namely representing dealers’ interests with manufacturers and government regulators in Ottawa, Ontario, and Washington, D.C.

NAEDA will also continue to represent dealers on regulatory issues in the 24 U.S. capitals of the states involved in the merger and in nine Canadian provinces. The states and provinces that will be in NAEDA’s service area are highlighted in the map.

NAEDA will continue to work with all regional equipment dealer associations in North America effectively representing agricultural, construction, industrial, forestry, outdoor

power, lawn and garden, and/or turf equipment dealers. **WED**

For more information contact:

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EDITOR’S NOTE: More information about the new organization will be in the summer issue of this publication.

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What cult leaders tell leaders about leadership

By DR. LARRY COLE



HOW DID JIM JONES get 900 followers to drink the poison during a mass suicide?

As a psychologist, it piqued my interest. Then ISIS and similar groups appeared in the public and I continued to wonder why people join such groups. Fortunately, *Psychology Today* published an article that provided insight into a cult's excellent recruitment practices.

First, they search social media looking for qualified prospects, i.e., individuals who are commenting about their frustrations with their current state of affairs. Second, the communication begins to eventually add fuel to the fire of frustration. Over time, the initiator builds a relationship with a prospect through social media and once established the selling process begins in earnest. The objective of these conversations is to fan the fire of their frustrations to the breaking point where the individual concludes that *"remaining in this situation is no longer an option."* Bingo, the need to change is solidified.

Next the initiators provide a "better option" for an alternate lifestyle. Solution offered. Now come the flood of promises associated with the alternate lifestyle. It matters not if these promises are fact or fiction. The frustration associated with the prospect's existing lifestyle is so high, anything sounds better. The intensity of emotions begins to override logic so the cult salesperson can easily position the offered solution as the "savior."

Yes, they are working a mind control technique with the intent to raise the magnetic level of the offered solution to the

point whereby the prospect reaches the conclusion *"the alternate life style is much better than the one I'm living – I just have to have it."* So, the purchase is complete.

The teaching continues

Now for the interesting element in the formula – leader continues to repeat statements to the recruit until such statements are "normalized" and they seem real. Here's the dangerous component of this formula – it matters not that such statements are true or false, they become real.

Psychological research has supported the notion that our memories sometimes do not differentiate between fact or fiction. In other words, if we think about a fictitious statement frequently and long enough, it becomes real to us. This dynamic can easily distort our memories, perceptions and reality.

Let's look at a real-life situation. While working on an Intel construction site, I had the opportunity for a discussion with one of their executives. During our 20-minute conversation I heard multiple times that *"Intel is not a world-class company."* Imagine my surprise upon hearing that for the first time and then he finished the statement saying *"Intel sets the standard for world class."* It would be interesting to shadow this exec to count the number of times this mantra is repeated throughout the day.

How did Jones get 900 people to drink the juice? The story has it that he frequently practiced that act for the day that it might be needed. So, when the time came, the juice was replaced by poison, meaning the final act was nothing more than another practice session.

Cult leaders also take advantage of the fact that, psychologically speaking, people are hard-wired to belong to groups that are

larger and greater than they are because of the physical and psychological security afforded to individual members. Your dealership is bigger than any one employee. You want your employees to feel as an integral, valued member of their store and company. Their decisions will be determined by how they are treated.

In summary

Let's summarize the teaching points offered by cult leaders:

1. **Use the two whys**, i.e., remaining the same is no longer an option and just have to have it, to sell the dealership to employees and upon introducing change initiatives.
2. **Use the dealership's vision and mission** as organizational mantras to normalize their usefulness to the dealership.
3. **Practice critical skills** so they appear normal, i.e., natural.
4. **Develop the culture** so that employees are valued to develop the loyalty of being part of group that is larger than them. Doing so improves both physical and psychological security. **WED**

LARRY COLE, Ph.D., is a lead trainer for and consultant to the Western Equipment Dealers Association's Dealer Institute. He provides on-site training and public courses to improve business leadership effectiveness and internal and external customer service. Please send questions and/or comments to Larry at teammax100@gmail.com.



DR. LARRY COLE is a lead trainer for the Western Equipment Dealers Association's Dealer Institute.

How equipment is bought is changing. Are you adapting?



41%

Visit **multiple** dealer locations before buying



38%

Say their local dealer relationship **influences** purchase decisions



31%

AG dealers believe brand loyalty will continue to **decline**

Sources: EDA AG Equipment Buyer Survey and proprietary Randall-Reilly survey.

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Cultivating customers

Ensuring the optimum in customer experience at every turn

By MARK MOORE

When a young couple recently entered C and B Operations in Chamberlain, South Dakota, salesperson Dallas Henry was first to greet them.

"They were looking for a mower, so I began by showing them the various models and features," he remembers. Commercial mowers aren't a big-ticket commission item, yet Henry says he went through the same steps he would with a potential customer inquiring about a tractor or combine. Not long after, the couple walked out of the dealership with a higher-end mower and loaded it onto a waiting trailer.

"They knew what they wanted and were ready to buy," he says. "But they said it was the way they were treated in the dealership that closed the deal."

