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AUTO DEALER





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# PRESIDENT'S MESSAGE

JASON WILSON

As summer is winding down, you've probably turned your focus to the rest of the year, and so have we.

KADA organizes many events throughout the year for the sole benefit of our members. The 2022 KADA Convention at The Omni Grove Park Inn was an incredible success! We had the highest turnout to date and enjoyed lots of time together in the gorgeous Blue Ridge Mountains. The convention is always fun and informative; whether you attended this year or not, please mark your calendars for next year. It will be a very important event as we will be celebrating the 85th birthday of KADA. We hope to see you there June 19-22, 2023, at the Greenbrier in White Sulphur Springs, West Virginia.

We've scheduled five district meetings throughout the state for October. Each one will have a 5:30 p.m. reception followed by dinner at 6 p.m. Dates and locations are:

- Oct. 4, 2022, Lexington Country Club, Lexington
- Oct. 5, 2022, Hurstbourne Country Club, Louisville
- Oct. 6, 2022, Holiday Inn Cincinnati Airport, Erlanger
- Oct. 18, 2022, Lake Barkley State Park, Cadiz
- Oct. 19, 2022, University Plaza, Bowling Green

The first three district meetings will be on Eastern time, and the last two will be on Central time. We added the fifth meeting in Erlanger to give Northern Kentucky members a more convenient location to attend.

We are also hosting our Annual Golf Tournament on Monday, September 12, at the Frankfort Country Club. We're looking forward to seeing everyone there!

Finally, the 2023 NADA Show and Expo is scheduled in Dallas, Texas, from Jan. 26-29, 2023. KADA's Dan Renshaw is the NADA Show Chair and will host this event.

For more information or to ensure you have the latest information about all these events, visit <https://www.kyada.com/upcoming-events.html>.

From my perspective, the year's biggest remaining event is the midterm election in November. Sometimes people tend to ignore midterm elections, but that would be a big mistake right now because of current attacks on the franchise system. We need to have the right people in place to make decisions about our industry, and the right time to get them elected will be Tuesday, Nov. 8, 2022. We must also educate our political leaders about what's at

stake for everyone — not just dealers. Ending or diminishing the franchise system would hurt the state as a whole.

Member engagement will be a critically important part of our efforts. If you are a dealer or part of your dealership's management team, please consider inviting candidates, state representatives and senators to your dealership so they can see for themselves some of what Kentucky dealerships contribute to Kentucky's economic prosperity.

NADA collects data about how Kentucky's new-car dealers contribute to Kentucky's economy, and the results are significant. They recently released their report from 2021, and the data is impressive, to say the least.

With 232 new car dealerships in the Commonwealth of Kentucky, we are boasting close to 28,000 jobs, \$11.7 billion in sales, and \$70,000 in average annual earnings. Each dealership employs approximately 55 people, with payroll totaling \$893 million. State sales taxes paid were \$709 million. Almost a tenth of all U.S. new vehicle registrations were in Kentucky.

If the franchise system were to go away or become weakened, so could much of that money that is so important to the local community. Franchise systems, by their nature, are local organizations that benefit their communities. Other models are often not local, meaning money is siphoned out of state to some central location, and those dollars are no longer guaranteed to stay in Kentucky.

Another difference between the franchise model and other models also has to do with where headquarters are located. Central planning never cares about local concerns the way locals do. Those involved don't live where we do, and they don't have the same interest in Kentucky's well-being and future. Why should they?

Don't take the risk of assuming everyone will understand why the franchise system matters. The franchise system is worth defending for many reasons. Ending or even weakening the franchise system as we know it would put the interests of strangers ahead of our local communities.

Now is the time we all can prepare for November. Think about what you can do over the next few months to help us educate the decision-makers who will determine our future, then follow through. Please call me if you have suggestions or ideas. Our members are skilled and experienced, and I always benefit from hearing what you say.

I am honored to serve you. Please stay in touch. 🏞️

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**VICE-CHAIR**  
DAVID MOORE



**TREASURER**  
ROB MARSHALL



**PAST CHAIR**  
KIM HUFFMAN



**PAST CHAIR**  
CARL SWOPE



**PAST CHAIR**  
SHANE COLLINS



**PAST CHAIR**  
JIM REYNOLDS



**PAST CHAIR**  
DUKE BRUBAKER



**NADA DIRECTOR**  
DAN RENSHAW

## SUPPORT YOUR BUSINESS BY CONTRIBUTING TO OUR KADET FUND

As we are in the midst of an election year, it's more important than ever that we have a strong, unified voice to tell our story to elected officials who craft the legislation that affects our business.

