U.S. EDITION | VOLUME 1, NO. 2 | WINTER 2022

EQUIPMENTdealer magazine

RESOURCES FOR SUCCESSFUL DEALERS

EDM SPOTLIGHT

NADC 2022 in NASHVILLE

Focusing on the three pillars of NAEDA – advocate, elevate and educate, the conference featured a two-day agenda of learning and networking. PAGE 2

FEATURES

NAEDA & WOMEN IN INDUSTRY p 6

A partnership aimed at encouraging professional success in the equipment dealer industry.

2023 WESTERN FARM SHOW p 10

61st annual event returns February 24-26.

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NAEDA NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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RESOURCES FOR SUCCESSFUL DEALERS

ON OUR COVER NAEDA members, guests and sponsors enjoy an evening of networking and socializing at the 2022 NADC Opening Reception.

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

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EDMspotlight

IN THIS ISSUE

EDM features

government affairs

industry news

columns

NAEDA noteables

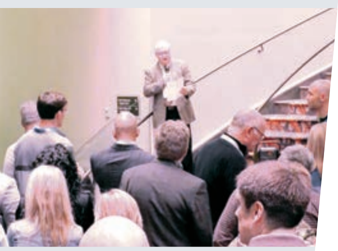
NORTH AMERICAN DEALER CONFERENCE

NAEDA 2022 Conference

Where Successful Dealers Meet

by JOANNE OLSON

Focusing on the three pillars of NAEDA – advocate, elevate and educate, the conference featured a two-day agenda of learning and networking.



When four associations merged to become one on July 1, 2022, NAEDA CEO Kim Rominger stated that the focus would remain on what dealer members need, issues and events that affect dealers, and industry trends. With advocacy and manufacturer relations top of mind, this spilled over into the 2022 North American Dealer Conference held November 15-17 in Nashville, Tennessee.

Focusing on the three pillars of NAEDA – advocate, elevate and educate, the conference featured a two-day agenda of learning and networking. The following is a brief recap of the speaker sessions and event highlights.

Government Affairs from D.C. to Ottawa

This opening panel discussion at the NADC was moderated by Brad Wall, former premier of Saskatchewan, and featured three panelists:

- Sam Keiffer, vice president, Public Policy – American Farm Bureau Federation,
- Alanna Koch – board chair of Global Institute for Food Security, chair of CN Ag Adv Council, board member of SeedMaster and Canadian Ag Hall of Fame, KoHert Agri Inc. and,
- Eric Wareham – senior vice president of government affairs for NAEDA.

Government affairs is a priority of NAEDA. The panelists provided their perspectives on the current government issues affecting the industry at the state, federal and provincial levels.

A View from Wall Street

Jerry Revich, senior financial officer, at Goldman Sachs, provided trends on the economic cycle, agricultural machinery industry, precision agriculture addressable market and agricultural machinery OEM strategies.

Food 5.0: How We Feed the Future

Robert Saik, CEO of AGvisorPro, is a veteran ag tech entrepreneur, author and speaker and is recognized as one of Canada's Top 50 Most Influential Agriculture Leaders. Saik provided a pragmatic look at the five iterations of agriculture, culminating in examining how technology convergence is reshaping the farm and the consumer.

Workforce Development – Help! They're Leaving and I Can't Find More!

The equipment industry has struggled to figure out the best course to help its employee base grow professionally, which has resulted in a "leave to excel" situation for many employees looking to move up to the next level. Combined with declining numbers of senior and mid-level managers who continue to cycle through the industry and the difficulty of attracting new talent, it's easy to see the industry needs corrective action.

Three presenters from NAEDA, Michael Piercy, vice president of dealer development, Larry Hertz, vice president - Canada, and Joe Dykes, vice president of industry relations, joined the discussion on attracting new talent as workforce development continues to be a top-of-mind conversation.

Proactively Defending Your Organization

The Internet has unleashed an explosion of malicious activity worldwide. Our adversaries are evolving and adapting to exploit our (low) compliance framework requirements. Most organizations are struggling to keep up with the blistering pace being set by advanced threat actors. We've learned that success has more to do with becoming hyper-efficient at the fundamentals than focusing exclusively on technology.

Speakers Ryan Layton, co-founder and CEO, and Jason Stokes, chief information security officer and vice president, of Secuvant, provided attendees with the data and information needed to focus their cybersecurity efforts to defend their organizations effectively and proactively.

Repair Done Right – Changing the Narrative on Right to Repair

The Right to Repair issue reared its ugly head in state legisla-

tive sessions for the sixth year in a row in 2022. Following an executive order by President Biden, Right to Repair also gained attention at the federal level and Congress now entertains several Right to Repair bills. Moderated by NAEDA Senior Vice President of Government Affairs Eric Wareham, panelists Jason Francque – director, corporate affairs, John Deere, George Whitaker – state government relations, CNHI, and Tom Walter, manager, state governmental affairs, Caterpillar Inc., provided an overview of the status of legislation across North America and what the association is doing to proactively change the narrative about what our industry does to support customer repair with NAEDA's Repair Done Right campaign.

Road Map to the 2022 Midterm Elections

In a lively, entertaining, and strictly nonpartisan presentation, David Wasserman, who reports on the U.S. House as senior editor for the Cook Political Report, took NADC attendees on a tour of the hottest elections and the ever-evolving D.C. landscape. Wasserman drew from his extensive research on voting patterns and interviews with both parties' candidates and strategists to shed light on the top issues on voters' minds to forecast midterm outcomes in November and beyond.

** ***Election Update: The November midterm elections brought change to Washington. Partisan control of the House and Senate remained razor thin after the vote and 84 freshman legislators (77 in the House, seven in the Senate) were sworn in. The Republicans now control the House, the Democrats have the Senate.***

Merger & Acquisitions – Where is My Future?

It's no secret consolidation has accelerated and had an effect on market share, dealer growth issues, and industry partner sophistication. It's become a perfect storm, as industry dealer leaders are aging and looking to navigate their way out of the business while protecting the next generation. In today's environment, dealers should clearly understand their options. Panelists Curt Kleoppel, president of Equipment Dealer Consulting LLC, and Lance Formwalt, attorney at Seigfreid Bingham, discussed how to access the various options.

Spotting Leading Indicators of a Market Turn

Markets are ever-changing, but recent market changes present unique challenges. The supply chain uncertainties linger in 2023 and have caused unusual shifts in used ag equipment pricing and availability. Dealers are asking: What early indicators might reveal a market change in used ag equipment? Are we destined to repeat the oversupply problems of 2014? How does the current average days-in-stock for used inventory compare to previous years? In this session, Prescott Shibles, executive vice president and general manager of asset intelligence at Randall Reilly, provided his thoughts on spotting leading indicators of a market turn and where he sees it going in the future.

Repricing in a Dynamic Market

Repricing used equipment has a significant effect on the bottom line of a dealership. In this presentation Andy Campbell, director of marketing & analytics, and Tyler Lowy, account executive at Iron Comps, shared multiple strategies and methods dealers across the country are using to reprice equipment so they can improve turns in a down market and capitalize on full revenue potential in an up market. To complement this, they shared the data and trends they see in the used equipment market to help get an early indication of the current market direction.

Organizational Integration – How Do the Pieces Fit Together?

One of the most challenging issues consolidating dealers face is bringing multiple modes of operation together. When organizations merge or are acquired, various personalities must come together to succeed. Moderated by Michael Piercy, vice president of dealer development at NAEDA, panelists Brett Barriage, former CEO of Premier Equipment and facilitator of NAEDA John Deere Performance Groups, and Shawn Skaggs, president of Parallel Ag, discussed how to bring the pieces together.

CONT. ON PG 4

CONT. FROM PG 3

NADC2022

Keynote Speaker – Dakota Meyer, Medal of Honor Recipient

Following an attack on his comrades in Ganjgal, Afghanistan, Medal of Honor recipient Dakota Meyer showed the ultimate level of courage and determination by entering the "killing zone" and saving the lives of many Afghan and American troops. In this talk, Meyer drew from his military memoirs and lessons learned in his post-military experiences to lead a candid conversation on what it takes to survive, thrive, and tackle your biggest obstacles — whether in combat or in everyday life. As he revealed to attendees, the first step in moving forward is to learn from the past, but not let it define who you are or what you're capable of in the present or the future.

Showing a rare willingness to be vulnerable, Meyer shared paradigm-shifting lessons on the pivotal role of hope in achieving your mission, understanding the difference between a problem and an inconvenience and the impact of each, acting out of love vs. acting out of hate, and helping people on the path to achieving something much bigger than yourself. Outlining the importance of purpose and actionable steps each person can take to discover their own, Meyer showed the way forward when it comes to putting life's toughest battles into perspective, defining what matters most, and creating their legacies.

WHAT ATTENDEES HAD TO SAY...

"Excellent week – only disappointed that I couldn't attend all breakouts."

"Very effective conference..."

"Sessions were very good. Topical and well presented."

"Nice opportunity to meet more people and discuss social issues."

"Great program."

"I am with understanding that our entire sales team will attend next year."

"It was our first time to this event and we are already planning next year's visit."

"Great conference overall..."

"Every dealership group should be represented."

"Very informative..."

"Keep doing it! We just need to get members to see the value of being at a conference like this..."

LUKE'S 32 BRIDGE FOOD + DRINK

The conference concluded with an evening out on the Nash Vegas Strip, where conference attendees enjoyed Nashville's hospitality with live music, dancing and networking. This was truly a night to remember.

As we plan for the next NADC conference in late January – early February of 2024, we encourage dealers and their management teams to attend the association conference. After all, it's where successful dealers meet.

Prestigious Industry Awards Presented

NADC honors top industry-association performers

Tom Rosztoczy of Stotz Equipment (left)and Scott Eisenhauer, P&K Equipment (middle) with their industry awards presented by Ken Wagner of Heritage Tractor and NAEDA Director (right).

Merit Award – Dealer of the Year

The Merit Award recognizes an individual dealer member for their leadership within the industry, their dedication to growing their business into a successful entity, and their commitment and legacy to their community. This award is the highest recognition that our association provides to an outstanding and respected member.

Requests for nominations are sent out to association members each year. Like every year, our office received several worthy nominations to choose from. All the nominations come from dealer competitors, peers, and industry colleagues. We appreciate all NAEDA members who took the time to nominate a fellow dealer.

This year's winner of the prestigious Merit Award – Dealer of the Year is Tom Rosztoczy.

Rosztoczy is the president and CEO of Stotz Equipment. The dealership's main product line is John Deere. Stotz serves a wide range of customers, including large and mid-size agriculture, cotton and dairy, landscaping and grounds care, golf and sports turf, and residential. Headquartered in Avondale, Arizona, Stotz equipment has 24 locations in eight Western states.

Stotz Equipment is a family-owned dealership that was established as Arizona Machinery in 1947 by Fred Elder and two partners. Rosztoczy's father, Ferenc, who was Fred Elder's son-in-law, joined the business in 1975 and was appointed President of Arizona Machinery. Shortly thereafter, Rosztoczy and brothers Rob and Teddy joined the business. As the company expanded beyond Arizona's borders, it was decided to change the dealership's name. After an employee vote, it was agreed that the company would rebrand itself as Stotz Equipment in the hopes that this name would keep the business linked to the family history.

Stotz Equipment still holds true to the founding core values of the Elder and Rosztoczy families: quality, integrity, loyalty, caring, and community. The Stotz vision is to be the best equipment dealership in the world and seek to be world-class in every phase of the business.

Stotz strives to provide exceptional customer service. The dealership's mission is to make life easier for their customers by building long-term relationships, offering flexible solutions, providing uptime availability, and minimizing customer effort. Stotz truly aims to create a better life for their families, communities, and those connected to the land.

The key elements of Stotz's business are outlined in their circle of success: people, process, customer satisfaction, profit, and growth/market share, with people being first in the top position. The most important component, communication, lies just beneath the rest and is the conduit between each element. The Stotz Equipment logo is at the center of the circle representing their synergy and collaboration at the heart of the company's success.

Stotz Equipment is active in the communities it serves, including involvement in local FFA and 4H Chapters. The dealership supports after-school programs, such as clubs and sports, and provide scholarships, tutoring and learning programs.

Tom Rosztoczy is respected by his fellow dealers and is viewed as a man with high integrity. He has also been active in giving back to his industry. He was a long-time Far West Equipment Dealers Association director and served as president. He also served as a director and chair of the Equipment Dealers Association. He led the Long-Range Planning Committee and merger process that resulted in the new North American Equipment Dealers Association. There is no doubting his visionary and leadership skills.

Rosztoczy has been known to say that we all have a responsibility to give back. Giving back creates a virtuous cycle that makes everyone more successful. No one becomes successful without lots of hard work, support from others, and a little luck.

Congratulations to Tom Rosztoczy for his many contributions to the associations and agricultural industry he's served and for being named this year's recipient of the prestigious Merit Award as Dealer of the Year.

Dealer Advocate of the Year Award

The Dealer Advocate of the Year Award is presented each year to a dealer whose efforts contributed to policy outcomes benefiting the equipment dealer industry. The award recognizes those who engage in our association's government affairs advocacy and go above and beyond.

