

# SouthWestern Flash

June 13, 2003 - Vol. 1, No. 2



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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](http://www.southwesternassn.com/register-email.htm)

## ***SouthWestern Association Outdoor Power Equipment Dealers Meeting***

Outdoor Power Equipment dealers are invited to attend a very special meeting on **Wednesday, June 18 at Cabela's in Kansas City, Kan.** At this important meeting, dealers and guests will hear updates on the Outdoor Power Equipment industry. In addition, we will discuss the number of industry trade shows and work through possible solutions. We will also discuss the recent Association merger: SouthWestern now covers an eight-state territory, representing more than 1,500 farm, construction/industrial and outdoor power equipment dealers and over 2,000 hardware, lumber and home center retailers.

We hope that not only will you attend this important meeting, but also bring key dealership/store personnel. If you are not able to attend, please send someone from your store - your participation and support is very important for the continued success of the SouthWestern Association area meetings and is much appreciated by your fellow dealers and association members.

**The meeting will include dinner - at no cost to you!** We've chosen Cabela's because of the local interest in this facility, so we hope you will join us. Plan to arrive between 5 and 5:30 p.m. Dinner will be served at 5:30 and we'll be finished by 8 p.m.

### **Meeting Agenda**

- A. Welcome, introductions - Olivia Holcombe, Jeff Flora
- B. Purpose of Meeting - Jeff Flora, Bob Ball
- C. Update on SouthWestern Association activities - Flora, Holcombe
  - 1. Merger
  - 2. OPE Industry update
  - 3. NAEDA/OPE Council activities - Scott O'Dell
  - 4. Legislative activities, plans
  - 5. Manufacturer Relations
  - 6. Other
- D. Trade Show Discussion - Group
  - 1. Review of past attempts at an association-sponsored Show
  - 2. Current status of Western Farm Show
  - 3. Other shows and events dealers participate in and/or that are held in this industry
  - 4. Is there a need or desire for dealers to support one Show? A SouthWestern Association sponsored show?
    - Where to be held?
    - When to be held?
    - Who to invite?
    - Other challenges?
- E. Conclusions, next steps
- F. Other business and adjournment

***If you would like to attend, please contact the Association office at 816-561-5323 and ask for Olivia Holcombe. Or e-mail Olivia at [oholcombe@southwesternassn.com](mailto:oholcombe@southwesternassn.com)***

## Dealing With the Future - What Every Dealer of Tomorrow Needs to Know

*July 24-25 - Wichita, Kan.*

The dealers and managers of tomorrow must understand the financial and operational needs of their business to be successful. That understanding begins today. This workshop is for owners, and mid-level and department managers, and will teach participants how a dealership's operating and financial parameters can affect the dealership on a day-to-day basis. You'll want to send your "up-and-comers," as well as managers new to the industry.

Plan to attend this informative program. You'll learn the skills and concepts you'll need to take you to the next level. And, you'll have the opportunity to meet and network with other dealer/managers like you. "Dealers of Tomorrow" is a special initiative of SouthWestern Association. The mission of Dealers of Tomorrow is to provide education for the next generation. Be a part of this exciting new program. For additional information, contact Olivia Holcombe, SouthWestern Association, at 1-800-762-5616. This program is sponsored by FASTLINE Publications.

## ***\$50 For Your Thoughts***

It used to be a penny for your thoughts, but we're going one step further... We sent a packet of information about a month ago to every SouthWestern Association member. It contained information about services available from the Association to help members operate more effectively now and in the future. In the packet is a mini-CD that you can drop in your computer to get an overview of services.

Then, when you link to our web site and complete the member "AMP form," you receive an automatic \$50 credit for services purchased from the SouthWestern Association. The \$50 credit is good on forms, education and other products and services.

If you haven't looked at the CD, do it now. Or, at least make plans to do it right away. The offer expires September 30, but why wait? You can start saving today.