We had much success over this last General Session, successfully pushing our Clerk's Modernization Bill forward among several other victories; and this was achieved only through your support, participation, and KADET PAC contributions.

Every role in the dealership depends on securing pro-business and pro-dealer legislators. Which is why we need every member of KADA to contribute to our PAC, as well as their family members and dealership staff; to include Dealership Owners, General Managers, Dealer Operators, Parts and Service Directors, Finance and Insurance Managers, and Used/New Car Managers. This

election heavily impacts those dealership leaders and everyone who reports to them. Some dealers have already contributed to our PAC, but many have not. Please invest in the future of our industry by contributing today.

See below for our KADET levels.

**President's Club – \$2,000**

**Next Gen President's Club – \$1,000**

**Senate Club – \$1,500**

**House Club – \$1,000**

**Patron Club – \$800**

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# 2022 KADA CONVENTION

The 2022 KADA Convention was held June 20-23, 2022, at the beautiful Omni Grove Park Inn in Asheville, North Carolina. The event was a great success, and we'd like to thank all of the dealers, families and vendor partners who came out and participated. This was the largest KADA Convention to date! We hope to see you again next year from June 19-22, 2023, at The Greenbrier in White Sulphur Springs, WV. We'll be celebrating KADA's 85th birthday, so it will definitely be a convention to remember! 🏡







Please scan the QR code for more fun from the 1920s Great Gatsby Party.



<https://bit.ly/3PDzSrv>





# Congratulations! KADA 2022 COMMUNICATOR AWARD WINNER!

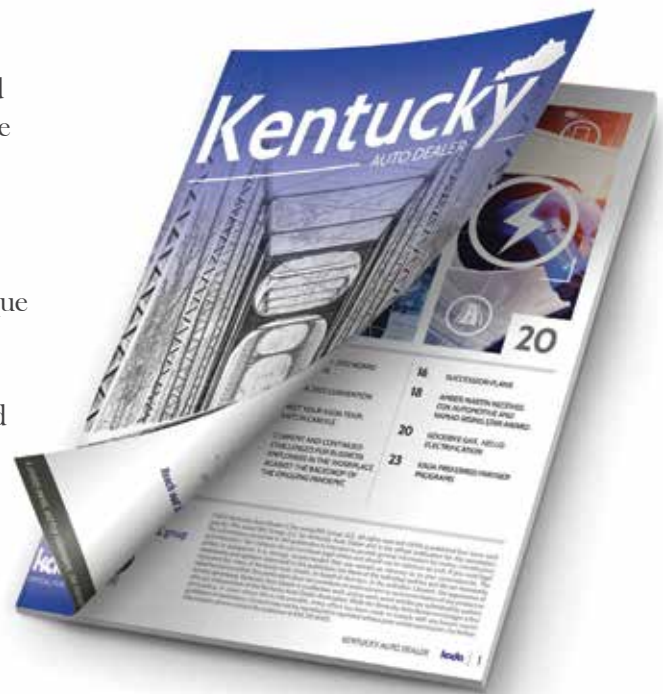
We are very pleased to announce that the Kentucky Auto Dealer magazine earned the Award of Distinction for an association magazine.

This past year marked the 28th year of The Communicator Awards. This distinguished award is dedicated to recognizing excellence, effectiveness, and innovation across all areas of communication; they are the leading international awards program honoring talent in this highly acclaimed field.

The Communicator Awards receives almost 5,000 entries from companies, agencies, studios, and boutique shops of all sizes, making it, globally, one of the largest award shows of its kind. They honor work that transcends craft; work that makes a lasting impact and provides an equal chance of winning to all entrants regardless of company or agency size and project budget. The goal is to reward excellence.

The Awards provide winners and their clients the recognition they deserve and give communications and creative professionals proof and validation that their work is highly regarded by their peers within the industry.

*The Award of Distinction is presented for projects that exceed industry standards in quality and achievement and represents the best in marketing and communication.*



To browse the winning issue, please scan QR code.