Treating every customer with care, no matter what they may be purchasing at a dealership, can be a challenge. That's especially true if salespeople are wading through several inquiries, whether it be online or over the phone, without as much as a single sale. "Every customer who emails or walks through the door isn't a customer, but you can't tell by looks," Henry says.

"The foundation of our customer experience is the same whether they first visit our website or walk through the door," says Karly Frederick, former marketing manager, BTI Equipment. "And that is to build a long-term relationship where we are viewed as a partner that sells them solutions for their operations, not just iron."

BTI is a WEDA member and operates six locations in southwest and south-central Kansas.

Mike Hall, director of marketing, Titan Machinery, says today's customers have more than likely already done all their research on a specific piece of equipment before they even make that initial contact.

"Years ago, the seven- or eight-step sales process started with the customer walking through the door or with a salesperson making a sales call at the farm or jobsite," Hall says. "Today when that customer walks through the door, he/she may have already done the research, evaluated the options, and be ready to sign on the bottom line. The difference on who gets the sale can very well be determined on the responsiveness of the dealer during that first initial interaction."



WEDA member BTI Equipment cultivates customers throughout the southwestern and south-central parts of Kansas. This is the dealership's Pratt, Kansas, location.

Hall uses the example of a customer who is 10 miles from one dealer but chooses to frequent another one 200 miles away because the latter offers a better customer experience. "So much of today's business can be conducted online, from the specifications of equipment all the way to financing. If that dealer further away is more responsive, chances are they will get the business," he says.

Brant Burris, marketing manager, AHW, LLC, says quality equipment is available from several dealers within a region, so what stands apart is the customer interaction.

"We can't control the model of tractor being produced, but we can control that customer experience when they walk through the door," he says. "The key is to be respectful of their time, be professional, and listen."

He adds listening is especially important when dealing with customers who shopped online looking for specific equipment. "We need to ensure what we are selling will meet their needs and expectations," Burris says. "Selling a piece of equipment that isn't a right fit will leave a lasting negative impression. It's important to get the right fit."

Frederick adds customer interaction has always been a critical part of any business relationship, but it's even more imperative today. That's especially true with the tools available to dealers and customers, and hit home for BTI during a recent YouTube video with a long-term customer.

"We developed several videos where a customer and Kelly Estes, our CEO, would visit," she says. "One of our long-term customers noted over the past five years he's seen his machinery salespeople less often. Yet through calls, texts and emails, he has even more contact with them than ever before. That level of communication is greater than ever, and critically important to ensure a longstanding customer experience and relationship."

Today's customer also can research equipment and make pricing inquiries on their own

People are used to instant customer service, and if we don't respond to an inquiry that same customer may move on to the next dealership."

Karly Frederick, BTI Equipment

time. "A customer can research a piece of equipment from several dealerships in one evening," Hall says. "That inquiry must be dealt with in a fast and efficient manner, because that same inquiry could be ready to buy."

At BTI, Frederick says inquiries, especially from the website, are handled quickly. "People are used to instant customer service, and if we don't respond to an inquiry that same customer may move on to the next dealership," she says. "In today's social media environment, having a poor reputation for responding to customers can be detrimental."

Dealerships can often find additional inquiries generated through a website, but that often means weeding through a lot of customers who may not yet be ready to pull the trigger on a purchase, or who may be just kicking the tires.

"We get a lot of customer leads though our website, and while we have a good close rate there are some leads that just don't pan out," Burris says. "But it's important to stay motivated, because that customer may not be buying today but he may return if he had a good customer experience."

And Hall says working through the leads has to be consistent. "You can never tell what the next lead will bring. It could be a \$200,000 sale," he says. "But a poor customer experience could turn a potential sale into a lost sale."

The bottom line is the customer experience matters.

"Providing the best customer experience helps ensure that we build on a lasting relationship," Burris says. "And that makes for long-term, loyal customers who keep coming back." **WED**

MARK MOORE has more than 30 years of experience in agricultural communications. His diverse background includes newspaper reporter, news service editor, commodity newsletter editor, managing editor of *Farm Forum* magazine and account executive/writer for a major agricultural marketing communications agency. Mark is currently a freelance writer and photographer. His work has appeared in numerous publications, including *Successful Farming*, *Progressive Farming*, *Farm Industry News*, *Corn and Soybean Digest*, *Hay and Forage Grower*, *No-Till Farmer*.





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Workforce Development revisited

Recent survey looks at trends by dealership groups

By WEDA STAFF

THE WESTERN EQUIPMENT DEALERS Association is taking yet another look at workforce development and the needs of dealers in hiring and training senior- to mid-level managers.

One major difference in the 2021 survey is the needs of dealerships were broken down by locations. The 2021 survey included responses from four groups: 1 to 4 locations, 5 to 9 locations, 10 to 14 locations, and 15+ locations.

In this summary, you'll notice charts that represent the overall average of all responding dealers and charts that reflect dealer responses by number of locations.

While there has been some improvement in a few areas over the 2020 survey, the immediate and long-term needs in the critical positions of general managers and parts managers remains strong. But the need for service managers remains the top priority despite a drop in the percentage of dealers who identified it as an immediate need in 2020.