# 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@southwesternassn.com](mailto:oholcombe@southwesternassn.com).

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

***SouthWestern Association***

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# Federal Legislative Update

- According to the Wall Street Journal, President Bush has abandoned his tax-favored savings plans. The paper reported that they were announced by former Treasury secretary Paul O'Neill without much input from political advisers, who were not enthusiastic. However, a few days later, BusinessWeek reported that the administration may bring back a new version of the tax-favored plans in a fourth round of tax cuts before the 2004 elections.
- New accounting rules highlight growing concern among accounting industry regulators about how retailers account for vendor allowances/rebates. As a result of the new rules, some high-visibility publicly-owned retailers are restating earnings, which is causing regulators to step up enforcement actions.

The problem came to light in the grocery industry and is spreading to other retail sectors such as consumer electronics and office supplies. The first retailer to restate earnings was the Dutch grocery chain Royal Ahold NV, which used inventory purchases to get vendor incentives and then used the payments to overstate profits. The company also admitted to booking more discounts than it received.

Retailers can demand up-front payments from vendors and book rebates in advance on the assumption they will hit sales targets and claim amounts as revenue. There's also suspicion that vendors misrepresent the value of incentives with false confirmations of rebate amounts to retailers.

New accounting guidance says that vendor credits should be used to reduce the cost of goods sold but also allows rebates to be booked in advance if it is probable they will be received.

- The House Judiciary Subcommittee on Commercial & Administrative Law approved HR 49 to make permanent a ban on Internet access taxes and new, multiple and discriminatory taxes on electronic commerce. It would eliminate a grandfather clause in the current moratorium that protects Internet access taxes in eight states.

Source: National Retail Hardware Association

# Equipment Industry News

## IAU: Creating the Dealership of the Future

Jerkins Creative Consulting and Sales Academy, Inc. announce the launching of the International Ag University, (IAU). The organizations have partnered to offer certified three-year programs to build the professional sales personnel, managers and dealers who must lead aggressive dealerships using new skills and techniques. IAU is currently accepting enrollment for three disciplines: Sales and Sales Management, Dealer Candidate, and Aftermarket Manager. Future courses for Accounting, Parts and Service Managers, and key support staff are scheduled for 2004.

Frank Lee, Sales Academy, explains, "By incorporating courses for Salespeople and Sales Managers with courses for Dealer Candidates and Aftermarket Managers, IAU students will advance the dealership to a greater degree of professionalism and profitability."

Classes scheduled for US and Canada are to begin November 2003 with students attending several classes per year while completing assignments between classes and demonstrating newly acquired competencies through a series of behavioral exercises and reports. To minimize travel for dealership personnel, programs are offered in six regions in the United States and two in Canada.

"At present most training programs for Ag dealership personnel are typically event-style programs. Although they have merit, they provide piecemeal information that constitutes just-in-time training. All IAU programs are developed to follow a logical path with each class building upon the one before," says Floyd Jerkins, President, JCC.

While enrollment is open to dealerships carrying all brands, most courses are made up of students from dealerships representing like brands. Case IH North America has officially announced support of the certification opting to sponsor half of the tuition as part of its co-op plan for qualifying dealers.

For more information about IAU, you may contact Jerkins Creative Consulting at 618-435-3739, or info@jccservices.com

## Mark Your Calendar for These Education Programs

### Counter Smarts: A Staff Development Program

July 28 - Lubbock, TX

July 30 - Austin, TX

July 31 - Houston, TX

Aug. 1 - Oklahoma City, OK

Presenter: Ron Willis

### Understanding the Warranty Game

Aug. 20 - Lubbock, TX

Aug. 22 - Houston, TX

Presenter: Jim Carroll

### Aftermarket Strategic Planning

Aug. 13-14 - Austin, TX

Presenter: Bill Bohmer

More information about these education programs is found in the SouthWestern Association 2003 Education Catalog. Early sign-up discounts are available.



## Textron Financial Corporation and NAEDA Sign Exclusive Financial Services Endorsement

Textron Financial Corporation, a subsidiary of Textron Inc., and the North American Equipment Dealers Association (NAEDA) jointly announced that NAEDA is recommending Textron Financial as its wholesale lender of preference.