That is certainly the case with this year's recipient, Scott Eisenhauer, P&K Equipment. Eisenhauer is deeply engaged in his state. In addition to being a member of NAEDA's state advisory committee, he is also a board member of the State Chamber of Oklahoma and was appointed to the Oklahoma Lottery Commission by Gov. Kevin Stitt.

Eisenhauer's efforts have been instrumental in stopping Right to Repair legislation in Oklahoma over the past several years and recently in passing necessary transportation legislation benefiting all dealers in Oklahoma. He's spent so much time in the Oklahoma Capitol that other people believe he is a legislator at this point. He is not afraid to place himself in the middle of controversy. During one heated exchange in a hearing at the Capitol, Eisenhauer found himself uncomfortably situated physically between legislators getting into it. Eisenhauer is a tremendous asset to the association and the equipment dealer industry. He has given an incredible amount of his time and energy to advocate for both. ***Congratulations to Scott Eisenhauer as NAEDA's Dealer Advocate of the Year.*** EDM

NAEDA & Women in Industry

A partnership aimed at encouraging professional success in the equipment dealer industry.

by NAEDA STAFF

About two years ago, Anne Salemo and the North American Equipment Dealers Association (NAEDA) launched the Women in Industry (WII) endeavor, the mission of which is to encourage and attract women to the equipment dealer industry by offering a network that nurtures professional success while furthering the mission of NAEDA. Basically, it is a group of women who are working hard at helping more women be successful in the equipment dealer industry. The participation is free for women whose dealerships are members of NAEDA.

The ground rules for the NAEDA WII initiative are fairly straightforward. There is no undermining authority at the dealership. There are no political agendas. There is no male bashing. There is no selling of goods and services. There is no discussion about pricing of equipment and services. Traditional anti-trust practices apply.

The WII group is currently comprised of seven women in the highest level in dealership organizations. The members, most from all family-owned dealerships, represent nearly every cross section of the industry: outdoor power equipment to construction equipment to nearly every ag equipment brand; one location to 25 locations, store manager to executives to dealer principals.

"I was involved in the Women in Industry founder's group of MHEDA for over eight years," said Anne Salemo. "Now their WII initiative has annual conferences and dozens of groups. The ability to bond with other women who are passionate about success in the male-dominated equipment dealer industry is not only fulfilling but fun. I was motivated to start a similar group with NAEDA after I retired in late 2019. It has been a pleasure working with all these strong women."

"I believe that effective leadership requires a willingness to learn and personal accountability and this group offers that opportunity," said one of the women-owned dealerships in the NAEDA WII group. "Our group is a diverse set of women, whose discussions have broadened our ideas and strategies," said Dianna Morrow, CFO of Stotz Equipment.

Monthly, the group meets through video conferencing for an hour to discuss current issues impacting their dealerships. Everyone catches up by presenting their biggest recent accomplishment and biggest current challenge. About 30 minutes of the meeting is discussion of a pre-selected, agreed upon topic – recent topics have included: what resources you use to keep up with the industry, how to design your personal and organizational values, how to prioritize your time and determine when to delegate, job descriptions and performance reviews, what makes women successful in this industry, hiring and onboarding, tips to breaking into the "good ole boy network", struggles with hiring technicians/millennials, and ideas for growing your professional success.

"The NAEDA WII group has been an excellent opportunity to connect with other women leaders in the industry, and Anne has done an excellent job setting a positive, pro-

NAEDA NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION

WHO IS ANNE SALEMO?

Anne Salemo is the facilitator and founder of the Women in Industry Initiative at NAEDA. Building on her experience as a CPA serving a large construction equipment company while at KPMG, Anne began her career in dealership management systems in 1988 with her father Gerry Fricke, original founder of Charter Software. She later acquired Charter Software in 1996 and achieved significant growth during her tenure until 2019 when Anne sold Charter Software to Constellation Software. Anne is well-known and respected by industry peers as a dealership business expert and has made presentations to regional and national dealer/distributor associations and regional and national CEO organizations. She's collaborated with virtually every consultant in the farm equipment industry.

Anne holds a degree in Business Administration from Marquette University and has completed numerous courses in Dale Carnegie leadership and business training. Anne is a member of the Colorado Society of CPAs, American Institute of CPAs and a former longtime member of Vistage, a leading peer advisory and executive leadership organization. While not volunteering at NAEDA, she loves to hike, boat, and travel.

If interested in joining the Women in Industry group, please email Anne at asalemo@naeda.com

The WII Founder's Group is currently comprised of seven women in the highest level in dealership organizations. The members, most from all family-owned dealerships, represent nearly every cross section of the industry: outdoor power equipment to construction equipment to nearly every ag equipment brand; one location to 25 locations, store manager to executives to dealer principals.

> "Our meetings are engaging and I learn something new each time we meet. Our discussions on today's topics are applicable to our businesses. **Sharing with others our unique challenges brings insight and inspiration".**
>
> -NAEDA WII Member

fessional, and transparent tone for the group," said one member of the group. "I look forward to joining the calls each month, and I find that they are well organized, timely, and Anne ensures that we stay on topic," said another member. "Our meetings are engaging and I learn something new each time we meet. Our discussions on today's topics are applicable to our businesses. Sharing with others our unique challenges brings insight and inspiration", said another.

Recently, the group decided unanimously to start a book club as part of the monthly meeting, the first book of which is *The Ideal Team Player*, by Patrick Lencioni. Because of everyone's busy schedule, the book is discussed one section at a time for about 20 minutes during the meeting. The takeaways so far have been immeasurable.

At the end of every meeting, each member makes a professional and/or personal commitment for the next meeting. This is one of the ways that the members hold each other accountable. "I think I may have heard one of the members groan when I first asked for a commitment," said Anne Salemo. "But now, members seem to embrace it as a means to set personal goals outside those they set at their business."

Starting in February of last year, the WII Founder's Group was the springboard for a novel mentoring program for women at all levels in a dealer organization. Every member of the Founder's Group is involved in the mentoring program, whose primary purpose is help the mentee become more successful in their current position as well as progress in their careers. The mentor/mentee meet monthly for an hour video conference to discuss a variety of topics, such as current challenges, work/life balance issues or other interpersonal situations.

NAEDA women members who want to be mentored sign up via a simple online survey. They provide basic information about their current position, and why they want to be mentored. They can choose to have someone from the same department or someone with a completely different position for a mentor. Anne Salemo tries her best to match mentors and mentees. Mentors make initial contact and find a mutually agreeable day/time to meet each month. Once matched, the mentorship lasts one year.

The first mentoring meeting can be an awkward meeting for some. The best approach is for the mentor to introduce themselves, their role, how long they have been in the industry, what they did before their current position, and something personal about themselves and their family. Mentors will ask the mentee about their current job, how long they have been there, what they like about their company and their current position. Mentors also want to know the biggest thing they hope to accomplish personally and professionally this year.

In the first meeting, Anne asks each mentor and mentee to discuss each other's biggest pet peeve so they don't cross the line. This usually breaks the ice and gets them comfortable with one another. "Building trust is probably the biggest thing that a mentor must do early in their mentoring relationship. It is essential for honest and transparent discussions," said Anne.

"A couple of times, my mentee wanted to do our video conference from home. This allowed her to have more frank discussions about a family situation at work. She felt that she couldn't be frank enough about the issue with possible ears listening."

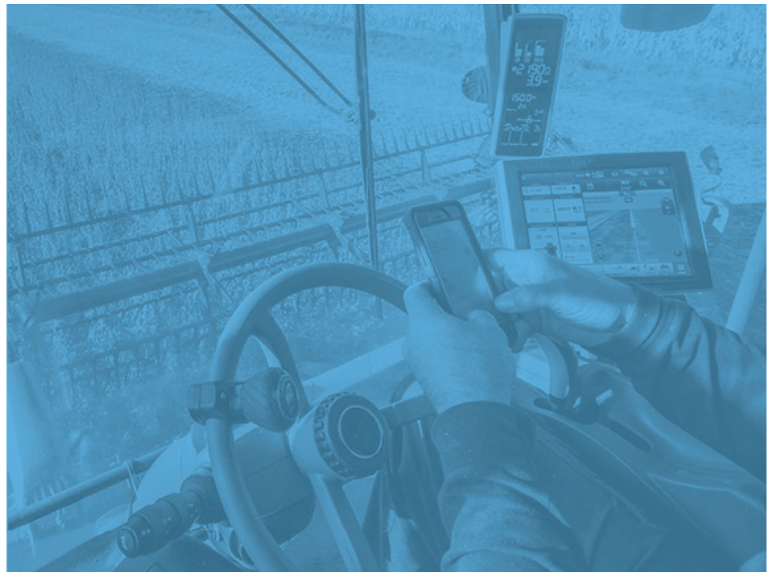
Feedback from mentees indicates that the mentoring program is a huge success. "I don't know what I would do without my mentor! She has helped me work through some recent struggles at my company. As a business owner, I don't really have anyone with industry experience with whom I can bounce ideas", said a mentee.

In the first two years, NAEDA's Women in Industry Initiative has come a long way, but there is room for growth. The founder's group is interested in adding a few members. If you are a women at the executive or owner level of an equipment dealership and want to grow professionally and personally, contact Anne Salemo. If you aspire to be executive level or an owner, contact Anne about becoming a mentee. EDM

AgDirect Digital Tools

Delivering on the promise of simple, fast, flexible.

by AgDirect



AgDirect offers a suite of digital tools and online resources to give dealers and customers the competitive edge and time they need to focus on what matters most.

As one of the fastest-growing equipment financing brands in the nation, AgDirect is committed to serving customers and dealers while changing to meet marketplace needs.

For more than two decades, the program has brought digital solutions to the forefront of the equipment financing industry.

Today, AgDirect offers a suite of digital tools and online resources to give dealers and customers the competitive edge and time they need to focus on what matters most.

"It goes back to our focus of serving agriculture's machinery and equipment financing needs," says Scott Welden, AgDirect territory manager in Michigan, Indiana and Ohio. "All of our digital tools serve a fundamental purpose of maintaining that focus while creating flexibility, faster turnarounds and a sense of convenience."

Find out how offerings, like the new AgDirect online financing application, plus the AgDirect Mobile App*, electronic signatures and online payment calculator can help your customers find the best financing solutions.

> **"Agriculture is constantly evolving,** which is why AgDirect works to develop digital tools and resources that accelerate transactions, enhance the customer experience and streamline the equipment financing process".
>
> - Scott Welden, AgDirect Territory Manager, Michigan, Indiana and Ohio

AgDirect online equipment financing

Dealers have access to an online AgDirect application and quoting tools that can be used to enter customers' financing information from the dealership, farm or field. Most decisions and financing documents are returned within seconds.

"Doing business with AgDirect is very quick and streamlined," says Brian Still, salesperson with Vetter Equipment in Mount Ayr, Iowa. "When I put in an application, I typically have docs within minutes and can close the deal with the customer sitting at my desk right then and there. Speed is everything in these situations."

Now, in addition to applying for AgDirect financing at the dealership, customers can apply for equipment financing or refinancing on new or used machinery purchases at agdirect.com using a simple, secure application that can be completed 24/7.

Using the online equipment application, customers can get the same attractive AgDirect rates and ag-friendly terms. If the transaction involves an active AgDirect dealer, the dealer will have the option of closing the deal and earning a sales incentive.

To get started with an application, customers simply enter information about the equipment they want to buy or refinance, the type of loan they desire and their financial background, including gross farm and net non-farm income.

The application takes roughly 10 minutes and applicants will typically receive a response within three business hours.

AgDirect Mobile App

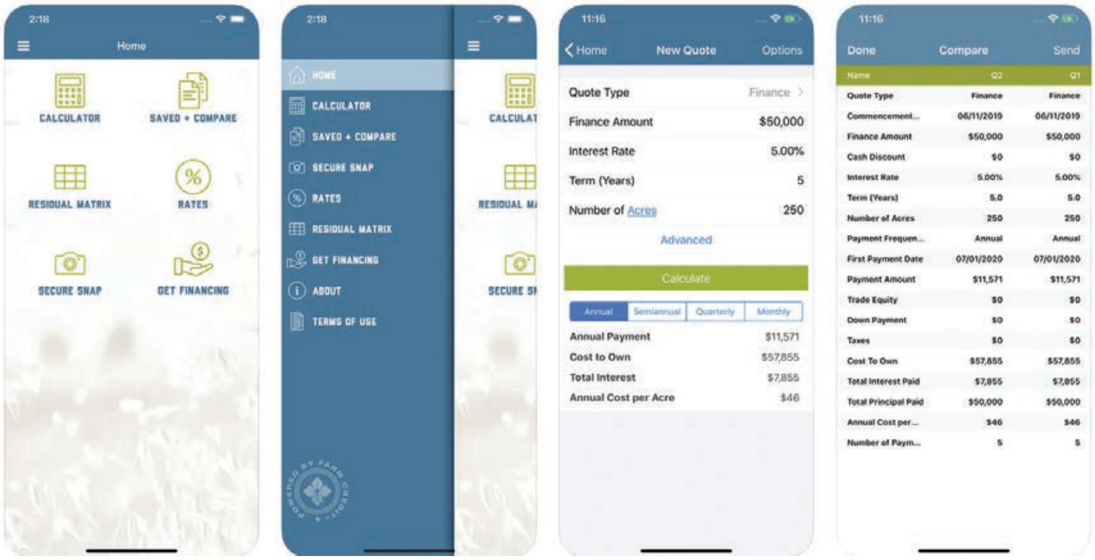
The AgDirect Mobile app allows users to calculate individual payment quotes and compare payment options side-by-side from their mobile phone or tablet.