Immediate Needs	2020	2021
General Manager	40.3	46.6
Sales Manager	25.8	18.95
Aftermarket Manager	19.4	13.82
CFO	3.2	1.28
Precision Manager	14.5	13.82
Parts Manager	30.6	34.95
Service Manager	66.1	62.09
Human Resources	11.3	6.02
None	11.3	5.63

The long-term needs of dealerships show how critical senior- and mid-level managers will become as organizations grow, especially in the all-important revenue generating areas of parts and service management.

Precision managers, which were not identified as an immediate need in 2020, show a significant increase as a long-term need in 2021. With the technology built into today's equipment, having a strong precision team will become more of a factor in the future.

Long-Term Needs	2020	2021
General Manager	54.0	53.9
Sales Manager	38.1	44.43
Aftermarket Manager	31.7	22.02
CFO	17.5	19.84
Precision Manager	14.3	23.33
Parts Manager	34.9	59.53
Service Manager	57.1	59.03
Human Resources	20.6	10.76
None	1.6	4.74

Precision managers, which were not identified as an immediate need in 2020, show a significant increase as a long-term need in 2021.

"It was no surprise to see that the need for service managers in the short term was still toward the top of the list. That continues to be a hard position to fill because of the unique skill set needed to succeed in that role," said John Schmeiser, CEO, WEDA.

What surprised Schmeiser was the significant jump in the long-term need for parts managers. "We have heard repeatedly from dealers that this is one area of the dealership where there is the least amount of training, but with the year to year increase of almost 25%, that tells us that dealers are thinking about improving efficiency and profitability in the aftermarket area," said Schmeiser. "With such a jump over the previous year, the survey appears to show that dealers want to be more aggressive to address this area."

Overall bench strength

When WEDA conducted its initial workforce development survey, the association asked dealers whether they had sufficient bench strength to meet their needs for senior- and mid-level management.

The numbers didn't reveal the severity of the problem because there was no baseline for making a comparison. The 2021 survey is eye opening because it shows bench strength is a mounting problem. This chart shows the confidence that dealers had in bench strength in 2020 has dropped by more than eight points in a little more than a year... and the lack of confidence has grown nearly six points.

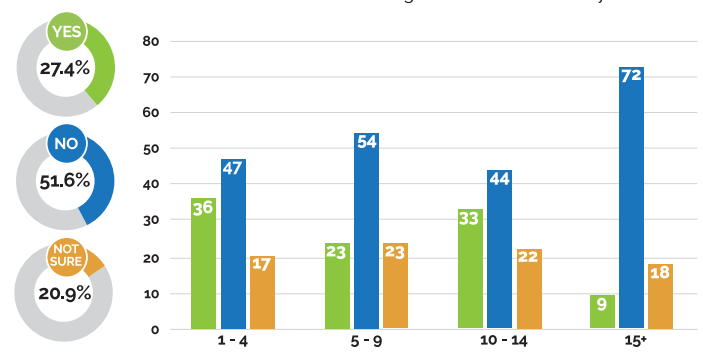
Bench Strength	2020	2021
Yes	39.7	27.4
No	46.0	51.6
Not Sure	14.3	20.9

Where these percentages take a turn is when you look at the four dealer groups that responded to the question about overall bench strength. As noted previously, the 2021 survey was broken down by dealership groups.

This chart from the 2021 survey shows that dealers in all groups don't believe they have the bench strength to advance current staff into senior or mid-level management roles and this is really noticeable in the largest dealer group, 15+ locations.

BENCH STRENGTH

Survey participants were asked if they feel confident that they have the bench strength to advance current staff into senior or mid-level management roles. (Breakout by locations.)



Continued on page 24



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Workforce Development revisited

Continued from page 22

“The bench strength numbers suggest to me that dealers unquestionably doubt they have the bench strength to perform at a high level, especially the larger dealer groups. But the challenge is how to develop that bench strength. Right now, a lot of dealers are filling a position when it becomes vacant,” added Schmeiser. “Perhaps dealers need to look at hiring from a more strategic perspective, and investments in their people need to be the approach, as opposed to looking at training as an expense.”

Internal employee development

Self-assessment for development of senior- and mid-level management also took a turn in the 2021 survey. The confidence dealers showed in the previous survey about their ability to develop people for skilled positions withered when compared to 2020.

Internal Employee Development	2020	2021
Yes	25.4	17.28
No	55.6	66.83
Not Sure	19	15.89

It's been pretty well established, at least in the WEDA surveys, the industry talent pool is becoming a small pond. It wasn't long ago when former employees of manufacturers were considered a solid resource for dealerships.

“We're starting to see some larger dealership groups establish in-house training divisions. This certainly is a step in the right direction. However, it may be difficult for smaller operations to copy what the larger dealers are doing.”

In 2020, 55.6% of respondents said manufacturers were not viewed as a reliable source of employees for dealerships. In 2021, that number has risen to 58.64% and there was a reduction in the percentage of dealers who still consider manufacturers fertile ground for employees.

