

SouthWestern Flash

July 18, 2003, Vol 1, No. 4



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Dealing With the Future - What Every Dealer of Tomorrow Needs to Know - July 24-25, Wichita, Kan.

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SouthWestern Association Annual Conference - Jan. 22-24, 2004, Adams Mark Hotel, San Antonio, TX

2004 Western Farm Show
Feb. 21-23, Am. Royal Complex,
Kansas City, Mo.

SouthWestern Association

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Is your dealership receiving e-mail from SouthWestern Association?

If not, send us your e-mail address. We will forward important Association correspondence to your attention via e-mail. Please register your e-mail address at:
www.southwesternassn.com/register-email.htm

Building Business Through Customer Profiling

By Anne Salemo, President, Charter Software, Inc.

“Know your customers.” How often do we hear that statement? Knowing your customers means knowing your business. KNOWLEDGE = POWER. Tracking your customers’ information provides you with a pyramid of power to augment sales and provide better customer satisfaction.

The foundation of your power pyramid is to get each customer’s name, address, and telephone number and set up in your system EVEN IF they are only purchasing a part. Not adding the customer to your system means losing power.

The second building block is to classify your customers by their type of business. This will help you specifically market to them through focus mailings. For example, create a mailing to all residential customers to spur sales on mowers and outdoor power equipment this month.

The third building block toward achieving your sales goals is to maintain equipment records for your customers. Most systems track all equipment sold to customers, and some systems will also build an equipment record if the customer has service work done on something they didn’t purchase from you. In addition, when a customer comes in to purchase a part, ask them the model and add it to their record even if you don’t know the serial number. Tracking tach or hour readings on equipment helps you determine the usage of the customer’s equipment, such as how much time has passed between service work. Knowing what equipment your customer owns gives you the ability to track their purchases/service which helps improve customer satisfaction. In addition, it provides you with valuable marketing information.

Use the equipment delivery date, warranty date, and last service dates on customer’s equipment to generate mailings that will keep the customer from straying to competitors. For instance, send a postcard to everyone who purchased a piece of equipment last month offering 10 percent off their first service on that equipment or send postcards to anyone who hasn’t been serviced in awhile offering them a special on their next service. Give them a reason to come back!

The fourth building block is to maintain contact information through the use of call dates and action dates. Talking to customers about the potential for future equipment purchases and setting action dates gives you the

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Building Business Through Customer Profiling

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reminders you need for contacting the customer. Maintaining customer contact is the key for ongoing business from a customer.

Knowledge IS power. Better utilizing your system can help you meet your business goals.

Charter Software, Inc. is endorsed by SouthWestern Association for computer software products to association members. Please contact SouthWestern Association at 1-800-762-5616 for more information about Charter Software.

NAEDA July Distance Learning Events

The North American Equipment Dealers Association (NAEDA) has announced the July schedule of Distance Learning classes that are available to SouthWestern Association members.

Care and Feeding of Sales People

July 29 - 10 a.m. - Noon CDT

Cost: \$499 members,
\$599 non-members

Put a Charge in Your Sales Department

July 29 - 2 - 4 p.m., CDT

Cost: \$499 members,
\$599 non-members

Capital and Cash Planning

July 22 - 10 a.m. - Noon, CDT

Cost: \$139 members,
\$199 non-members

Dealers with questions should contact Kim White at 636-349-6202 or whitek@naeda.com. You can register for any of the above sessions online at www.naeda.com (click "Educ. Services")