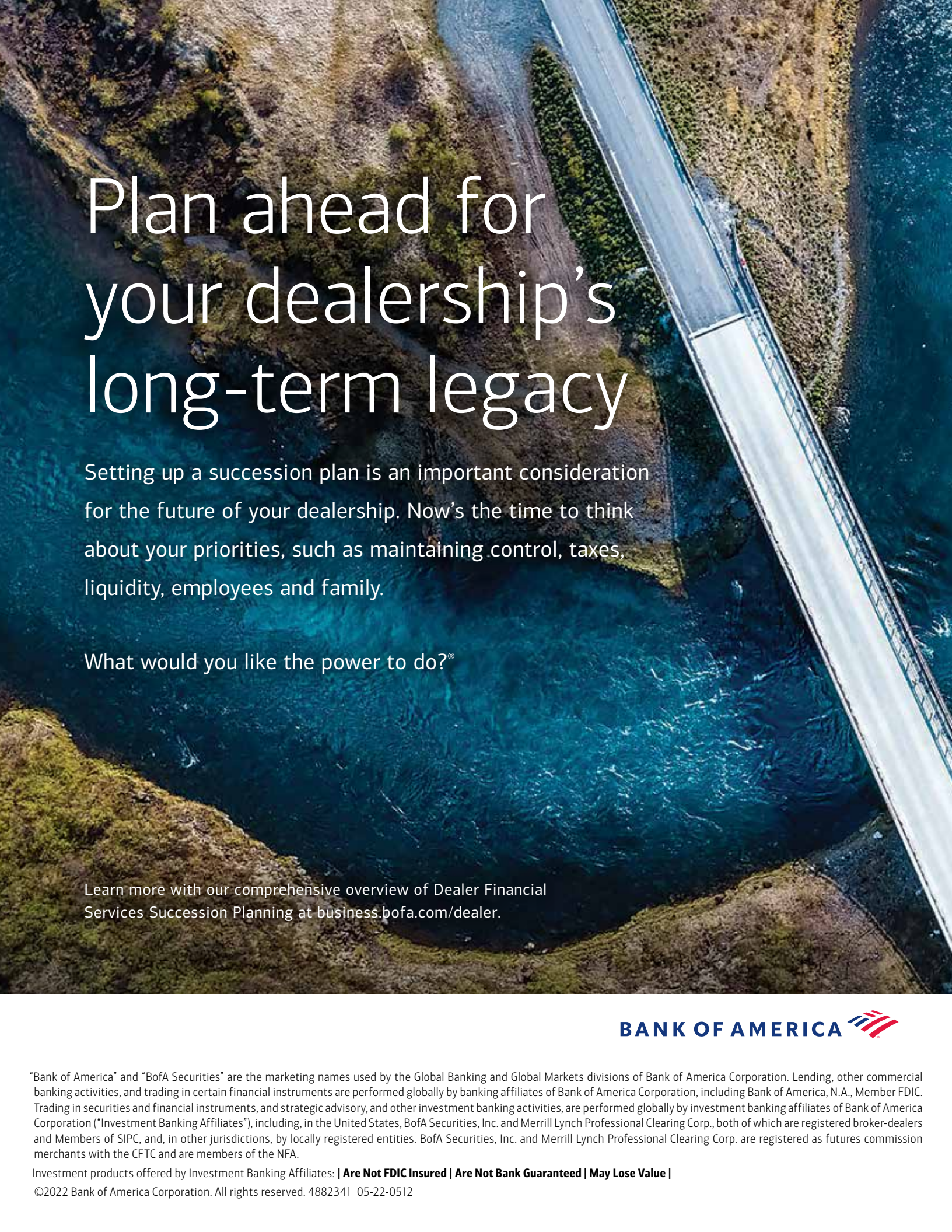


<https://kentucky-auto-dealer.thenewslinkgroup.org/pub-1-2021-issue-3/>

To see the list of winners on The Communicator Awards website, please scan QR code.



<https://tinyurl.com/magazine-association>

An aerial photograph of a dam and a river. The dam is a long, white concrete structure extending from the top right towards the center. The river is a deep blue color, flowing from the top left towards the bottom right. The surrounding landscape is a mix of green grass and brown earth.

# Plan ahead for your dealership's long-term legacy

Setting up a succession plan is an important consideration for the future of your dealership. Now's the time to think about your priorities, such as maintaining control, taxes, liquidity, employees and family.

What would you like the power to do?®

Learn more with our comprehensive overview of Dealer Financial Services Succession Planning at [business.bofa.com/dealer](https://business.bofa.com/dealer).