Manufacturer Employees as a Resource	2020	2021
Yes	19.0	16.38
No	55.6	58.64
Not Sure	25.4	24.97

“This question perhaps provides the most interesting results,” noted Schmeiser. “More comments were submitted on this question, compared to any others, and there were strong differences of opinions based on the dealer's main line. Like last year, this question indicates that brand plays an important consideration in our dealers' perspectives toward the talent pool out there.”

With the shrinking pool of former employees of manufacturers, the burden to find talent seems to be coming from within the dealership. While 64.66% of hires, shown below, are coming from Personal resources, it appears dealers, 66.83%, aren't having success in developing employees as noted in the chart on Internal Employee Development.

Effective Employee Recruiting Resources	2020	2021
Personal	62.9	64.66
In HR	24.2	18.06
Recruiting Firms	9.7	3.45
Other	3.2	11.65
Local College		2.17
Career Fairs		0
Scholarships		0

The confidence dealers showed in the previous survey about their ability to develop people for skilled positions withered when compared to 2020.

“I think finding people is one thing, but developing people takes more skill than what is clearly available within a dealership. While the chart Effective Employee Recruiting Resources shows dealers have increased their ability to find people, it appears they're not doing great in employee development,” said Schmeiser. “This was a key takeaway for us from this year's survey. Dealers want their key staff and management team to have better hiring and workforce development skills.”

Availability of training

The question about Adequate Available Training is an area where dealers' sentiments haven't moved much in the last two surveys.

Adequate Available Training	2020	2021
Yes	47.6	46.98
No	28.6	28.03
Not Sure	23.8	24.97

However, as shown in the chart Preferred Source of Training, the preference for Manufacturer training has increased more than 5% as a preferred source while Internal training has slipped, something that coincides with the diminishing confidence of dealers to train employees internally.

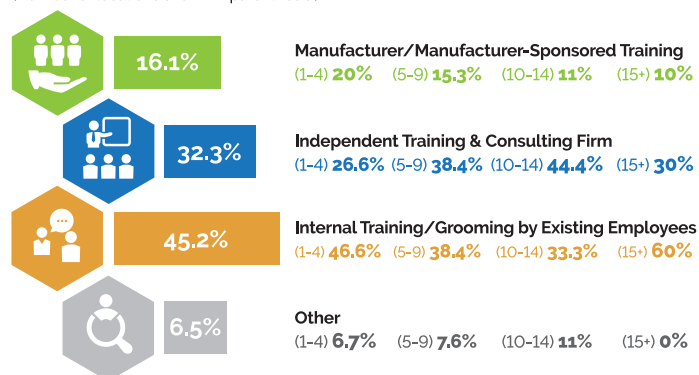
This also may be reflective of the survey respondents by dealer groups in 2021. Historically, smaller dealership groups may look to their manufacturers for training assistance. Whereas, a larger operation is more likely to use external resources.

Preferred Source of Training	2020	2021
Manufacturer	11.1	16.38
Consulting Firm	33.3	30.99
Internal	50.8	46.61
Other	4.8	6.9

When broken down by dealership groups, only the largest dealer group, 15+ locations, shows that Internal Training is far and away its preferred or best training source.

BEST TRAINING SOURCES

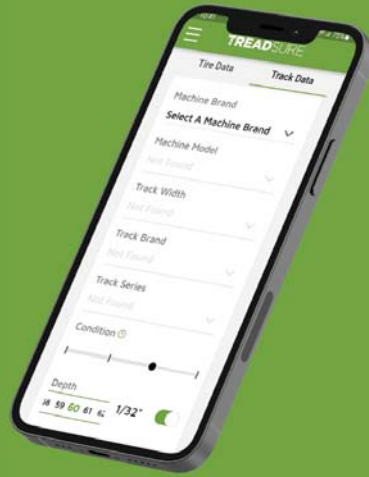
CEOs were asked what is their preferred source of training.
(Number of locations shown in parenthesis.)



Continued on page 26

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Workforce Development revisited

Continued from page 24

“The comments were pretty clear that dealers are using manufacturer-sponsored training as part of their dealer standards,” added Schmeiser. “The results and the comments are clear that dealers preferred training from other sources.”

The cost of training

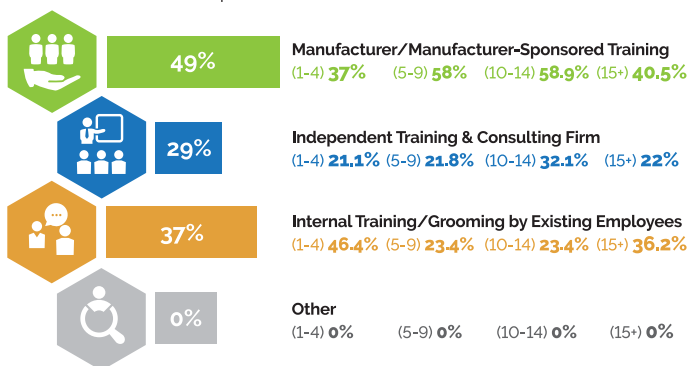
How businesses evaluate what they invest in training can't be summed up in a single sentence or two, or a single chart.

Depending on immediate or long-term needs, a business can spend to overcome an immediate situation with a fixed goal or two... or for situations where the goals are still fixed but more focused on the long-term future.