Other key features include access to real time interest rates, a downloadable lease residual matrix, cost/hour versus cost/acre calculations, and the ability to save and compare finance options, or email and text payment quotes.

"The AgDirect Mobile app is really handy for running multiple scenarios before making a decision," says Chad Minnis, owner of Car-Min-Vu Dairy Farms near Webberville, Michigan. "You can be in the middle of the field, and if something pops into your head, it's easy to grab your phone and do a quick calculation."

The app also includes Secure Snap, a digital tool that allows AgDirect equipment salespeople to securely send driver's license images, financial documents and other personal information to the AgDirect finance team using their mobile device.

"The AgDirect Mobile app is really handy for running multiple scenarios before making a decision… You can be in the middle of the field, and if something pops into your head, it's easy to grab your phone and do a quick calculation." - Chad Minnis, Owner, Car-Min-Vu Dairy Farms, Webberville, Michigan



*Your mobile carrier's message and data rates may apply. AgDirect is an equipment financing program offered by Farm Credit Services of America and other lenders, including participating Farm Credit System Institutions. The App Store is a service mark of Apple, Inc. Google Play is a trademark of Google, Inc.

When AgDirect Mobile was first rolled out in 2012, there were various payment calculator apps available, but few were geared toward the ag equipment industry. Since then, the mobile-friendly platform has supported more than 7,800 users, giving dealers and customers direct access to the tools they need to explore their financing options.

Electronic signatures

Electronic signatures are one of the most popular applications for streamlining document management processes. Since the AgDirect eSign pilot program was launched in 2018, more than 3,785 dealer locations have started using the application to help customers save time and accelerate transactions. In 2022, nearly 60 percent of AgDirect transactions have been closed using eSign.

Using eSign, customers can count on quicker closing and funding for their equipment needs thanks to a seamless financing process that can take place at the dealership or any location using their mobile device.

"Doing business with AgDirect is very quick and streamlined… When I put in an application, I typically have docs within minutes and can close the deal with the customer sitting at my desk right then and there. Speed is everything in these situations."

- Brian Still, Sales, Vetter Equipment , Mount Ayr, Iowa

From small operations to larger entities, eSign can accommodate remote signatures no matter how many parties are involved. Multiple customers can sign from multiple locations, and every signer can authorize the transaction simultaneously rather than emailing, faxing or mailing documents.

Additionally, eSign provides a more secure method for capturing signatures by encrypting documents and keeping an audit trail of the routing process.

Online payment calculator

Another convenient tool for estimating costs and comparing payments includes AgDirect's easy-to-use online payment calculator.

"The payment calculator is one of my favorite features because it allows you to factor in different scenarios like how many years you want to go on term length and different types of interest rates, says Minnis.

Whether planning to lease or finance, customers can estimate their annual, semiannual, quarterly or monthly payments in a matter of minutes. It's as easy as entering the equipment price, interest rate, terms, payment frequency and amortization type.

"Agriculture is constantly evolving, which is why AgDirect works to develop digital tools and resources that accelerate transactions, enhance the customer experience and streamline the equipment financing process," says Welden.

"Ultimately, the AgDirect online equipment application and other digital tools we offer help dealers and customers save time, add convenience and focus on what matters most in their business or operation." EDM

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

2023 Western Farm Show Offers Latest Technology and Fun Family Attractions

61st Annual Event Returns February 24-26 to the American Royal in Kansas City, Missouri

With hundreds of exhibits, the 2023 Western Farm Show will once again provide a highly informative and entertaining experience for farm and ranch families from throughout the region.

The popular show, now in its 61st season, will be held Friday through Sunday, February 24-26, at the American Royal Complex in Kansas City, Missouri. Attendees can browse 400,000 square feet of exhibit space, all under one roof, viewing aisles and aisles of new farm and ranch equipment, as well as wide-ranging displays of other agricultural products and services.

Enjoy the new variety of displays such as:

- Industry professional education sessions called Farmer Development: Let's Talk Shop!
- An ag influencer called "The Farmer's Life" sponsored by John Deere
- Livestock seminars based on quality health performance for cattle
- Sheep and goats- sponsored by MFA, Incorporated
- Farm Equipment Career Development Event – an FFA Competition designed for FFA students to participate in, owned and operated by Western Farm Show and American Royal Association
- An expanded shopping area for the whole family to enjoy!

There's plenty to see, learn and enjoy throughout the weekend for the entire family, according to Jami Applegate, Western Farm Show manager. "Preparations are underway for another great show, with attractions for the whole family," she said. "We're proud the Western Farm Show ranks among the top indoor farm shows in the Midwest. We're not just another big show, but really an ag event."

While the Western Farm Show has a strong focus on new equipment and the latest technologies, there are numerous other exhibits and demonstrations attendees won't want to miss. One of the most popular is the Stockmanship and Stewardship Low-Stress Livestock Handling Demonstration, sponsored by MFA Incorporated, held at 10:30 a.m. and 2 p.m. on Saturday in the Scott Pavilion adjacent to the American Royal.

The demonstrations are led by Ron Gill, Ph.D., Texas A&M AgriLife Extension specialist, who provides technical expertise to livestock producers in beef cattle nutrition, management, and livestock handling techniques for over 26 years. Returning to the Western Farm Show for the 12th year, he will show ranchers how to incorporate the economic benefits of improved livestock handling through reduced sickness and labor and improved weight gains. "We've had ranchers see Dr. Gill's demonstration and come back to the show the following year and tell us how they were able to begin applying the techniques the very next day and see the benefits on their own operation," Applegate said. She noted admission to the demonstrations are free to all Western Farm Show paid attendees.

Another show favorite, the Health & Safety Roundup, will be open during regular show hours offering interactive and educational health and safety exhibits for all ages. Among the 10 participating agencies are the Missouri Farm Bureau, which coordinates the exhibit; the Missouri Highway Patrol; Missouri 4-H Shooting Sports for Kids; Kansas State Highway Patrol Rural Crimes Unit; Johnson County, Kansas TRACE Program; Protect the Harvest; and University of Missouri Extension.

Free health care screenings will include blood pressure and hearing tests, tetanus shots, vision screening, glaucoma testing and children's eye screening (infants to six years). Cholesterol screenings will be offered for a nominal fee.

Applegate said another show tradition, the FFA Food Drive, will be held Friday, drawing an expected 3,000 FFA students from Missouri and Kansas. The food drive is part of the show's FFA Day, of which CASE IH is the official sponsor. The 2023 FFA Food Drive will feature all participating chapters, collecting at least 200 items. One winning chapter will be drawn from both Missouri and Kansas, with each to receive a $1,000 check to be used to further their chapter's ag educational activities. "We're excited to give every qualified chapter a chance to win," said Applegate. "This makes the food drive more fun and competitive, as well as expand chapter participation and increase food collections to help combat food insecurity in our region."

Western Farm Show is partnering with Missouri Farmers Care to further our contributions to help feed more families in our area. The food donations are given to Harvesters — The Community Food Network, a regional food bank serving a 26-county area of northwestern Missouri and northeastern Kansas.

Participating FFA students have the opportunity to expand their agricultural knowledge by exploring the show's exhibits and learning about ag career opportunities. New in 2023 is a designated area in Upper Level Arena called College Corner where students can network and engage with colleges for future plans and academic counsel.

American Family Insurance is sponsoring a special area in Upper Level Arena called Family Living Center. Attendees can shop for clothing, crafts, wood burned art, and home décor products. "Attendees can relax while browsing hundreds of items, everything from miniature toy tractors and home fragrance bars to soap and cutlery," Applegate said. "Great Shopping will be experienced with a Family Center Farm and Home store set up as the main focus of the shopping area. It's a great place for the whole family to take home a little something from the show!"

The Western Farm Show is produced by the North American Equipment Dealers Association, which represents regional agricultural equipment dealers. Show hours are 9 a.m. to 5 p.m. Friday and Saturday, Feb. 24-25, and 9 a.m. to 4 p.m. on Sunday, Feb. 26. Adult tickets are $10 daily. Children ages 12 and under are free. A $3 off coupon is available by visiting a participating dealer member of the North American Equipment Dealers Association.
For more information, visit www.westernfarmshow.com, like us on Facebook at www.facebook.com/WesternFarmShow and follow us on Twitter at www.twitter.com/WesternFarmShow. EDM

Atlantic Tractor Combats Margin Leakage to Improve Used Margins 20%

by TRACTOR ZOOM STAFF

Executive Summary

Josh Martin, used equipment manager for Atlantic Tractor, has improved Atlantic Tractor's repricing process for used farm and lawn equipment, optimizing Atlantics' entire used inventory for a 20% increase in profit margins after the adoption of Tractor Zoom's Inventory tool within Iron Comps.

The Challenge of Phantom Margin Leakage

When times are tough it is easy to spot the cracks in a business. In a strong, upward market, it is easy for those cracks to be overlooked with a profitable year-end report. Yet, those cracks still leak and have been referred by some as ***Phantom Margin Leakage***. Josh realized the strong prices in 2021 and 2022 may have been glossing over an opportunity for improvement.

Atlantic Tractor's historic process of reviewing used equipment prices every 180 or 360 days was, and still is, a norm in the industry. With the centralization of this process often falling on a small department of individuals (sometimes just one person), the workload was too burdensome to review and reprice all the dealer groups' equipment sufficiently. Especially when the markets are as dynamic as they have been.

This workload and frequency of repricing, coupled with a fast moving upward market, meant that either the price was set too high and reduced potential turns, or set too low and not fully maximizing the margin. It was challenging enough to get to all the high-value equipment, much less all the compact and turf equipment whose values can be even more dynamic.

Why Josh and Atlantic Tractor Choose Tractor Zoom

Atlantic's methods of placing values on used equipment were similar to most others in the industry. A combination of surfing multiple auction sites for reputable sales, and inputting equipment specifications into historic calculators for an estimated valuation. Not only was this old method time-consuming, it had to be replicated every time equipment needed to be repriced, and was difficult to document. With such a cumbersome process, only the oldest models reaching 180, or sometimes 360 days, were being reviewed for price adjustments at Atlantic. Josh initially partnered with Tractor Zoom in August of 2020 to improve this valuation process.

Atlantic's Improved Repricing Strategy

Three significant actions enabled Atlantic to improve their repricing strategy and achieve better results. First, when Atlantic Tractor initially partnered with Tractor Zoom, they were able to streamline their valuation process mentioned earlier. Since the Iron Comps covers approximately 85% of the entire US farm auction market, and 65% of the entire used farm equipment market, Atlantics' leadership team could have confidence, and therefore speed of decision-making, in the results. Furthermore, all of Josh's comparable searches provided the equipment details and images he needed to verify the answers he was finding. This transparency, communicated in reporting functions, helped to build trust that is essential for communication within an organization.

Atlantic and Tractor Zoom's partnership did not stop here. While Iron Comps improved Josh's valuation process, Tractor Zoom simultaneously was able to aid in Atlantic's sales and marketing efforts. In the fall of 2021, Tractor Zoom expanded the reach of the dealerships' online presence through free listings on TractorZoom.com. Atlantic Tractor leveraged this offering to get their equipment in front of thousands of daily active users in less than a week. No coding, maintenance, or extra work required.

The final strategy is a convergence of the two earlier initiatives. By listing Atlantic Tractor's used equipment inventory on TractorZoom.com, and pairing that data up against comparable sales in Iron Comps, Josh is now able to see, in real-time, how his listed equipment compares with current market values and age of equipment. Not last year, or even last month's market. Within Iron Comps' ***Inventory*** tool Josh can see the value, day's listed, comparable market value, and comparable day's listed for every listed piece of equipment Atlantic owns. This Inventory platform allows him to quickly make the equipment decisions required when it's most important.

> "I couldn't make my list shorter. Never really got anywhere. I Would knock out 10 one day, then open it up, and there would be 10 more the next day. With this new system, I can bang down the important work because I use the Iron Comps differential to find what equipment is out of bounds regarding price or days listed."

The Results

Josh and Atlantic Tractor adopted Iron Comp's Inventory platform midway through the summer of 2022. A time that was still seeing rising equipment values, although not quite at the rate of growth seen over the previous 6-12 months. As one of the early adopters, Josh quickly became familiar with the new tool and molded it into a process that fit Atlantic Tractor's business model.