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# THE AMENDED FTC SAFEGUARDS: MOVING TOWARD COMPLIANCE

By Sarah Bishop, KADA Legal Counsel, Stoll Keenon Ogden, PLLC

The Federal Trade Commission's Amended Safeguards Rule has been the subject of multiple articles, webcasts, seminars and more, and with good reason. The amendments to the Safeguards Rule pose significant hurdles for dealers, and the deadline for compliance — Dec. 9, 2022 — will be here before you know it. While most dealers have begun taking the necessary steps to be fully compliant on time, a reminder of the appropriate steps is in order for everyone. While this is not a comprehensive discussion of the Amended Safeguards, it should assist you in evaluating your progress toward full compliance.

## **Step One: Designate a Qualified Individual**

Your "Qualified Individual" will be the primary point of contact for oversight and implementation of your information security program. While the Qualified Individual is not required to have any specific information technology education or training, they should be a senior member of your staff and should be knowledgeable about your current information security measures. You are permitted to designate a contractor to serve as your Qualified

Individual, but that will not shield your business from ultimate responsibility if your compliance is deficient or if there is a security incident.

## **Step 2: Assess Your Risk**

Under the Amended Safeguards, Risk Assessments must be conducted "periodically," which is not defined therein but is generally interpreted to mean at least annually if not more frequently. A Risk Assessment is a written document that evaluates security risks to customer information maintained by your dealership and measures the adequacy of your current safeguards. Ultimately, your security program will be based upon the vulnerabilities identified through the Risk Assessment.

## **Step 3: Implement Mandatory Safeguards**

The mandatory safeguards required by the FTC can be daunting and include: controlling internal and external access to customer data; establishing an inventory of all locations, physical or electronic, of customer data; using encryption to protect data;

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## DEALERS CANNOT SIMPLY RELY ON CONTRACTUAL ASSURANCES FROM THEIR VENDORS (ALTHOUGH THEY SHOULD OBTAIN THOSE ASSURANCES) BUT MUST ENGAGE IN SOME LEVEL OF DUE DILIGENCE TO MAKE SURE THAT YOUR SERVICE PROVIDERS HAVE A RECORD OF SAFE PRACTICES.

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establishing a multifactor identification program; ensuring development practices are secure; disposing of data in a secure and appropriate manner; developing procedures to maintain security when there are changes to your system; and monitoring and logging user activity. Most dealerships will need some outside assistance with this undertaking but should be cautious that your service providers must also maintain adequate information security practices.

### Step 4: Test Your Controls

Once you have implemented the mandatory safeguards, you are required to test their efficiency. You are required to use either continuous monitoring to test your security program or to perform annual periodic penetration and vulnerability assessments. Penetration testing involves attempting to access your information system from outside that system and would need to be performed annually if you do not elect to use continuous monitoring. A vulnerability assessment involves scans of your information systems to identify known security risks and is required every six months if you do not use continuous monitoring.

### Step 5: Develop Personnel Policies

This portion of the Amended Safeguards requires security awareness training for all staff and some level of specified training for any personnel directly involved with your information systems. You are likewise required to use security training that is up to date with respect to current security practices and risks.

### Step 6: Oversee Your Vendors

You are responsible for ensuring that any vendors with access to your customer data maintain adequate safeguards to protect the security of that data. Dealers cannot simply rely on contractual assurances from their vendors (although they should obtain those assurances) but must engage in some level of due diligence to make sure that your service providers have a record of safe practices. Similarly, you should review these practices on occasion. It may be advisable to have consent to a third-party security review as part of your vendor contract.

### Step 7: Prepare an Incident Response Plan

An incident response plan is a written document that you must prepare to provide a guide for the steps your business will take in the event of a security event — defined as an event resulting in unauthorized access to, or disruption or misuse of an information system or customer information stored in physical form. Importantly, a security event can occur even if there is no risk of resulting consumer harm. Thus, even unsuccessful attacks to your system could create a security event. Your incident response plan should include not only the steps you will take to respond to the event, but a description of lines of decision-making authority and a description of internal and external communications that will be used following a security event.

### Step 8: Prepare an Annual Report

Another required written document, an annual report should discuss not only the overall status of your information security program but also an overview of the results of any risk assessments, steps taken to comply with the Safeguards, arrangements made with vendors or service providers, as well as any actual or threatened security events. The Annual Report should be made by your Qualified Individual on an annual basis to the board of directors or, in the absence of a board of directors, to a senior member or company official with authority over the information security program.