Mark Your Calendar For SouthWestern Association Fall Area Meetings

<u>Date</u>	<u>Type of Meeting</u>	<u>Location</u>
10/6/03	OPE Meeting	Dallas/Fort Worth
10/7/03	OPE Meeting	Austin, TX
10/8/03	OPE Meeting	San Antonio, TX
10/9/03	OPE Meeting	Houston, TX
10/20/03	Equip. Area Meeting (p.m.)	Harlingen, TX
10/21/03	Equip. Area Meeting (p.m.)	Corpus Christi, TX
10/22/03	Equip. Area Meeting (p.m.)	Houston, TX
10/23/03	Equip. Area Meeting (p.m.)	San Antonio, TX
10/27/03	Equip. Area Meeting (p.m.)	Tyler, TX
10/28/03	Equip. Area Meeting (a.m.)	Denton, TX
10/28/03	Equip. Area Meeting (p.m.)	Abilene, TX
10/29/03	Equip. Area Meeting (a.m.)	Lubbock, TX
10/29/03	Equip. Area Meeting (p.m.)	Amarillo, TX
10/30/03	Equip. Area Meeting (p.m.)	Oklahoma City, OK
10/31/03	Equip. Area Meeting (a.m.)	Tulsa, OK
11/3/03	Equip. Area Meeting (p.m.)	Springfield, MO
11/4/03	Equip. Area Meeting (a.m.)	Sweet Springs, MO
11/4/03	Equip. Area Meeting (p.m.)	Columbia, MO
11/5/03	Equip. Area Meeting (a.m.)	Kansas City, MO
11/6/03	Equip. Area Meeting (a.m.)	Great Bend, KS
11/6/03	Equip. Area Meeting (p.m.)	Dodge City, KS
11/7/03	Equip. Area Meeting (a.m.)	Colby, KS
12/2/03	OPE Meeting	Oklahoma City, OK
12/3/03	OPE Meeting	Wichita, KS
12/4/03	OPE Meeting	Kansas City, MO

More information about the fall area dealer meetings will be included in upcoming issues of the Flash. Dealers needing more information at this time should call the Association office at 816-561-5323 or 1-800-762-5616 and ask for Olivia Holcombe or e-mail Olivia at oholcombe@swassn.com.

Make plans today to attend one of the SouthWestern Association fall Area Dealers Meetings!

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Rebalancing Your Investments

The cargo in a ship's hold has to be carefully balanced so the vessel doesn't list to one side or the other in the water. If the cargo shifts during rough seas, then it must be rebalanced. Similarly, after experiencing the ups and downs of the financial markets, your investments may need to be rebalanced so that your portfolio continues to sail in the direction you've planned.

What Can Happen

Over time, your asset allocation - the way you have divided your portfolio among the various asset classes - will shift based on the performance of your investments. For example, suppose your stock investments have decreased in value as a result of the most recent bear market. Instead of representing 60 percent of your portfolio, stocks now represent 40 percent of your portfolio. Your portfolio is unbalanced and may need adjustment.

Ways to Rebalance

Rebalancing is the process of selling investments in asset classes that are over their allocation amounts and buying investments in asset classes that are under their allocation amounts. Another way to rebalance is to invest new plan contributions in the under-represented asset class until your desired asset mix is restored.

One simple approach to rebalance is to check your asset mix every time you receive an update on your account. Then, at regular intervals (perhaps once a year), you can rebalance your account if your allocation no longer reflects your planned investment strategy.

Another approach also involves reviewing your asset allocation periodically. However, adjustments are made only when your holdings drift from your desired asset allocation by a specific percentage. A typical range is 4 percent. For example, suppose you allocated 25 percent of your portfolio to bond investments. With range rebalancing, you would not make any changes until your bond investments accounted for more than 30 percent or less than 20 percent of your account.

An unbalanced asset allocation may mean you are investing more or less aggressively than you had planned. Rebalancing can help put your investment strategy back on course.

Automatic Rebalancing

Now, you may also provide for your plan's participants to elect automatic rebalancing of their portfolio under the Association's endorsed plan. For further information, please contact Tax Favored Benefits, Inc. at 800-683-3440 or tfb@taxfavoredbenefits.com. Tax Favored Benefits, Inc. is endorsed by the SouthWestern Association for retirement plan services and investments.

Kansas Sales Tax Update

The State of Kansas will delay enforcement of the destination-based sales tax rule for six months. This statement was in concert with intentions expressed by Secretary of Revenue Joan Wagon. What this does is give the Kansas Department of Revenue a way to "buy time" to make available the necessary software, cards for cash registers, and other tools to help businesses comply with the law. Currently, none of this necessary assistance is available.

Site Security Application

**Source: The Safety Sentinel ...
Express - RCI**

RCI's new site security application (SSA) helps ag-retailers comply with DOT's new HM-232 rules that require all shippers and carriers of hazardous materials to implement a site security plan. This plan must be in place by September 25th of this year.

Our application allows retailers to implement consistent site security plans across their entire organization that are customized for each location. Our easy to use format will allow your company to complete site security plans quickly and efficiently.

Key areas covered by Site Security Application

- Emergency contact information
- Security organization structure
- Specific information for security areas
- Employee training log
- Security incident log
- Location specific check list
- Potential employee verification policy
- En-route security measures

Our easy to use web-based application allows you to view, print and edit your plans from any location. Managers can monitor and access information for all of their locations.