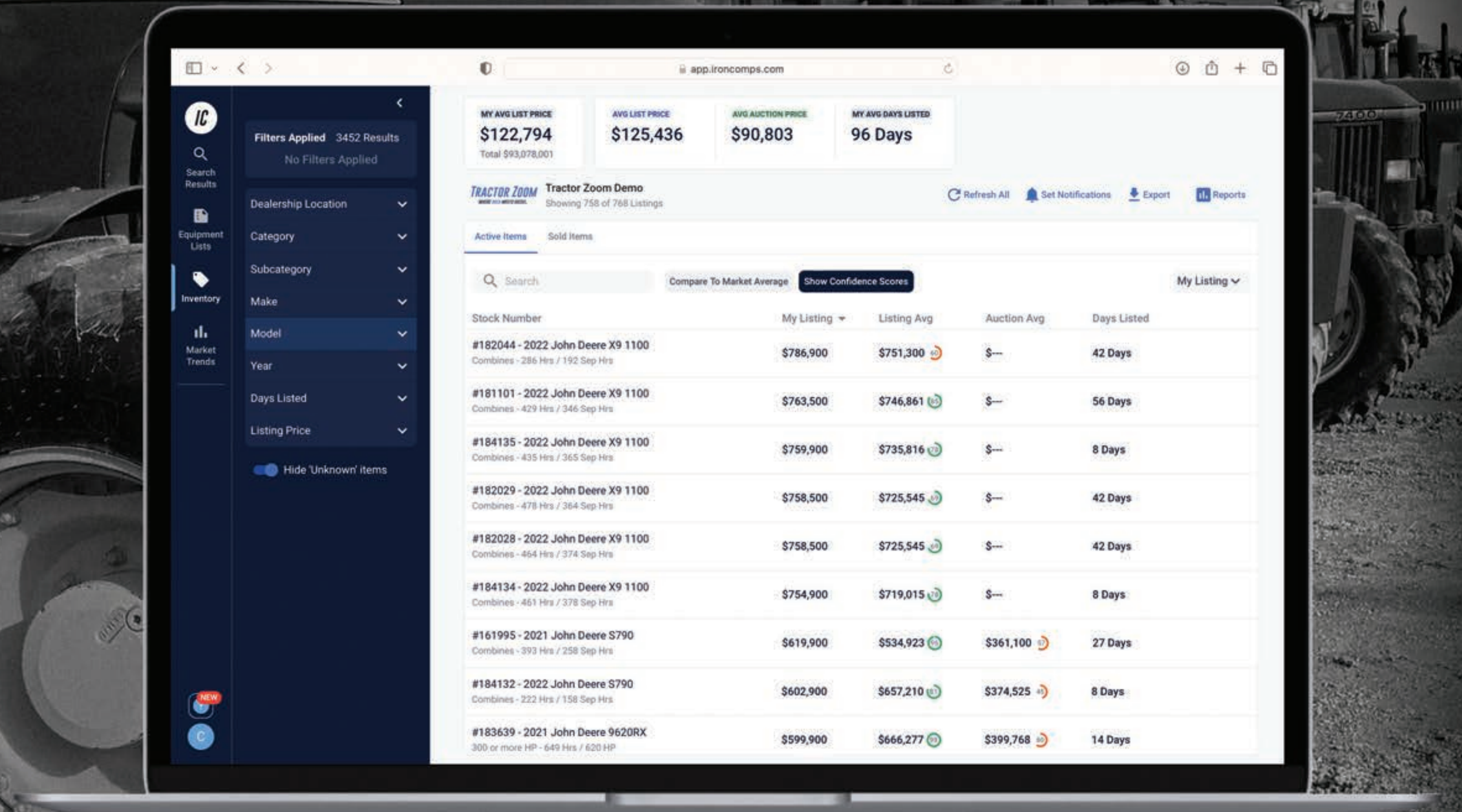
Improved Workflow

Prior to utilizing the Inventory tool, Josh often needed an hour just to figure out where he left off in his previous workflow. It also used to be difficult to gauge the progress as he was working. Now, Josh opens the application and with one click can see his equipment that is deviating the most from current market norms. He addresses those pieces of equipment, then proceeds to any in his work que. Josh's innovative nature led him to use Iron Comp's notifications features to alert him when he wants to review a piece's performance. In this way he is optimizing equipment where there is more margin to capture in an upward market,

CONT. ON PG 14

IRON COMPS POWERED BY TRACTOR ZOOM

ACTIVE INVENTORY MONITORING



- **Increase used equipment turns**
- **Reprice used equipment with confidence**
- **Maximize dealership profitability**

Know exactly where your inventory stands compared to the market and stay ahead of changing market conditions with the ***ONLY*** solution in the market that provides transparency into real-time, comparable sales.

See how over 50 dealer groups are putting their used equipment data to work with Iron Comps.

IRONCOMPS.COM/INVENTORY

TRACTOR ZOOM

CONT. FROM PG 12

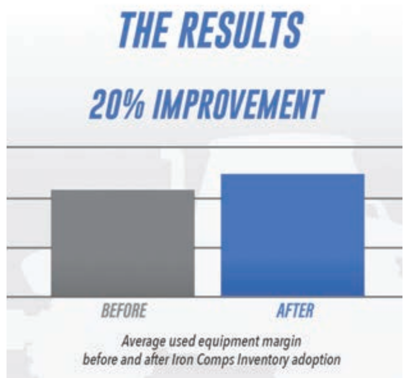
lowering the price to move it quickly in a falling market, or having his team make marketing adjustments. Also, since his workflow completed action on his equipment, those pieces he has already decided on are moved out of his work queue, allowing him to focus on the next job. This way he can be assured that all equipment has been reviewed and optimized. With Josh's workflow, he now frequently reprice equipment in a fraction of the time and move on to other important aspects of his job.

> "I'll make a small price adjustment to ensure I have the right pricing going into the end of the year. Before I was typically writing a bunch of stuff down. Now I'm doing small, $2,000 adjustments, then I'll pause it for just 30 or 60 days so at that time I can reevaluate to see how it's doing. It's wonderful for what we do."

Measurable Results

While the process and time-savings improvements were immediate to Atlantic Tractor, the sales metrics obviously required time for those improved sales to take place. A full analysis of the margin improvement will be a continual study, yet the preliminary sales data looks promising. All actual sales data were provided by Atlantic Tractor. With the adoption of Iron Comps' Inventory tool taking place mid-June 2022, the following margin analysis graphs split the results into a 'Before' and 'After' categories for sales on all equipment based on that date.

The above graph is based on the average margins on Atlantic's equipment sales before and after the adoption date in June. There may



be seasonality at play that won't be fully understood until year over year analysis can be completed. The average margin is also important to understand and is displayed below. The Before period includes eight months of prior sales. The After period includes four months of successive sales.

Proactive Repricing Strategy for Your Dealership

The benefits of Tractor Zoom's suite of products, including ***Inventory***, is that it is dynamic and responsive to the current environment. In much the same way, each of the 50+ dealer groups who utilize Iron Comps leverage the power of Tractor Zoom's data in unique ways that best suit their business goals and processes. If you would like to see other examples of how dealer groups are partnering with Tractor Zoom to leverage real-time data in combination with their specific equipment, feel free to reach out to Tyler, our account executive at TLowy@tractorzoom.com

The Story of Atlantic Tractor

Atlantic Tractor was founded in 2004 with the combination of five family-owned John Deere dealerships, from 11 locations in the Mid-Atlantic. They now serve a wide swath of the Northeast, from as far north as Delaware, west through Pennsylvania, and south into Maryland. Covering the agricultural industries of row crop and dairy, they are also heavily involved with lawn, garden and light industrial equipment. Primarily a John Deere dealership, they also sell new Frontier, Stihl, Honda, Kinze, Kuhn, UM Unverferth, Great Plains, Alamo Industrial, Tiger, FAE Group and Rome Equipment models. EDM

HERE'S WHAT YOU SOLD Equipment Retail Sales In Units

AEM

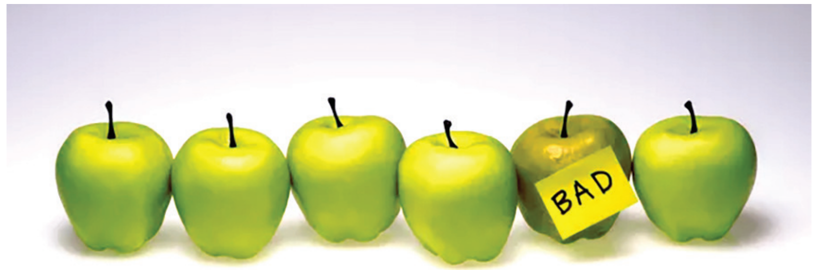
DATA PROVIDED BY THE ASSOCIATION OF EQUIPMENT MANUFACTURERS

U.S. - DECEMBER 2022 Ag Tractor and Combine Report	DECEMBER			Y-T-D DECEMBER			DECEMBER 2022
	2022	2021	%CHG	2022	2021	%CHG	BEGINNING INVENTORY
2WD < 40 HP	10,643	14,518	-26.7	173,671	215,286	-19.3	88,734
2WD < 100 HP	6,429	7,085	-9.3	67,346	75,400	-10.7	28,770
2WD 100+ HP	2,773	2,851	-2.7	26,422	23,729	11.3	8,062
TOTAL 2WD FARM TRACTORS	**19,845**	**24,454**	**-18.8**	**267,439**	**314,415**	**-14.9**	**125,566**
TOTAL 4WD FARM TRACTORS	**520**	**392**	**32.7**	**3,469**	**3,529**	**-1.7**	**529**
TOTAL FARM TRACTORS	**20,365**	**24,846**	**-18.0**	**270,908**	**317,944**	**-14.8**	**126,095**
SELF-PROPELLED COMBINES	**735**	**632**	**16.3**	**7,267**	**6,278**	**15.8**	**908**


Northern Ireland

Success Can Be a Terrible Disease

by DR. LARRY COLE



Are you green and growing or ripe and rotting?

No, the title is not an oxymoron. But let me warn you, reading this article can "sting" your emotional health.

Let's complete a self-assessment. Listed below are six overriding behavioral characteristics of elite leaders. I'm asking you to stretch your imagination to rate how you think employees would rate your dealership's culture, i.e., not as you would like for them to rate your dealership's leadership characteristics, but what you think is a realistic assessment. (If you really want to know – ask your employees to complete this assessment.)

Change Your Thinking and Your World Changes

The diseased syndrome that appears to be of epidemic proportions is – good enough is good enough. You don't see this syndrome in the six characteristics listed in the assessment graphic. If this attitude is prevalent in your dealership, you need to at least consider the words of Ray Kroc, the founder of McDonald's, who said, *"Are you green and growing or ripe and rotting?"* Good enough is good enough is ripe and rotting. I'm sure you would agree that is not a bright future for your dealership.

There are two sad realities. One is when a dealership's principals have this attitude that drives the dealership's culture. This can be particularly challenging when multiple family members are in the business and there is a division among them about owning the good enough is good enough attitude. Second is the fact the leadership characteristics listed in the self-assessment are learned. All leaders came into this world through the birthing process, meaning leaders are born. But contrary to what many believe, leadership is not a DNA-produced characteristic.

Think in terms that the characteristics of elite leaders are natural resources residing in your body and waiting to be developed. The beauty of this reality is you can have as many of these characteristics as you desire. You only have to 1) be self-aware of the need and benefits of using these behaviors, 2) be willing to exert the necessary self-discipline and 3) be willing to practice daily.

Rut vs. Grave

Our behavioral ruts or routines serve a dual purpose. On the one hand, they provide considerable psychological security. I don't mean to underestimate psychological security – it's important to all of us, and our bodies long for it. But, on the other hand, ruts can become our graves if we continue to do the same things every day and try to maintain the status quo.

Elite leaders know their leadership development requires an effort that continues forever. That is, every day, they use their dealership as a personal university to practice the technical acumen and leadership skills needed to succeed in this ever-changing world. These leaders are constantly challenging themselves to be better today than they were yesterday. Yes, they are comfortable with being uncomfortable as they continually push against their comfort zones. These leaders are humble and know they are green and growing because there is no future in considering oneself or the dealership to be ripe as decay sets in, which is a terrible experience.

One of your most important decisions is to decide your epitaph: What do you want people to say about you as you leave their world? Green and growing or ripe and rotting? EDM

	LEAST CHARACTERISTIC					MOST CHARACTERISTIC	
Inspiring by creating a culture to achieve the dealership's vision for the future.	1	2	3	4	5	6	7
Motivational by consistently showing appreciation for jobs well done.	1	2	3	4	5	6	7
Challenging the process by focusing on continuous improvement and innovation.	1	2	3	4	5	6	7
Caring by showing an interest in employee's personal and professional lives.	1	2	3	4	5	6	7
Collaborating teamwork to help each other to succeed.	1	2	3	4	5	6	7
Integrity by doing what is right, because it is the right thing to do.	1	2	3	4	5	6	7

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

LARRY COLE, PH.D., is a lead trainer for and consultant to the North American Equipment Dealers Association's Dealer Institute. He provides onsite 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

TOP**metrics** TO WATCH

Parts and Service Inventory – Same? Similar? Not even close!

by WAYNE BROZEK

If you and your department are still dreading the once-a-year annual parts inventory, I feel for you. I truly do, and I must say, you need to break that cycle and learn to break that counting down into a daily discipline.

Year-end is when most parts departments dread the AWFUL, TERRIBLE and DIRTY task of completing a parts inventory count.