The following chart shows where dealers are investing in training.

TRAINING SOURCE DOLLARS

CEOs were asked what % of training dollars go to the following sources.
(Number of locations shown in parenthesis.)



The big question is whether these dollars are helping dealers achieve the desired outcome of developing senior- and mid-level management?

“Through the work of the association's performance groups and Dealer Institute, we see that when dealers have made the investment in training, the return on that investment can be significant – both in bottom-line performance and employee retention.”

John Schmeiser, CEO, WEDA

“Comparing this data to the last question provides more clarity. Dealers need the technical and product training that the manufacturers require and that serves dealers well,” explained Schmeiser. “But, in other areas, dealers don't view the manufacturer-sponsored training as the best source yet the majority of their training dollars are going to that source.”

Another big question lands at the doorstep of the association. Is the 2021 survey more revealing than the 2020 survey?

“The survey has shown that the problem of workforce development is getting more intense. Dealers do not grade themselves highly in the area of employee development, and they repeatedly tell us they need to do more,” said Schmeiser.

Schmeiser also said time is a big factor in this. “Dealerships are busy, every single day, and perhaps they feel that they can't afford the time necessary to groom their key staff. I believe that it comes down to time. Dealers are so busy working in the business, it becomes a challenge to work on the business,” added Schmeiser. “But through the work of the association's performance groups and Dealer Institute, we see that when dealers have made the investment in training, the return on that investment can be significant – both in bottom-line performance and employee retention.” **WED**

EDITOR'S NOTE: The responses for this survey included dealers who operate 467 locations and employ nearly 11,000 people.

HERE'S WHAT YOU SOLD – Equipment Retail Sales in Units

U.S. – February 2022 Ag Tractor and Combine Report	February			Y-T-D February			February 2022
	2022	2021	% Chg	2022	2021	% Chg	Beginning Inventory
2WD < 40 HP	11,810	10,925	8.1	22,104	21,025	5.1	55,091
2WD 40 < 100 HP	4,134	3,859	7.1	8,155	8,064	1.1	16,776
2WD 100+ HP	1,481	1,158	27.9	2,986	2,542	17.5	5,321
Total 2WD Farm Tractors	17,425	15,942	9.3	33,245	31,631	5.1	77,188
Total 4WD Farm Tractors	172	171	0.6	397	397	0.0	385
Total Farm Tractors	17,597	16,113	9.2	33,642	32,028	5.0	77,573
Self-Propelled Combines	200	194	3.1	405	544	-25.6	488

Data provided by the Association of Equipment Manufacturers.

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TRACTOR ZOOM

Safety leadership starts with **you**

By JERRY LEEMKUIL

TIME AND TIME AGAIN, the topics of safety leadership and risk management culture are brought up at businesses around the country.

As leaders, you have a responsibility to help keep your operations running smoothly and ensuring your employees are working to the best of their abilities. But from an overarching perspective, safety leadership must start at the top – with you.

Risk Identification – When it comes to risk management, identifying the root causes of accidents and injuries and remedying them immediately using a risk management plan can help create a healthier, more stable business. Take the time to periodically conduct a workplace analysis that includes the inside and outside of the building. Focus on:

- General operations
- Machines and equipment
- Employee processes and work practices
- Housekeeping safety
- Clean walking surfaces
- Well-lit and organized storage and loading zones
- Any other areas and activities necessary to perform safely at your workplace

Take notes when potential hazards are found, gather the information, and develop plans for what is needed to control situations that may lead to unacceptable consequences. As necessary, endeavor to promptly correct workplace hazards. Safety guidelines are more effective if they are presented in a written format – create a formal safety manual and present it to employees. In this, include the means for holding employees accountable for any unsafe work habits or conditions.

Lead by Example – Your actions as a leader hold a great deal of value. As you interact with others, you should demonstrate a high level of understanding for the safety of your business, and your actions should reflect the culture of a workplace that encourages others to follow your lead.

If you see areas that need work, note them and address them. Any employee infractions should be documented and followed up on, and training should be assigned promptly. By continuously following your risk management plan and showing interest in a safe workplace, you demonstrate to your employees the level of dedication and respect that you have for them, and for your business model.

Listen to Employees – Your employees are on the front lines, and often interact with job-specific risks that you may

not be entirely familiar with. If they raise safety concerns or offer suggestions about areas of their jobs, take the time to listen to them, and work to remedy the situation. Job hazard analyses are also more accurate when employees are involved.

In turn, work with them on areas that they may need further training in, along with regular refresher courses for specific tasks. By working alongside your employees to come up with relevant topics, you can keep them involved in regular training.

A risk manager is an important part of any business. Your role requires care, organization, and planning, as well as confidence and the energy to take control of a business's risk management culture. You will recognize the importance of designing and following through on a comprehensive risk management plan in order to best help protect your business's people and bottom line. **WED**



JERRY LEEMKUIL is an equipment dealer specialist for Association Risk Management Services; Federated Insurance Company. For information, write to Jerry at jleemkuil@fedins.com or call 1-507-455-5507.

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Parts department demands — external and internal

By WAYNE BROZEK

How does your dealership provide the level of product knowledge and training that parts personnel need in today's demanding environment?