September 25th is approaching fast; so contact us for more information at: 1-800-888-9596 or visit www.rci-safety.com. RCI is endorsed by SouthWestern Association for regulatory advice and assistance.

Fall Area Meetings

Make Plans Today to Attend a SouthWestern Association Fall Area Meeting Near You. The schedule is on page 2!

Federal Legislative News

Association Health Insurance Plans

The House passed the Small Business Health Fairness Act which would allow trade and professional associations to set up national health insurance plans for their members. In the Senate, Health, Education, Labor & Pensions Committee chairman Judd Gregg (R-NH) said he did not want to mark up the companion bill, but would try to attach it to other must-pass legislation. The committee's ranking Democrat, Sen. Edward Kennedy (D-MA) is a vocal opponent of association health plans (AHPs). Under the legislation, AHPs would be regulated by the U.S. Department of Labor (DOL) and would not be subject to state insurance regulations. DOL would set strict requirements to protect participants and maintain solvency of plans and could terminate illegitimate small employer and union health plans.

Advocates of AHPs say they would increase the bargaining power of small businesses, lower administrative costs, allow small business groups to pool resources across state lines and encourage small businesses to provide group health insurance for their employees. Opponents say association insurance pools would cherry-pick younger and healthier employees and that small employers would leave the small group insurance market in favor of AHPs.

Federal Estate Tax

The House tried once more to eliminate the federal estate tax. It passed the Death Tax Repeal Permanency Act which would eliminate the Dec. 31, 2010, sunset date on the repeal of the estate tax. The Economic Growth & Tax Relief Reconciliation Act of 2001 phases out the estate tax until it is completely repealed in 2010 but reinstates it in 2011.

Now that the small business expensing limit has been raised temporarily, Rep. Wally Herger (R-CA) wants to make it permanent. He introduced the Small Business Permanency Act to make those changes permanent. JGTRRA increases the expensing limit to \$100,000 and the phase-out threshold to \$400,000 through 2005.

Other Legislation

Congress returned from its July 4th break to deal with two big pieces of legislation - prescription drug coverage for Medicare recipients and a refundable child tax credit for low-income families. Neither seems to be moving quickly ... too many differences between the House and Senate bills and stiff Democratic opposition in the Senate. Democrats have already spelled out what they do not want in a Medicare prescription bill ... and it's just about everything House Republicans put in their bill. As for the child tax credit, there are about \$72 billion dollars worth of differences between the two bills.

The Internal Revenue Service proposed a couple of regulations that might be of some help for businesses. A temporary and proposed regulation (TD 9069, Reg - 138495-02) would exclude certain trucks and vans from depreciation limits on luxury automobiles. The rule would exclude trucks or vans that qualify as non-personal use vehicles as defined by Section 274 of the Internal Revenue Code. This includes qualified moving vans, delivery trucks, utility repair trucks or any specially modified vehicle that is unlikely to be used for personal purposes.

Source: National Retail Hardware Association, July 14, 2003

Legislative Watch

Link to Missouri Legislative Update

www.swassn.com/molegislat.htm

Link to Kansas Legislative Update

www.swassn.com/kslegislat.htm

Link to Texas Legislative Update

www.swassn.com/txlegislat.htm

Link to Oklahoma Legislative Update

www.southwesternassn.com/oklegislat.htm

Link to Nebraska Legislative Update

www.swassn.com/nelegislat.htm

Link to Arkansas Legislative Update

www.swassn.com/arlegislat.htm

Link to New Mexico Legislative Update

www.swassn.com/nmlegislat.htm

Link to Louisiana Legislative Update

www.swassn.com/lalegislat.htm

Click on any of the above links to access the latest State legislative update.

Chile New Wheat Market?

Kansas Wheat Commission is optimistic about the impact of a free trade agreement with Chile signed in early July, according to AgricultureLaw.com. The agreement will begin to put U.S. farmers on a level playing field with the EU and Canada, top competitors in this market, they say, since both countries already have agreements with Chile.

U.S. farmers could face lower tariffs for products such as wheat, soybeans and soybean meal, feed grains, beef and beef products. The group also notes Chile consumes the most bread in South America and is expected to be a large market for Hard Red Winter wheat this year.

Source: Farm Equipment Manufacturers Association, July 2, 2003