When I first entered the business, inventory count was mine and several of my co-workers' reality. We had to spend hours after closing on Friday evening getting clipboards and ever-sharp pencils and start counting. Ohh, but the GOOD news was we received free pizza and cold beverages…not a very fair trade. But nonetheless, that is what we did. Count and count and count. We started again bright and early, in some cases, not even bright, but early on Saturday morning. We would look like we were preparing for turkey hunting by wearing camo and having dirt all over our hands and faces. We would then turn in our count sheets, and in some cases, we made silly mistakes just due to being tired of counting for hours.

Was that the best choice? Perhaps not, but that is how I was taught, so I continued that pattern for years. Once I became the parts manager, I decided that we needed to improve our accuracy, and the way I thought we could do that was to do DAILY parts counts. What a change that made in our accuracy and the health of our department. I learned that my counts were better, our shelves were cleaner, more organized, and our computer accuracy went WAY UP!

> As our year-end closes out, I encourage the parts and service managers to ensure that the daily inventory processes align with what drives the utilization of those inventories to the highest levels. **By performing daily parts counts, inventory health is improved.**

If you and your department are still dreading the once-a-year annual parts inventory, I feel for you. I truly do, and I must say, you need to break that cycle and learn to break that counting down into a daily discipline. Once you do, you will find that you count your inventory more like three times a year versus the dreaded one time a year, and your inventory accuracy will be much improved.

When I left the parts manager position and became a service manager, I still had an inventory to manage. Now it wasn't the same but similar. As a parts manager, I wanted to sell as much of the inventory off the shelf each day as possible, which was no different than when I was a service manager. It was lost forever if I did not sell the technician inventory between 8:00 am and 8:30 am - no chance of getting it back to sell again, unlike the parts on the shelf. For example, if I did not sell some seals from 8:00 am to 8:30 am, I could always sell them later. The pressure I put on myself and my service advisors to sell every minute of every hour, every day was incredible. That pressure was NOT EVEN CLOSE to the stress I had placed on myself or my parts team to sell our inventory. So, perhaps the service inventory having no shelf life is not the same, but similar. Still, the pressure we have and the urgency I placed upon myself to sell it was not even close to the same.

As our year-end closes out, I encourage the parts and service managers to ensure that the daily inventory processes align with what drives the utilization of those inventories to the highest levels. By performing daily parts counts, inventory health is improved. If I monitored technician productivity 2-3 times a day, not a week, but a day, I could drive technician productivity up and, therefore, increase the utilization of that inventory. As a service manager, you need to look at the jobs your technicians are working on and how much time was quoted versus how much time is left to complete the repairs. Knowing what each technician is working on will only maximize your inventory health.

Reach out! We have several tools to help decide what your daily processes should or could look like to increase the health and utilization of both parts and service inventories. But you decide if your inventories are the same, similar or not even close! EDM

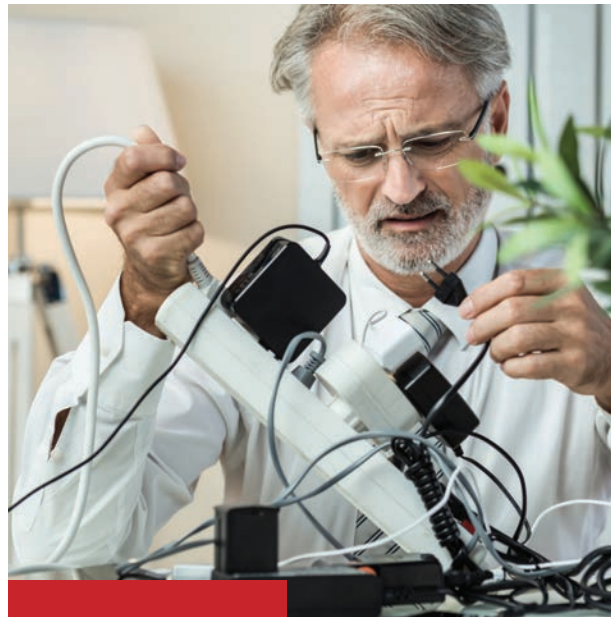
WAYNE BROZEK is a trainer with NAEDA's Dealer Institute.

WAYNE BROZEK is a trainer with NAEDA'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.

TOP METRICS TO WATCH is an ongoing feature brought to you by the association's Dealer Institute to help dealers better understand key performance indicators and industry metrics to effectively manage their businesses.

What Does a Million Dollar Electrical Cord Look Like?

by JERRY LEEMKUIL



The answer is: exactly like your electrical cords, except burnt. Everyday items and equipment at your business could cost you millions if they spark a fire due to improper use, lack of maintenance, or poor housekeeping practices.

In the past several years, we've seen a sharp increase in the number of devastating fires among your industry peers. We don't want you to experience the same fate. Fortunately, most fires can be prevented – but prevention starts with you. As a business owner, you are responsible for all aspects of your company's safety. And, anytime is an excellent time to focus on fire hazards.

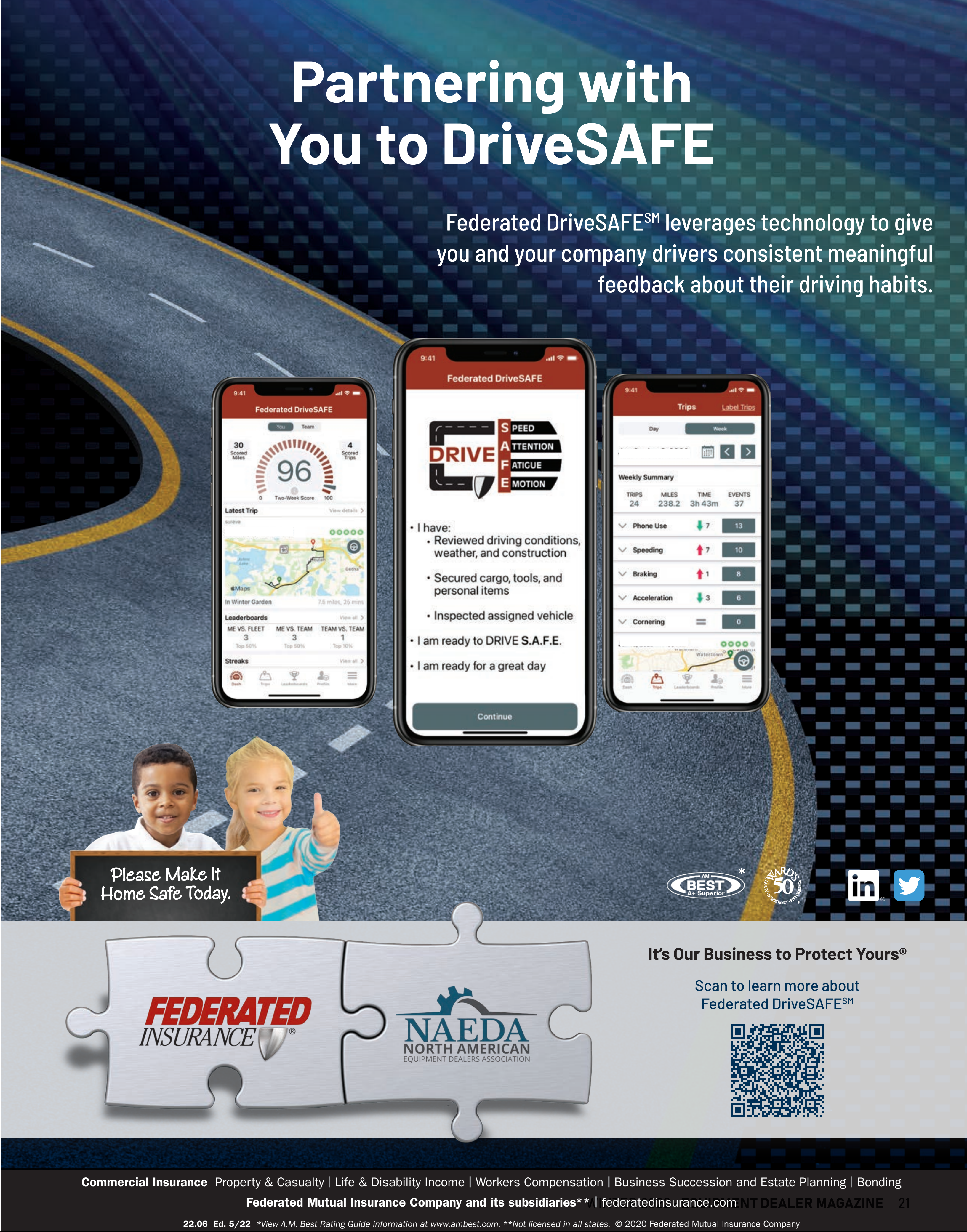
As a business owner, you are responsible for all aspects of your company's safety. And, anytime is an excellent time to focus on fire hazards.

Take Action Now

- Walk through your business and note all the potential sources of fire. Federated clients can leverage a sample fire hazard checklist to help complete this task.
- Make sure the three elements that make up a fire — fuel, oxygen, heat — are kept separate at your facility.
- Complete scheduled maintenance on all equipment and machinery per manufacturer specifications.
- Make sure your facility has adequate electrical wiring and power. Never use electrical cords as a replacement for permanent wiring.
- Keep your facility clean – clean up any combustible trash, dust, or other materials from the premises every day.
- Conduct regular fire drills and communicate emergency procedures to employees.
- Train employees on the fire hazards at your business and encourage them to report any fire concerns. As they are working, employees are the ones best positioned to notice an overloaded extension cord or discarded oily rags. They need to know what to look for to help curb risks and prevent fire hazards from sparking.

Don't become the owner of a million dollar electrical cord. You have the knowledge and responsibility to prevent fires at your business – and Federated is here to help. Federated Insurance® offers a variety of sample fire prevention plans, sample checklists, training resources, and more, which clients can access by logging in to mySHIELD®. Speak to your local Federated® Marketing Representative today to learn more. EDM

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


Partnering with
You to DriveSAFE
Federated DriveSAFESM leverages technology to give you and your company drivers consistent meaningful feedback about their driving habits.
Federated DriveSAFE
96
Two-Week Score
Latest Trip
Leaderboards
Streaks
DRIVE
SPEED
ATTENTION
FATIGUE
EMOTION
• I have:
• Reviewed driving conditions, weather, and construction
• Secured cargo, tools, and personal items
• Inspected assigned vehicle
• I am ready to DRIVE S.A.F.E.
• I am ready for a great day
Continue
Trips
Label Trips
Day
Week
Weekly Summary
TRIPS 24
MILES 238.2
TIME 3h 43m
EVENTS 37
Phone Use 7 13
Speeding 7 10
Braking 1 8
Acceleration 3 6
Cornering 0
Please Make It
Home Safe Today.
AM BEST A+ Superior
It's Our Business to Protect Yours®
Scan to learn more about
Federated DriveSAFESM
FEDERATED INSURANCE®
NAEDA
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Dealer Statutes

The Fundamentals of Association Advocacy

by ERIC WAREHAM

Going back to the establishment of dealer associations, there have always been two consistent reasons for their existence: advocacy and manufacturer relations.

In the summer of 1961, Vince Lombardi strode into the first meeting of the Green Bay Packers training camp holding up a pigskin and famously said *"Gentleman, this is a football."*

In that short statement he reiterated how the fundamentals would be their focus. He wasn't speaking to a pop warner team, these were professional athletes who had narrowly lost the championship game a few short months prior. The anecdote is instrumental to any organization, no matter how large or successful, you must be good at the fundamentals to succeed.

In today's political environment, the world seems to be spinning faster and faster and it's hard to name something outside the purview of state and federal government to regulate. Staying on top of taxes, transportation, and trade just to name a few besides the largesse of government spending packages in recent memory is a task that can suck you in and consume all your time. All of these areas of policy are important and require close scrutiny to keep dealers apprised of what is happening. However, it's important to take a step back from time to time and evaluate what your core competency is.

Going back to the establishment of dealer associations, there have always been two consistent reasons for their existence: advocacy and manufacturer relations. On the advocacy side of the equation, the primary focus from inception to now has been on dealer statutes. The statutory framework providing the basis for the contractual relationship between dealers and manufacturers is the most fundamental aspect of a dealer association's advocacy efforts and that emphasis has not changed under the formation of the North American Equipment Dealers Association. It is as fundamental as the football, so to speak.

Not all state statutes are created equal. Because of the balkanization of state associations, there are many versions of state dealer statutes regulating the agreements between manufacturers and dealers. Statutes have been amended over the years to keep up with changing manufacturer contracts and business conditions too. Despite this, it's interesting to note that nearly every state has an independent statutory framework relating to equipment dealers that is separate and distinct from general franchise laws. This speaks to the nuances and intricacies of our industry that cannot be categorized with other types of franchises and the importance of the association as the only entity that represents the voice of the dealer in this area of legislation.

To understand and rationalize all the areas of importance in this area of legislation, the association developed the nine key principles relating to dealer agreements. The principles themselves can be found on NAEDA's website and there have been many articles written about them. Suffice it to say that these are not only principles that should be imbued in manufacturer contracts, they are also the elements that should make up dealer statutes.