According to several recent surveys, customers are telling us that a product specialist at a dealership is one of the major factors in determining whether or not they will stick with that dealership. Some dealers might interpret this to mean that customers want someone who specializes in equipment technology (IS/AMS/Precision Specialists/AFS) and knows how to optimize the use of the equipment. However, that is not what customers are saying.

When asked to clarify what they mean by a product specialist, customers resoundingly said they want to work with someone at their dealership who knows their equipment better than they do. Customers also want parts and service people to truly understand how their equipment operates and how it may function in various applications or situations.

The training range needs another target

The amount of money dealers spend on training varies by what's required, overall interest and commitment, and available financial resources. Sales staff attend new product training meetings, which in-

clude ride'n drive events. Service technicians travel to required OEM-sponsored training classes.

That leaves the parts department. Are equipment dealers offering sufficient training to their parts departments? It's a simple yes or no question. If the answer is no, how do you expect the parts personnel to get what knowledge they need to effectively work with your customers?

A one-two punch to training

I would recommend a two-forked approach to getting your parts departments trained.

First, before sending anyone from sales to a new product training meeting, make it known in advance that when they return to the dealership, you expect your salespeople to give the parts and service departments a 30- to 60-minute presentation on the topics from the training event.

Next, I would ask the parts staff to make a list of what piece or pieces of equipment they feel they need the most training on. Present the list to the service department

and request that its staff put together a 60- to 90-minute walk-around to explain to parts employees the common wear items and common adjustments on a particular piece of equipment. This walkaround is especially effective during the winter months when dealerships are (or should be) doing a large volume of equipment inspections.

Dealers could offer these trainings on a Saturday morning or after hours and bring in food and refreshments and make these events fun. Give the presenters some type of gift for their presentations and make it something others may see and say, "Hey, maybe I should volunteer to do the next presentation."

Another great opportunity is to visit with your customers and ask if they would mind allowing some of your employees to actually get behind the wheel or controls of a piece of their equipment to get some real-life experience operating the equipment. You might be surprised at how willing and honored your customers are to help.

If you don't have a plan for training your parts personnel, but expect them to learn this equipment by osmosis, you are opening up the door for your competitors to outperform your team, which might just lead to your customers taking delivery of their equipment from some other dealership. **WED**

If you need parts or service training, visit www.dealerinstitute.org, write to Wayne at wayne@wbglobalservices.com or call 308-637-5829.

WAYNE BROZEK is a trainer with WEDA's Dealer Institute. Prior to starting his own consulting business, Wayne trained dealers all over the globe on ways to improve both their parts and/or service operations.



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This is what brings visitors to the Western Farm Show – the exhibition hall full of equipment.

Western Farm Show goes live again

Visitors flock to Kansas City for annual showcase

By WEDA STAFF

It took a while, but the 60th annual Western Farm Show is finally in the books.

The show, which is owned by the Western Equipment Dealers Association, was cancelled last year because of the pandemic. But the show made a strong comeback during its three-day run in February. The show is held at the American Royal in Kansas City, Missouri.

“The show went great,” according to Jami Applegate, farm show manager and manager of association and industry events. “Attendance and show sales were up over 2020 and the feedback from exhibitors is telling us the quality of the attendees was noticed.”

A return to feeling normal

After a year's layoff, it was obvious that people wanted to get back in the swing of things.

“We sold out of exhibitor space, which is incredible considering the challenges brought to businesses with inflation, lack of employees, COVID, weather, etc. We beat the odds and made it happen anyway,” noted Applegate. “The exhibitors were extremely optimistic about the show, ready to have it again after a year off and getting back to a feeling of normalcy again. Everyone was glad to be networking face-to-face and doing business.”

Looking ahead

Barring any obstacles that may crop up, the Western Farm Show will return next year for its 61st edition. Next year's farm show dates are February 24-26, 2023, at the American Royal in Kansas City, Missouri.

To see photos and video of the 2022 Western Farm Show, visit the Western Farm Show Facebook page at <https://www.facebook.com/WesternFarmShow>. **WED**



Early bird visitors wait in the American Royal lobby for the doors to open at the 2022 Western Farm Show.



One of the presenters at this year's show visits with a television reporter (left) from KMBC 9.



Face-to-face networking between potential customers and manufacturers is a bonus at the Western Farm Show.



This couple takes in a video from Great Plains Manufacturing during the show.

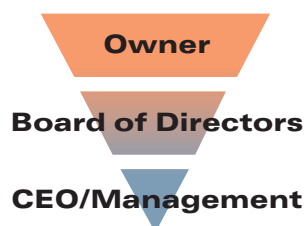
Rethinking a dealership's organizational structure

Role of Independent Directors

By LANCE FORMWALT



As business owners, most of you are familiar with the typical top to bottom governance structure for a business:



I would guess that most of you follow this structure in your business, just like the publicly-traded companies. But the difference between your dealership and a publicly-traded company is that most dealerships **have exactly the same people in all three categories**. This is a significant difference – if the same people fill all roles, you lose the potential benefits of the checks and balances involved in this business structure and a typical consequence is that the dealership's board of directors is left with no real function. Instead, the owners make all key decisions and the management team implements them through their day-to-day jobs.