Textron Financial specializes in financing the sale of equipment from manufacturer/distributor to dealer. It offers new, used, rollover, trade-in and rental inventory financing to agricultural and outdoor power equipment dealers. NAEDA originally had its preferred lender agreement with the Equipment Dealer Credit Company (EDCO), which was purchased by Textron Financial in 2002. After the purchase, NAEDA decided to continue the relationship by selecting Textron Financial as the preferred wholesale lending source for NAEDA affiliates.

“We are eager to provide NAEDA and its affiliates with solutions for their financing needs,” said Chad Corsi, Textron Financial’s vice president of marketing, “The preferred access to NAEDA’s affiliate network will allow us to capture the voice of the customer and continue to offer products that will best fit the needs of dealers.”

“Textron, NAEDA and two of NAEDA’s affiliate associations, SouthWestern and Midwest, have worked for nearly a year to bring together various finance programs to support dealers and the industry,” says Paul Kindinger, CEO, NAEDA, “The relationship created by these agreements make sense and we’re excited about the potential benefits they will provide to dealers, their customers, and the industry.”

Dealers with questions about Textron Financial programs should contact Jeff Flora at SouthWestern Association, 816-561-5323 or 800-762-5616 or e-mail at [jflora@southwesternassn.com](mailto:jflora@southwesternassn.com).

## NAEDA Announces Knowledge Net

### July 2003 Distance Learning Events

North American Equipment Dealers Association (NAEDA) is sponsoring a series of online dealership training courses beginning in July. To attend a live session, you will need a PC with Internet connection and telephone. To view a recorded session, you will also need speakers on your PC and Windows Media Player (free download). Dealers with questions should contact Kim White 636-349-6202 or [whitek@naeda.com](mailto:whitek@naeda.com). The courses offered in July are:

- Care & Feeding of Sales People** - July 8, 15, 29 - 10 a.m. - Noon CST  
\$499 for members, \$599 for non-members
- Put a Charge in Your Parts Department** - July 8, 15, 29 - 2 p.m. - 4 p.m. CST  
\$499 for members, \$599 for non-members
- Capital and Cash Planning** - July 22 - 10 a.m. - Noon, CST  
\$139 for members, \$199 for non-members
- OSHA, DOT and Y-O-U** NAEDA E-Library Recording - You can view anytime within 30 days of registration \$79 for members, \$99 for non-members

You can register for any of the above session online at [www.naeda.com](http://www.naeda.com) (click “Education Services” then “Knowledge Net”)

## Legislative Watch

**Link to Missouri Legislative Update**  
[www.southwesternassn.com/molegislat.htm](http://www.southwesternassn.com/molegislat.htm)

**Link to Kansas Legislative Update**  
[www.southwesternassn.com/kslegislat.htm](http://www.southwesternassn.com/kslegislat.htm)

**Link to Texas Legislative Update**  
[www.southwesternassn.com/txlegislat.htm](http://www.southwesternassn.com/txlegislat.htm)

**Link to Oklahoma Legislative Update**  
[www.southwesternassn.com/oklegislat.htm](http://www.southwesternassn.com/oklegislat.htm)

**Link to Nebraska Legislative Update**  
[www.southwesternassn.com/nelegislat.htm](http://www.southwesternassn.com/nelegislat.htm)

**Link to Arkansas Legislative Update**  
[www.southwesternassn.com/arlegislat.htm](http://www.southwesternassn.com/arlegislat.htm)

**Link to New Mexico Legislative Update**  
[www.southwesternassn.com/nmlegislat.htm](http://www.southwesternassn.com/nmlegislat.htm)

**Link to Louisiana Legislative Update**  
[www.southwesternassn.com/lalegislat.htm](http://www.southwesternassn.com/lalegislat.htm)

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

## Kansas - Important Sales Tax Law Changes Effective July 1, 2003

Prior to July 1, 2003, sales were generally sourced at the retailer’s business location, for purposes of determining the local tax due. Thus, the local tax in effect at the retailer’s business location applied to the sale. This is an “origin-based” sourcing rule. After July 1, 2003, Kansas will go to the new “destination-based” sourcing rules to correctly identify the local sales tax to charge on the sales transaction. This will apply to all Kansas retailers and any other retailer with sales in Kansas locations. Retailers with additional questions about this sales tax change are asked to contact the SouthWestern Association office at 800-762-5616.