In an effort to include the nine key principles in dealer statutes, model legislation was drafted over ten years ago to reflect the priorities of dealers. The process for creating the model bill included consultation with the manufacturers and culminated in a document that encompassed all of the nine key principles. The test for whether the manufacturers supported the model legislation came when a bill was introduced in Texas. In 2011, the model legislation was adopted by the Texas legislature and the manufacturers did not oppose it. Shortly after, the model legislation was also adopted in Oklahoma. Since then, there have been several state updates to dealer statutes following pieces of the model legislation that demonstrate creating a cooperative process with the manufacturers has been the most reliable method to ensure success in the state legislature. However, it is worth noting there are instances where state legislation has gone further than the model bill and passed without manufacturer support.

The reality is many state dealer statutes are still lacking in fundamental areas that protect the dealer and provide a more equal footing in negotiations with the manufacturer that benefit the dealer and their customers. There are also calls from dealers to make dealer statutes more consistent in individual states as dealer's footprints expand across state lines. As a dealer driven, consensus organization, it is ultimately up to the dealers in each state to determine what their dealer statutes should look like.

Whichever direction dealers decide on, it is the fundamental responsibility of our association's advocacy efforts to pursue those outcomes. NAEDA has a dedicated government affairs team with decades of collective experience to make that happen. Even with all that expertise and the numerous legislative and regulatory challenges we are involved in, we continue to focus on the fundamentals and not forget what a football is. EDM

ERIC WAREHAM is senior vice president of government affairs for NAEDA. He has extensive legal and policy experience in both a trade association and the private sector.

ERIC WAREHAM is senior vice president of government affairs for NAEDA. He has extensive legal and policy experience in both a trade association and the private sector. Prior to joining the association, he was general counsel for an Oregon-based heavy civil construction company. He also served as the director of government relations and general counsel for an association in the wood products industry, has managed state and national political campaigns and held numerous positions in a state legislature. Wareham is a graduate of the Willamette University College of Law and Augusta University.

Can the Impact of Leadership Training Be Measured?

by DR. LARRY COLE

The short answer is yes. This white paper provides blueprint options to measure the degree leadership training with your leaders are put to work.

Leadership gurus tell us that billions of dollars are wasted each year on leadership training because the training was not put to use. Let me cite a couple such examples of waste.

Up-line leaders seldom have a clue about the subject matter offered in the training events attended by their down-line managers. One owner vented his frustration that the employees sent to Dealer Institute-sponsored leadership training did not report to him about the training event. Unfortunately, nor did he ask.

The participants attending the classes I teach develop a Leadership Improvement Plan specifying what they are going to implement upon returning to their dealerships with specific instructions to review these action steps with their supervisor and direct reports. The little data I have suggests these reviews typically don't happen. One dealership spent $30,000 on on-site training and I was later told the dealer principal did nothing with that content. I could continue with other examples, but I'm sure you get the point.

Excuse my bluntness, but it's absolutely ridiculous to spend money to send employees to the training event and not do anything with it. Yes, I could use stronger language in the previous sentence, but I don't want to offend anyone. All of us, though, sometimes need a kick in the butt to help us recognize our foolishness.

From a trainer's point of view, it is very frustrating that the hard work required to offer training is all for naught.

There are many root causes for such negligence, but I'll only cite one – accountability seems to be a dirty word. I often ask class participants if the word accountability has a negative or positive connotation. It's disheartening to learn the majority respond negatively. In reality, accountability is a teaching tool to help employees learn the technical and interpersonal skill and, yes, leadership skills to be successful. What is negative about that?

Let's address four sobering facts. First is the growth and success of your dealership, which is dependent upon the growth and success of your people. If you question that logic, then tell all of your employees to go home and measure your financial success. How stupid of me to even suggest such a crazy idea, right? People are your most valuable resource.

Second is the importance of leadership. Leadership is about relationships that determine the level of employee engagement, customer service levels, and whether a dealership is a high-performing business or one that's infused with the disease of complacency and mediocracy.

Third is the message sent to employees when a dealership willingly throws money out the window via wasted training. It's always discouraging when employees tell me they don't know why the on-site training event is scheduled because nothing will change. In an attempt to exhibit a positive attitude, I tell employees that regardless of whether the dealership takes advantage of the training, the employees can and it's nice of the dealership to give them that opportunity.

Fourth is the return on the investment. Research suggests people issues account for a 25% loss in a company's operating efficiency. One dealership's senior management team was discouragingly willing to bet their loss approached 50%. Let's examine real numbers.

Suppose it costs $5,000 per hour to operate a dealership. Losing 25% efficiency costs the dealership $1,250 per hour. I've been told a dealership's average net profit is about 2%. That means, a dealership would have to increase its net revenue of $62,500 the next hour to generate a profit of $1,250 for the previous hour's loss ($62,500 X .02 = $1,250).

I know this sounds cruel, but leaders are responsible for this loss of revenue when such inefficiencies are allowed to exist unabated. For example, the attitudes that conflict between parts, sales and service is normal and opens the floodgates to waste money.

The following three leadership skills are being used throughout this white paper to illustrate the measurement process:

1. **Leading change.** I've asked thousands of participants to illustrate the energy systems that are inherent in the change process. To date, not one participant has been able to do so.
2. **Empowerment.** This is a key tool to improve productivity and talent development.
3. **Real-time feedback/advice.** This is critical for performance improvement, yet most of the course participants in leadership classes readily admit this leadership responsibility is ignored.

BLUEPRINTS

I should mention there are statistical formulas that will measure the return on investment and they are statistically sophisticated, complex and require the company to monitor several data points. Needless to say, that complexity is above my pay grade.

The late Don Kirkpatrick, a university

professor, author and past president of American Society for Training and Development, offered a four-level measurement system in his 1953 dissertation that has universal acceptance as the crown jewel for measuring the impact of leadership training. The four levels are listed below and each will be discussed in detail.

1. Satisfaction of the course content and quality of training
2. Learning the content offered in the course
3. Transfer the learning to the workplace (obviously critical)
4. Statistically measuring the impact

Level I: Satisfaction

The first level is rating the satisfaction of the training event, e.g., instructor, course content, venue, supplemental handouts, etc. This level of measurement is widely used, but as you read this, you will see this measurement doesn't address a transfer of training to the workplace.

Dealer Institute training participants are asked to evaluate their satisfaction of course trainers as well as course content. Example questions include:

1. Did the course trainer competently present the information?
2. Would you recommend this trainer to others?
3. Was the course content relevant?
4. Would you recommend applying this content to your dealership?

The Dealer Institute uses a five-point Likert scale ranging from Strongly Disagree to Strongly Agree. Raters are also asked to make comments. The five-point scale is not the Holy Grail as there are seven- and 10-point scales available for your review when you Google Likert scales. Of course, the Dealer Institute is extremely pleased when the mean ratings for its courses and trainers approaches five on the Likert scale. Such information can be great marketing materials, but it tells us nothing about to what degree the content was learned, whether the content will be put to use at the dealership or the impact of putting the content to work.

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

I've had numerous conversations with participants concerning putting leadership training to work upon returning to the dealership, especially when taking into consideration the dealership's culture. It's discouraging to hear when a dealership spends the money to send its employees to leadership training and then learning the workplace culture won't support the training. This topic will be addressed in more detail during the discussion on transfer of learning.

The Dealer Institute also asks participants to express their level of dissatisfaction or satisfaction with the course. Comments can also be quantified by quickly calculating the percent of satisfied comments from the pool of comments.

I'm closing this section while emphasizing the overall satisfaction with the course and its trainer are critically important variables leading to participants' engagement in the training events and facilitating the eagerness for the participants to learn the content.

Level II: Learned

What did the participant learn? The answer to that question is of interest to both the Dealer Institute and the participating dealership. Obviously, learning is a prerequisite to ultimately using the content at the dealership. The Kirkpatrick model emphasizes learning the knowledge, skills, attitude, confidence, and commitment.

Dealer Institute's classes have several lessons learned opportunities embedded within the delivery of the training content. Several leadership examples are provided in the following paragraphs.

Change Management – The one constant every person faces is change, whether it's planned change, passive change that simply occurs over time, or change that is forced. Change is simply an energy system – the person is either going forward or retreating. There is no standing still as life's changes are much like a river where it's impossible to put your foot in the same spot twice. The current of change takes us somewhere. There is no standing still because time and life experiences create change.

Every leader is going to be a change agent and address change improvements needed within their level of authority whether the change is initiated within the respective department or from the senior leaders. The fact is leaders need to learn how to sell change as opposed to dictating it.

Participants learn a seven-step process to manage the energy systems inherent in change. So, the question is, do the participants learn this seven-step process? In addition to being introduced to the change process, participants use the system twice during the class – using the content in an exercise with a personal subject and then in a breakout session with a dealership change.

Let me share a win with you. The staff from a given store attending the leadership course used constructing a new facility for their location as the example to sell change. That team did an excellent job and received an ovation. Fast forward. That team got its new store.

Real-Time Feedback/Advice – Role playing is an excellent tool to watch someone providing real-time employee feedback during a training event. The leadership class uses three different scenarios to observe the learning that occurred to deliver real-time feedback.

Empowerment – The empowerment process is challenging for some leaders for a variety of reasons and that is a subject for another time. The bottom line is delegating the degree of authority to make independent decisions. After introducing the empowerment process, participants role-play using the process to showcase their learning.

Showcase At The Dealership – An intriguing question that the training participant needs to answer is, *"Do I know what is expected of me when I return to the dealership?"*

In reality, participants are limited to what they can accomplish in a classroom, but there are a couple of great exercises that can be completed upon returning to the dealership. The best way to learn is to teach. Ask the participants to teach a class to other employees on a topic from the leadership class – change management would be an excellent topic. Or, have lessons learned discussions giving the participants an opportunity to showcase what they learned at a training event. Using participants to share information is a great way to multiply the benefit of sending an employee to training, and this can positively impact the financial return on investment.

Another excellent exercise to use upon an employee's return to the dealership is

CONT. ON PG 26

ABOUT THE AUTHOR

LARRY COLE earned a Ph.D. in Psychology from the University of Oklahoma. Larry was on the faculty of Arkansas Tech University and served as CEO of a Comprehensive Mental Health Center before founding his consulting company, TeamMax®, in 1989.

Since then, Larry has specialized in improving leadership effectiveness and teamwork while fostering the fact that frustration is your best friend. He created the TeamMax® Advantage methodologies to measure behavior change in real-time. Larry has authored 10 books, written numerous articles for professional, business and trade magazines, and written unpublished manuscripts, such as this one. He has worked in the agriculture industry for over fifteen years and wrote the first two books published in the integrator and poultry grower relations.

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CONT. FROM PG 25

labeled retroactive pre and post. That is, create a survey with lessons learned and ask the participant to rate the degree of confidence and commitment to engage these skills prior to the training event and subsequent to the training event. Yes, completing the survey after the training event is not the most accurate data, but it gives the dealership an indication that content was learned during leadership training.

Level III: Transfer of Learning

What is the degree to which participants use what they learned upon returning to the dealership? Without a doubt, this level is critically important for a dealership to measure the return on its investment. Let's review the relationship between the three levels that have thus far been discussed.

Level I - Satisfaction
Satisfaction leads to increased interest in the leadership content.

Level II - Learn
Must know the leadership content to use them in Level III.

Level III - Use
Put the tools to work that were learned in Level II.

One reason Level III is so critical is you will read that Level IV is more labor intensive. I hate to be skeptical, but only those leaders striving for elite performance will even consider Level IV measurement.

FACT – If transfer of learning is left to chance, you know what will happen – nothing. As previously stated, it is so depressing for course participants to tell me there is no way the leadership skills being taught can be used at their dealerships because their immediate supervisor is autocratic and doesn't want to try anything new.

Under such circumstances the two pieces of advice offered are: 1) resist allowing the immediate supervisor to dictate your leadership style (toxic leaders spread considerable poison throughout the dealership), and 2) remember that life is too short to keep putting your body where your mind does not want to go.

It is absolutely critical that corporate leaders create a dealership-wide leadership development culture and an accountability process. The accountability process that is currently being used in dealerships to monitor technical performance, i.e., regularly scheduled reviews of the data is the same for leadership development, but the data changes.

To begin with, senior leadership needs to ensure the management structure implements the following points:

1. Every leader needs to know the leadership content taught.
2. Every immediate supervisor needs to discuss the content with their direct report who participated in the training.
3. Every immediate supervisor needs to discuss how the content can be applied within the dealership with special emphasis on the Personal Improvement Plan (you'll learn about that shortly).
4. Every immediate supervisor needs to implement the accountability process to review progress with their direct report on a regularly scheduled basis and coach for improvement.
5. An accountability report needs to be sent to corporate leaders at least quarterly and make the report an item on their meeting agenda to review progress throughout the enterprise.
6. Placing leadership development on corporate management meetings sends a powerful message about their seriousness for workforce development.

Challenge – I challenge readers to tell me which of these steps are impossible to do. Here's another challenge to think about while discussing Level III measurements – create a leadership improvement plan for every leader within your dealership. I often run into resistance and told that developmental plans are needed for lower-level leaders. Every dealership needs to remember: 1) senior leaders being a part of a developmental plan provides an excellent, positive example for down-line leaders, and 2) seeing top-down change produces bottom-up commitment, i.e., actions speak louder than words.