This model is gradually shifting as the pace of succession planning within dealerships continues to accelerate. Many of you have seen this play out with the hiring of a non-family member(s) in key management. But an overlooked change that can add a lot of value to the organization without dramatic day-to-day change or financial consequences is the use of one or more independent people to serve on your board of directors.

What is the role of an Independent Director?

The first role of an Independent Director comes straight from the title – **independent**. Board members are always supposed to look out for the best interests of the dealership (vs. the owners or the employees). However, when board members are also owners and/or employees, it is incredibly difficult to expect them to check these other interests at the door. As a result, the easiest way to help the board focus on its duty to look after the dealership is to bring in an Independent Director that is NOT family, NOT an employee and NOT a key customer/supplier.

The second role of an Independent Director is to help the entire board focus and execute on the traditional board of director functions. These include the following:

- provide strategic direction and vision for the dealership with a focus on longer-term strategies
- oversee the CEO/President, including performance evaluation and growth and development
- monitor organizational succession planning

Independent Directors should also be selected to help bring missing expertise or other needs to your dealership. This will be different for each dealer (and can change over time for a dealer) but skillsets like the following should also be considered to maximize the value of an Independent Director:

- industry knowledge
- relevant experience, e.g., accounting/finance; mergers and acquisition; organizational development
- expertise in complementary industries or industries with similar business models

When is the right time to consider an Independent Director?

As long as you think an Independent Director can add value, there is no “right time.” But these types of decisions are typically made as part of succession-planning events like the following:

- mergers that create large shareholder groups from multiple families
- transitions involving multiple generations
- creation of ESOPs that require the use of Independent Directors

These types of situations are often trigger points for change in dealerships due to the closely held nature of the ownership groups involved. In these situations, Independent Directors often serve an important role as a buffer between generations to help take the “family” out of “family business decisions” and perhaps reduce stress on management that is not part of the family. Independent Directors help fulfill a similar role as a tiebreaker, reality check, or “us vs. them” buffer that can be important in helping multiple family groups come together successfully as part of a merger.

Getting started

There are no set rules when it comes to adding Independent Directors to your dealership, but here are a few common topics that often come up when giving it consideration:

- **Start Small.** Adding even a single Independent Director can help change the culture of the organization. With most dealers, 1-2 Independent Director(s) will be most common, although some ESOPs require a majority of directors to be independent.
- **Compensation.** Independent Directors are compensated. Compensation is generally based on a per meeting fee or daily rate, but as dealerships get larger, I think that you'll see more dealerships also look to forms of equity grants to help incentivize directors to improve the dealership's value through a bigger upside directly tied to that increase.
- **Change is Expected.** Independent Directors serve because they are elected by the owners. As a result, they can be removed at any time and it is perfectly acceptable to replace board members if you don't think they are adding enough value or if you think the dealership's needs have changed and require a different skillset.
- **Dealership Size.** Independent Directors won't break the bank, so there is no magic dealership size required. Although larger dealers have been the first to adopt this model, smaller dealers may get as much or more value out of Independent Directors that help them keep the focus on business decisions vs. family conflict.

Adding an Independent Director into your dealership's organizational structure is something that should be thoughtfully planned, but it is one of the lowest-cost and least disruptive changes that can be made from an organizational standpoint. As a result, it is a step that most dealers should consider as they look toward maximizing long-term value in their organization. **WED**

LANCE FORMWALT is the leader of the Equipment Dealer Group at Seigfreid Bingham, P.C. and also serves as an Independent Director for some equipment dealers. Lance may be contacted at lancef@sb-kc.com or 816-265-4106.



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This article is intended to provide general recommendations and is not intended to be legal advice. You should always consult your attorney for advice unique to you and your business.

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Smart Display trends for 2022

Technology is changing how consumers shop

By LINDSEY THOMPSON

SWIFT ADVANCES IN TECHNOLOGY combined with the pandemic have permanently changed how consumers shop. During the pandemic, the instances of customers using amenities like buy online, pick-up in store (BIPOS) and curbside pickup boomed and in-store features like smart displays became more prevalent.

"Although the in-store retail industry started coming back to normal in 2021, technology plus the pandemic have changed the brick-and-mortar retail experience forever," says Bob Gatta, CEO of Data Display Systems, which engineers, tests and supplies cutting-edge lighting, sound, sensor, touch and touchless systems for leading retail display houses, brands and retailers. "During the pandemic, online retailers made significant gains against brick-and-mortar retailers. By embracing retail display technology, brick-and-mortar will be able to quickly level the playing field in order to compete more effectively."

As soon as they were able to after the lockdowns, consumers darkened the doors of retailers and continue to shop in-person. But retailers will have to get creative to keep customers coming through the doors. For ideas of where retailers can start, Gatta shares nine smart display trends for 2022 that will influence the evolving in-store retail experience.

- 1. Smart Retail Displays:** Shoppers come into the store looking to see and touch products, but also have expectations of being entertained. As brick-and-mortar retailers continue to make a comeback in 2022, the smart retail display will be an affordable, yet integral part of the retail experience of the future.
- 2. Cutting-Edge Technology:** Expect state-of-the-art technologies in retail displays, including touchless, contactless, voice activated, AI and augmented reality (AR).