Something to remember: Research published by professor and author Rob Brinkerhoff in 2006 showed that scheduled involvement of up-line supervisors in the transfer of the learning process increases the likelihood of a successful transfer of learning by over five-fold.

Personal Improvement Plan – Participants in leadership classes develop a Personal Improvement Plan. That is, at the end of each topic, they are asked to record what they can do to improve their performance within this topic. Each participant will have eight to 10 ideas listed and they are asked to reduce this number to the critical one to three leadership strategies. Participants are asked to review these with their immediate supervisors as well as with their direct reports while asking these parties to help hold the participant accountable.

Note that I'm using a few behaviors associated with three critical leadership skills within the following example of the Personal Improvement Plan.

Using the Likert scale, participants are asked to rate themselves after 30 days while

PERSONAL IMPROVEMENT PLAN - SMART GOALS

S = Specific
M = Measurable
A = Achievable
R = Realistic
T = Timeline

Date:

Instructions: Use the following Likert scale to quantify the progress you've achieved through implementing your personal improvement strategies.

1 = I've not done anything
2 = I've started
3 = I'm making some progress
4 = I'm making considerable progress
5 = I'm proud of the progress made

STRATEGY	PROGRESS
MANAGING CHANGE	
Ensure that employees understand the "whys" driving the need to change and the advantages associated with the proposed change.	1 2 3 4 5
Employee input is sought for changes that impact the department.	1 2 3 4 5
EMPOWERMENT	
Ensure that employees understand their level of authority to make independent decisions.	1 2 3 4 5
Establish timelines to monitor progress.	1 2 3 4 5
REAL-TIME FEEDBACK	
Show recognition/appreciation to at least three employees today for a job well done.	1 2 3 4 5
Provide constructive feedback or teaching moments in real-time.	1 2 3 4 5

also being rated by their supervisors and direct reports. The multi-rater approach provides excellent feedback as to the progress being made. The results should be discussed with those who completed the ratings. Obviously, the immediate supervisor has editing authority to the behavioral strategies being implemented and measured.

Upon measuring significant progress, participants can return to their libraries of ideas listed in their Personal Improvement Plan for an additional set. Yes, leadership development is a continuing process.

Performance Management System – The Dealer Institute also offers a comprehensive Performance Management System that embeds both leadership development and technical performance objectives. In brief, technical and leadership development objectives are developed per quarter and employees and their immediate supervisors review the progress on a monthly basis. Yes, this is a comprehensive coaching workforce development system that can supplant the annual performance review. It's an excellent system, if I do say so myself. Please contact us to learn more.

FYI: I have a non-Dealer Institute client adopting this workforce development process and even developed a software program to facilitate its implementation with its 500 employees. Annual reviews will be simply used for salary adjustments.

Self-Assessment – Let's close this section with completing a Level III self-assessment on a scale from one to 10. Number 1 anchors the low end (or "Hell No"), meaning the dealership will put this much effort into a Level III measurement system, or 10 (or "Damn Right"), indicating the dealership can implement a Level III measurement system to improve the dealership's leadership development. Circle your number before proceeding with reading.

Hell No		No		Don't Know		Yes		Damn Right	
1	2	3	4	5	6	7	8	9	10

To become a talent development factory and an employer of choice, senior leaders have to score eight to 10. Imagine for just a moment that your dealership is recognized as the employer of choice in your marketplace. That could set you apart from the competition in this dog-eat-dog world search for talent.

Level IV: Measuring Results

Level IV measurement answers the question: *"Did the leadership training have a positive impact upon the dealership's performance?"*

Yes, the question can be quantified with a Level III measurement. For example, on a scale from one (Strongly Disagree) to five (Strongly Agree) indicate your level of agreement that the recent on-site leadership class had a positive impact upon the dealership's performance. But did it really? Metrics and statistics can provide the answer.

Listed below are several examples of leadership/people metrics that can help answer the Level IV question.

- Employee engagement
- Employee satisfaction
- Internal promotions
- Regrettable turnover
- Both customer and employee net promoter scores
- Intent to remain with the dealership
- Financial performance
- Safety performance
- Production rates
- Frustrations that interfere with performance
- etc.

There are several requirements to successfully implement Level IV measurements. One is that specific objectives need to be established. For example: 1) employee engagement at 60%, 2) employee satisfaction at 80%, 3) employee net promoter score at 80%, 4) customer net promoter score at 90%, 5) improve financial performance of the department by 10%, and 6) reduce frustrations that interfere with performance by 10%. Okay, I'm sure you see the picture and you probably also know what is next.

Two, once the objectives and expected results are established prior to training, benchmark data need to be collected. For example, suppose the benchmark employee engagement level is 37%, which is an actual number measured by a dealership. The dealership established the key performance metric of 60%.

Three, training is targeted to improve employee engagement and, at a later date, employee engagement must again be measured. Suppose the post-test showed the score increased to 45%. An 8% increase looks pretty good, but is it good enough? Statistical analyses could be completed to determine if that increase is statistically significant or perhaps occurred by chance.

Another step is to analyze the employee engagement results to identify strengths and weaknesses. Then the dealership decides to develop strategies to strengthen its strengths or weaknesses that could drive improvements in the engagement scores. Hint: It is probably easier to strengthen the strengths than it is to strengthen the weaknesses. With that said, a weakness can have devastating effects on employee engagement dictating that it needs to be strengthened.

After implementing the defined strategies for a period of time, e.g., quarterly, a third measurement is taken to measure the progress. Suppose the engagement score climbed to 50%. Is that score good enough for now even though it is less than the targeted 60%? The dealership has to answer that question. Again though, statistical analysis would be required to determine if that is a statistically significant change.

The results can be even more complex for dealerships with multiple locations as the results will probably vary by location because of the dynamics between store leadership and employees (i.e., employee engagement is driven by leadership behaviors).

A Success Story - We completed an employee engagement survey for a dealership that gave us permission to discuss the methodology to put its data to work. The bottom line is the dealership wanted to improve its engagement scores. The statistical analysis showed the dealership's employee engagement score was driven by several leadership behaviors, including "I feel that my opinion/input is valued" and "I'm cared for as a person first and as an employee second."

The dealership organized meetings at each store to review the data and discuss what can be done to 1) show employees their input is valued and 2) show they are cared for as a person first.

After working on these for about three months another survey was completed to assess the progress. The following table shows you the comparison between the benchmark measurement of the percent of employees who somewhat or totally agreed with the statement and the follow-up. The

CONT. ON PG 28

LEVEL IV MEASUREMENT

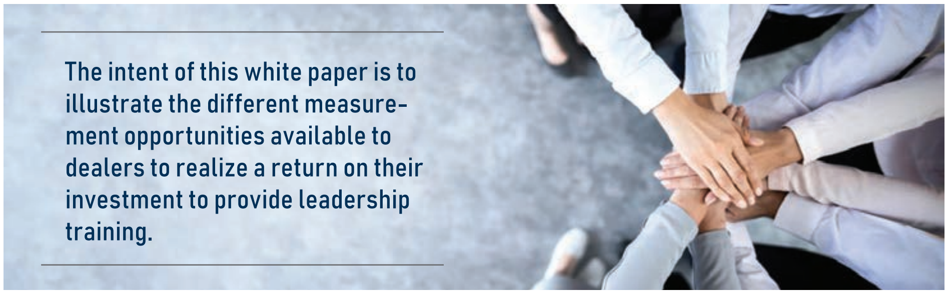
LEADERSHIP BEHAVIOR	BENCHMARK	SUBSEQUENT
I'm cared for as a person first and as an employee second.	53.9%	78.8%
I feel that my opinion/input is valued.	78.8%	85.0%

CONT. FROM PG 27

data clearly show the managers' work clearly improved the scores.

The owners had established a goal to achieve 85% of the employees who would either somewhat or strongly agree with these two statements. The data show that goal was reached to show employees their input was valued.

This dealership recognizes that employee engagement drives employee retention and other metrics, such as reducing wasted time, net profit and customer satisfaction. The exciting news is the dealership intends to continue measuring on a quarterly basis to monitor results.



Another option for Level IV measurement is the *pulse survey*, a regularly scheduled employee survey asking employees to rate a particular metric. For example, the employee Net Promoter Score, which has become popular in the equipment industry, represents the degree that employees are likely to recommend their department/store/dealership as a place of employment to their family members and friends who want to work in a dealership. It's also used to measure whether customers are likely to recommend the dealership.

You can Google the mathematical formula used to calculate the score. Some research suggests that a Net Promoter Score of +/- 30% is good. I'm more optimistic and recommend dealerships set the bar higher.

Creating a Level IV leadership culture requires additional work, but the measuring and monitoring of putting the training to work can produce an exciting, major positive impact upon employee morale, performance, and net profit.

Leadership Requirements for Level III and Level IV Measurements

The intent of this white paper is to illustrate the different measurement opportunities available to dealers to realize a return on their investment to provide leadership training. Though we recommend using Level IV measurements, we understand doing so requires extra effort that most dealerships will not do. With that said, we strongly recommend the use of Level III measurements, i.e., transfer of training.

I'm listing several essential leadership requirements to successfully use Levels III and IV measurements.

Confidentiality – Raters must be certain the data and their comments are confidential which is why the recommendation is to use an outside vendor. We happen to know one. I've had clients read the comment section and exclaim "I know who wrote that." The dealership has options to discourage these attempts: 1) Encourage employees to refrain from using their clichés, 2) Don't ask for comments, or 3) Refrain from making judgments that can be challenging so keep your mouth shut. Having said that, themes in comments can provide valuable insights.

Accept the Truth – Elite leaders want to know the truth and prefer data that opens the door to improvement as opposed to receiving positive affirmations. I've had clients who openly stated, *"I don't believe those numbers."* Another favorite excuse is, *"The question must have been worded incorrectly or at least was confusing."*

Share the Data – Leaders have a responsibility to share the data with their raters. One dealership with whom I worked completed an employee satisfaction survey. The owners didn't like the results and quietly buried the report. Fast forward and you'll find that dealership continues to struggle with its internal culture today. Yes, talent has been driven away from the dealership.

We just completed another employee engagement survey and I received emails asking, *"Is this going to be another survey where we will never learn about the results?* That's not a good reputation to have… and remember the dealership mentioned in the preceding paragraph that quietly buried its employee satisfaction report because the owners didn't like the results.

Put the Data to Work – A word of caution: Not using employee data is a morale buster for employees. Putting the data to work is relatively easy. Another company's data also showed the importance of valuing employees by putting their input to work. In this instance, the company conducted a brainstorming session to identify what must be done. This showed employees their input was valued.

Feedback is a Gift – As previously stated, elite leaders seek feedback from every source and want information that can lead to further improvements. Not having or using data is like the blind leading the blind. It's been said that even a blind hog can find an acorn, but its success rate would be markedly improved with feedback to show the locations of acorns. When we look in the mirror to ensure that we look okay to go to work and make final adjustments this is putting feedback to work. We do it all the time even while driving to the dealership. It is the natural process of being alive.

Talent Development – Talent development is the signature of elite leaders. They enthusiastically lead by example to continue developing their skill sets and understand the importance of talent development throughout the dealership.

In Conclusion

This white paper was written for two reasons – to share ideas that 1) you can use when sending leaders to a leadership class (preferably one offered by the Dealer Institute) in an effort to obtain a greater return on your financial investment and to help you develop talent, and 2) to organize my thoughts on this subject and to generate additional ideas to improve the quality of the courses that I teach.

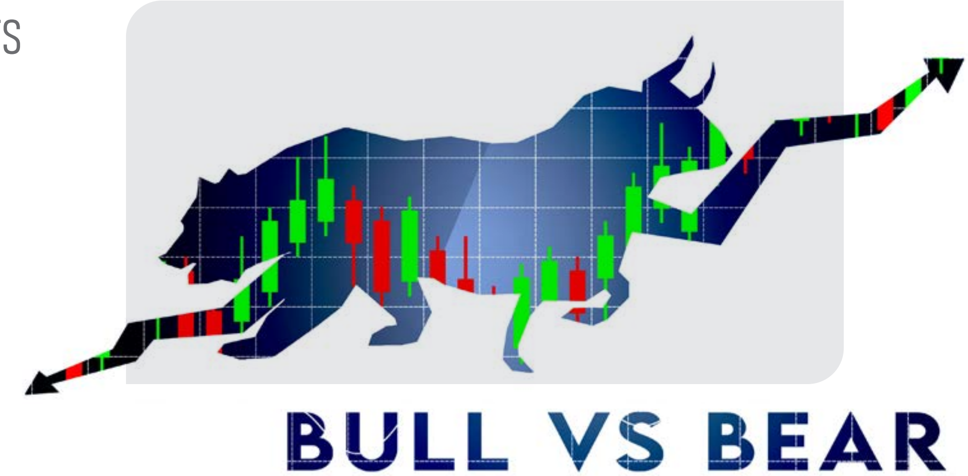
Thank you for reading and please feel free to offer your thoughts and suggestions to improve this content. If I didn't provide the promised blueprints for the four measurement levels – then push back and hold me accountable at 501-269-1728 or teammax100@gmail.com.


Corpay

Year in Review

by VANCE WENTZ

As it happens each year, I am constantly amazed at how fast time flies. No doubt it has been a volatile year in many different areas. Between the stock market, politics, and the economy, it can be difficult to find the positives. I hope you all can take some time to find the positive in your year.



While there has been debate about whether we are in a recession, it is undeniable that 2022 has been a challenging year.

I wanted to take some time here to review a bit of what has happened this year, and why it is important to retain a long-term perspective when it comes to your 401(k) investments. We reached new market highs in early January bringing the culmination of a decade long bull market to fruition. What has followed is a market decline that reached bear market territory, or a 20% decline, in mid-June. Simultaneously, the end of the 2nd quarter economic data showed two consecutive quarters of negative GDP growth, signaling the beginning of a recession. While there has been debate about whether we are in a recession, it is undeniable that 2022 has been a challenging year.

Thankfully, we have seen both recessions and bear markets prior to 2022. We know that neither of these events are permanent. Presently, that knowledge does not make the current conditions any less painful. However, remember that we have discussed the importance of staying long-term with retirement planning. Historically, bear markets have averaged 11.3 months. Meanwhile recessions have averaged around 17 months in the United States. You will notice that bear market conditions have a shorter shelf life than recessionary economic conditions. This is in part because the stock market can serve as a leading indicator for what both investors and companies expect in the future. Thus, we can expect the market to recover before the economy fully recovers. Obviously, this is based on historical data and our expectations.

So, how does this impact your 401(k)?

Depending on your risk tolerance, which we have previously discussed, market returns can have a positive or negative impact on your overall account balance. Your account balance will move with the market based on your choices. I want to focus here on keeping a long-term perspective. Based on the average length of a bear market, we are in month 6 of 11. We have a few months left before we reach the average, and even then, it could last longer. Keeping your perspective long term is important because the market will recover, we know this based on historical data. It is human to want to panic and make moves in your portfolio, but rash decisions rarely work with investments. Remember to speak with your Advisor prior to making any changes in your portfolio, especially in a time like this when the market is down. One of the biggest mistakes I see investors make is rushing to make a change in their portfolio when it is already too late. You advisor works for you and is available to you at any time, especially during market downturns. Do not hesitate to call him or her.

> When the market is down, as it is this year, you are essentially buying your investments "on sale." **You will reap the reward for that when the market recovers, and gradually moves north by northeast over the years.**

Furthermore, as you make contributions to your 401(k) or other qualified plans, you do so every pay period. As a result, money is going into your account regardless of market behavior. When the market is down, as it is this year, you are essentially buying your investments "on sale." You will reap the reward for that when the market recovers, and gradually moves north by northeast over the years.

If you take anything away from this article, I hope that it is to speak with your advisor before making any portfolio changes during a down market. He or she may very well determine that the move makes sense for you. More importantly, you will sleep better at night knowing you made an informed choice. As I mentioned earlier, rash investment decisions rarely work in your favor. Take your time and think about your long-term goals prior to making any decisions. EDM

VANCE WENTZ is an advisor with TFB, Inc.

VANCE WENTZ is an advisor with TFB, Inc. Vance graduated from Kansas State University with a degree in finance. The North American Dealers Association endorses Tax Favored Benefits as a 401(k) provider. No compensation is received. More information is available at www.taxfavoredbenefits.com.

Dealer Perspectives

Tools for Today's Ag Equipment Dealerships

by MARK MOORE

This article is Part 2 in a two-part series.

Randy Tye has spent his entire career in the agricultural equipment industry, working in various sales and management positions and with major equipment OEMs. Tye recently brought his industry expertise to the Iron Solutions sales team.

The shock waves due to the global pandemic haven't been lost on the agricultural sector. Supply chain issues, short stocks of new equipment, and record demand in all segments are just some of the issues dealerships have had to face over the past several months.

Randy Tye, who served as vice president of inventory management for Mazergroup, dealt with these issues first-hand. Overseeing the largest New Holland dealership group in North America, one that encompassed 18 locations and more than 300 employees across Manitoba and Southeastern Saskatchewan, Tye noted a significant shift in how customers were purchasing equipment. He needed his salespeople to pivot to those changes.

"What we really learned is that we need to be looking further down the line for equipment to sell," Tye says. "Salespeople need to think about what their customers are going to need a year from now. That long-range forecasting includes new and used equipment, as well as parts. Very few are going to a lot just to buy a new tractor."

"We started putting more emphasis on preselling, even in the parts and services planning," he says. "We were making sure we were reaching out to people because during COVID especially, there was little to no face-to-face interaction."

That's a lot of information to process, and it can be overwhelming, especially in a dealership group with such a large footprint. Tye says software that manages both the customer relationship portion of the business and managing

"What we really learned is that we need to be looking further down the line for equipment to sell," Tye says. "Salespeople need to think about what their customers are going to need a year from now. Very few are going to a lot just to buy a new tractor."

dealer inventory is critical. And both need to be integrated to work together.

Customers can search for equipment across the region, or around the globe, all from the comfort of their desks. Dealers need to know what inventory is available, and current price trends, in order to meet a customer inquiry.

While this isn't necessarily a new phenomenon, the speed at which these transactions take place has changed. It's no longer a few phone calls or checking with several dealerships, a process that could take hours or even days if the right person doesn't answer the phone. Today, it's getting on a computer or smartphone to check inventory, review prices, and write an offer.

A system for dealers

Tye implemented IronHQ into Mazergroup's dealerships. IronHQ is a unique Customer Relationship Management software and salesforce management platform tailored to serve agricultural equipment dealers, especially those with multiple locations.

Here's how it works. It's a cloud-based system that provides total visibility, allowing dealers to manage both customer and equipment lifecycles. Dealers can monitor the entire sales pipeline, from leads to revenue. Sales teams have real-time information that can help identify trends, improve sales processes and ensure accurate inventory management.

Tye says one key value of the system is the ability to generate a quote quickly and accurately. "Instead of a quote going across several desks, it can be shared instantly. That's especially useful if a salesperson is working remotely. Because we cover such a vast geographical area, we would be hard-pressed to do it any other way than online."

Working with customers can get complicated, especially when working remotely or across several dealerships. Consider a salesperson juggling information that can include: a new manufacturer's program, updated discounts and incentives, trade allowance, reconditioning costs, warranty information, and transportation costs. Leaving out one or more of these critical pieces of information can be detrimental to the sales process and a transaction's profitability.

As a central depository of all sales data, IronHQ can accurately develop a sales quote. "It does all the calculations instantly. It's faster and more accurate because we can pull all our relevant information without having to enter it manually," Tye says

In addition to the customer's name, IronHQ can also track equipment records. For example, at trade-in all relevant information about the machine is in the system, so an appraisal can be done without the need to start from scratch. "Having a database that can track customer equipment can also allow the salesperson to track down hard-to-find equipment so we can alert our customer to possible buying interest," Tye says.

Built for the industry

With more than four decades in the industry, Tye has seen a lot of systems come and go. His main beef? Systems developed without the ag industry's input. "I've been to demonstrations where the CRM software couldn't differentiate between a precision drill for seeding or a drill for making holes in the wall," he says. "It's critical these systems are developed with the ag dealership in mind."

So, when using the system to send out emails to customers, they are on point. The menus and interfaces are a seamless addition to any ag dealership. "It's important that any tool work, and IronHQ is a valuable tool that works for ag dealers." EDM

MARK MOORE has more than 30 years of experience in agricultural communications.

MARK MOORE has more than 30 years of experience in agricultural communications. 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.*

EQUIPMENT DEALERS FOUNDATION

EDF benefits from NAEDA events

A golf tournament and two clay shoots raise just over $30,000 for the foundation!

In August, we held a Kansas City Golf Tournament at Falcon Lakes Golf Club in Basehor, Kansas.

Our itinerary had us starting at 7:00 a.m. with registration, coffee and donuts then off to the driving range. At 8:30 a.m. we had a shotgun start with a wrap on our day at 1:30 p.m. with a buffet lunch and awards. However, after golfing a few holes, the rain decided to join us, so everyone was given a rain check. It was still a great day of networking. And who doesn't love a delicious lunch full of prizes and a raffle drawing before ending the day early? We raised approximately $19,000 for the Foundation.

We had 15 registered teams and seven volunteers. We wish to give a special thanks to OSUIT's David Martin and Danny Coon for once again coming out to support the tournament.

Raffle Table

Danny Coon with the Kubota Pedal Tractor prize

Mark Smith, Federated Cooler raffle prize winner!

Golf Tournament John Deere team: Ryan Hough, Bobby Partin, Colton Schultz, Jake VanHorn

On September 22nd we held a Clay Shoot in Guthrie, Oklahoma at Silverleaf Shotgun Sports. It was our first time hosting in Oklahoma City. We had eight registered teams and raised approximately $5,000 for the Foundation. The day started at 9:00 a.m. with registration, followed by a very important safety orientation at 10:00 a.m., with the shoot beginning shortly afterwards. Lunch, awards, and a good time was had by all.

Performance Brokerage Services – our title sponsor.
From left to right, Dan Argiro, Brent Harness (NAEDA Staff), Pat Albero, Chris Banning, Danny Coon (OSUIT Staff), Alex Argiro

CONT. ON PG 36

2023 EDF Scholarships

Applications are now available online – apply today!

EQUIPMENT DEALERS FOUNDATION

The purpose of the EDF Scholarship Program is to assist in the training, re-training, or advancement of employees or potential employees of Canadian farm, industrial and outdoor power equipment dealers in order to create a larger pool of qualified, committed long-term employees for those dealerships.

Eligibility

EDF's Scholarship Program is available to all employees or potential employees of United States farm, industrial and outdoor power equipment dealer members, subject to the following:

- **Employees or potential employees must be approved by the dealer principal for training, re-training or professional advancement.**
- **The employee or potential employee must be enrolled and accepted in a higher education curriculum, which is approved by the dealer principal as training applicable to the dealership's needs. Scholarship recipients must be enrolled full-time in the approved course of study.**
- **An employee working toward certification in the ag industry.**
- **The dealer principal must be willing to provide matching funds of up to $1,000 per recipient per year and must be a current member of Western Equipment Dealers Association.**

Awards

EDF scholarships are currently set at up to $1,000 per recipient per year. The EDF Trustees, based on the availability of funds, will determine the number of scholarships and the amount of the scholarships available on an annual basis.

- **Scholarship funds will be divided at the discretion of the Trustees, as follows:**
- **Ag Technician Programs**
- **Parts & Sales Programs**
- **Other higher education curricula approved by dealers as being beneficial to dealership operations, including but not limited to business, accounting and management.**

At the EDF Trustees Meeting, awards from each category will be assigned. If scholarship requests exceed funds available in any category, the scholarship awards will be made by random drawing. Funds remaining in any category may be re-directed to another scholarship category at the discretion of the Trustees.

Scholarship awards are renewable for each subsequent year of the student's educational program, as long as the student remains eligible and the dealer principal agrees to participate with matching funds. Students must re-apply annually, and submit a progress report from their faculty advisor, dean or department chairperson.

Scholarship funds will be directed to the student to offset costs of tuition after the completion of their semester or school year. Any breech of enrollment or unsatisfactory performance in the course of a student's studies will result in cancellation of the scholarship, at which time any remaining scholarship funds will be returned equally to the dealer and association.

The online application can be found at www.equipmentdealersfoundation.org

Or contact our office for more information at: Toll Free: 800.762.5616
Email: info@naeda.com EDM

CONT. FROM PG 34

Ag Direct Team – First Place Team: John Burk, Dennis Green, Marty Meyer, Grant Rohwer

United Ag & Turf Team – Second Place Team: Nick Taylor, Casey Lewis, Brad Dierlam, Bradley Skinner

What's ahead in 2023

June 16, 2023
Clay Shoot
Kansas City area

August 25, 2023
Golf Tournament
Kansas City area

September 22, 2023
Clay Shoot
Oklahoma City area

October 20, 2023
Clay Shoot
Dallas area

For sponsorship and registration information about these events, please contact Jennifer Orr at Toll Free: 800.762.5616 or email jorr@neada.com. EDM

Our third event was at Texas Gun Ranch in Terrell, Texas on October 14th.

We followed the same itinerary as our clay shoot in Oklahoma. For this event, we had nine registered teams. This was also our first time hosting in the Dallas area, and we raised approximately $7,000 for the Foundation.

All of our Dallas shooters, ready to start!

United Ag & Turf First Place Team: Mike Robichaux, Ed Robichaux, Mickey Pettit, Brad Horn, Brent Harness (NAEDA, presenting the prizes)

EQUIPMENTdealer magazine
RESOURCES FOR SUCCESSFUL DEALERS

We hope you have found this issue of *Equipment Dealer Magazine* both informative and educational. We welcome your feedback and invite you to submit any ideas you have for upcoming issues. Feel free to contact us at...

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About Us

Equipment Dealer Consulting, LLC accountants have more than 60+ years of combined experience working with farm equipment, construction, industrial, outdoor power equipment, hardware and home center, and building materials industries. This industry knowledge and experience enables the team to provide the best possible service and consultation in a more efficient and effective way.

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