EDITOR'S NOTE: This article was originally published by Hardware Retailing magazine in December 2021. It has been edited for style and fit and is reprinted with permission.

3. Increased Smartphone

Usage: Retail displays that allow the customer to interact using their smartphone will provide an additional touchpoint and way to engage with consumers. They also provide an opportunity for customers to ask questions and save information for later.

4. Online Features In-Store: Smart retail displays provide a hybrid experience for consumers, allowing them to shop in-store and online at the same time, increasing the chances of them making a purchase.

5. Content Management Systems (CMS): Using a CMS to control smart displays gives the retailer the ability to deliver display graphics remotely, geotarget ads and music and gather more sophisticated customer and preference data.

6. AR (augmented reality) Dressing Rooms: AR technologies, where customers can see how they look in an outfit, may spell the end for traditional dressing rooms.

7. Display Collaborations: With smart displays, retailers can create collaborations between brands, saving money and space on the salesfloor.

8. Knowledgeable Sales Associates: Retail employees can also use smart displays to increase their own product knowledge to better serve customers.

9. Post-Purchase Opportunities: Smart displays' advanced data collection features will enable brick-and-mortar retailers to collect more in-depth customer data, as online retailers already do, so retailers will be able to enhance their post-purchase marketing.

LINDSEY THOMPSON joined the North American Hardware and Paint Association staff in 2021 as an associate editor for *Hardware Retailing* magazine. A native of Ohio, Lindsey earned a B.S. in journalism and minors in business and sociology from Ohio University.





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The importance of rebalancing

And, yes, it's important

By DAVID WENTZ and VANCE WENTZ

It is hard to believe – but we're already through the first quarter of a new year. As 2021 came to a close, we spent some time reflecting on the past year and built a checklist for this year.

In many ways, this reminded us of a tool that we use to help our clients stay efficient in their portfolios and long-term goals.

As we have discussed at length in previous articles, we are staunch believers in understanding and knowing your individual risk tolerance for your investment portfolio. In other words, it is vital to know how comfortable you are with the risk in your portfolio. Of course, there is always a risk when investing, whether in the stock market or bond market. However, historically stocks have been riskier and more volatile than bonds. Investment portfolios are subject to market swings in both directions that can cause an investment portfolio to run up or drawdown.

Rebalancing your portfolio is something that is found on our year-end checklists to discuss with clients because of how important risk tolerance and portfolio allocation is to success as a retirement investor. In this article, let's look at rebalancing and how it can help you continue to move the needle toward your retirement.

What rebalancing means

First, you need to understand what rebalancing means for your portfolio. **Rebalancing, at a technical level, is the selling of a portfolio's top performers to buy the worst performers back systematically.** There are different frequencies in which investors rebalance their portfolios ranging from quarterly to annually. Given that 401(k) and retirement accounts are not subject to the capital gains tax, rebalancing is an advantageous way to maintain your asset allocation and overall risk tolerance in both bull and bear markets without having to worry about additional penalties or taxes.

But more than that, rebalancing also can help provide you with a peace of mind and confidence that your portfolio is appropriately weighted and allocated to suit your specific needs as an investor.

Rebalancing impacts portfolios in positive ways in both up and down markets. When the market is continuously driving up – a bull market – the stock or equity piece of an investment portfolio can increase and cause an investor to be overallocated. In turn, as a bull market extends, that same investor owns the risk of a more extreme drawdown in their portfolio if they leave it unchecked. Enter a rebalancing strategy.

By rebalancing the portfolio back to the original allocation, the investor takes advantage of the run up of the market and maintains his or her individual risk tolerance.

Rebalancing can be and is used during bear markets. While generally more painful due to equities falling faster than bonds in most cases, rebalancing helps portfolios during these times in the long run.

The pace of retirement

We often say that retirement planning is a marathon not a sprint. As an equity allocation increases and is not rebalanced during a bull market, the impact of a bear market on that portfolio is multiplied. As a result, the time it takes for that same equity allocation to recover is extended.

The bottom line is portfolios that do not rebalance systematically are subject to longer recovery periods than those that do rebalance over time. There are many factors that go into building a successful retirement plan. You need time and patience, a long-term goal, an investment strategy, and many other things.

The bottom line is portfolios that do not rebalance systematically are subject to longer recovery periods than those that do rebalance over time.

But perhaps the most important is discipline to stick to your investment strategy. Part of that process is rebalancing your portfolio systematically over time.

A friendly reminder that your advisor or plan representative works for you. Never hesitate to give him or her a call or email to discuss questions you may have about your retirement plan or investment portfolio. **WED**

DAVID WENTZ is CEO of TFB, Inc. David frequently speaks at various seminars about profit sharing, 401(k) plans and investment programs. VANCE WENTZ is an advisor with TFB, Inc. Vance graduated from Kansas State University with a degree in finance. The Western Equipment Dealers Association endorses Tax Favored Benefits as a 401(k) provider. No compensation is received. More information is available at www.taxfavoredbenefits.com.



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