These requirements can be overwhelming, especially if you have not already begun to implement them. If your dealership needs assistance in compliance, there are vendors available to support your development of the required procedures, such as KADA's Preferred Partner, ComplyAuto. 🐾



For questions or further information, please contact your Stoll Keenon Ogden Automotive Dealership Services team:

Sarah Bishop; (502) 875-6245; sarah.bishop@skofirm.com

Ron Smith; (317) 822-6787; ron.smith@skofirm.com

# COMBATING CATALYTIC CONVERTER THEFT



Catalytic converter thefts present a growing problem for dealers and their customers. In 2021, the National Crime Bureau estimated that more than 52,000 catalytic converters were reported as stolen, compared with 1,300 in 2018. That's 40 times as many converters, and it doesn't include the number of catalytic converters thefts that went unreported. If the repair cost is the size of someone's deductible, they may not report the theft to the police or the insurance company since they will have to pay the money either way. Filing a report creates the possibility of increased insurance premiums; not filing maintains the status quo.

Thieves value catalytic converters because they contain precious metals such as palladium, platinum and rhodium. The metals' values have increased exponentially. Worse, catalytic converters are easy to steal and hard to trace.

Another problem caused by catalytic converter theft is the damage when thieves cut the converters from the car. They are in a hurry and don't care about being precise, so they often damage the oxygen sensor and may take other parts of the exhaust system, such as the muffler. That means repairs after the theft will often involve more than just replacing the catalytic converter itself. A stolen catalytic converter is usually worth \$500-\$600 to the thief, but replacing it costs the owner approximately \$3,500.

What can dealers and owners do about catalytic converter theft? They can:

- Make it harder for thieves to get catalytic converters
- Make it easier to trace stolen catalytic converters

How do you make it harder to steal a catalytic converter? Vehicles stored outside are more vulnerable than vehicles inside a garage, so dealerships are attractive targets for thieves. One dealer installed a 7,000-volt security system around the dealership. He hasn't had

any problems since then. However, one of his customers had seven trucks. Thieves took all seven converters. It took eight weeks for replacement parts to arrive; thieves took all seven converters again one short month later.

Experiences like that have made the second strategy more attractive (making it easier to trace stolen catalytic converters). In January 2022, Indiana Rep. Jim Baird introduced H.R. 6394, the Preventing Auto Recycling Theft (PART) Act, which NADA strongly supports. The bill is intended to increase traceability and enforcement. A day later, Jan. 14, 2022, it was referred to the Subcommittee on Highways and Transit. It still has to pass the House and Senate, so it is a long way from being signed into law by the president.

If the bill passes, the idea would be to use a \$7 million grant program to cover the cost of stamping VINs or other identifiers onto existing vehicles' catalytic converters. The vehicle owner wouldn't have to pay anything for this to be done. Dealers would also be able to use the grant program.

Ideally, the grant takes care of the vehicles already on the road. The bill would also require new vehicles to stamp unique, traceable numbers on catalytic converters when vehicles are built to identify an individual converter. Purchasers would have to keep records of these numbers. Catalytic converter theft, sale, trafficking or purchase (if the buyer knows the converter was stolen) would be a federal crime. Someone convicted under this law could spend up to five years in jail.

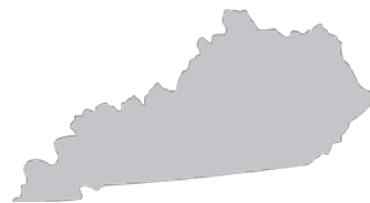
In May 2022, 14 trade associations, other industry organizations and NADA asked Congress to take up H.R. 6394 and get it moving. The signers specifically asked Congress to send it to the House Energy and Commerce Committee for a hearing.

If you have dealt with catalytic converter theft, you know how important this issue is. Now is the time to reach out to your representative and ask them to support H.R. 6394. It wouldn't hurt to communicate with committee members, too. The chair is New Jersey's Rep. Frank Pallone, Jr., and the ranking member is Washington's Cathy McMorris Rodgers. For a full list of committee members, visit <https://energycommerce.house.gov/subcommittees/energy-and-commerce-117th-congress>.

We can help our Representatives and, later, the Senate understand how important this issue is, but we will only be successful if we put in the effort. 🙌

# Driving Kentucky's Economy

## Annual Contribution of Kentucky's New-Car Dealers



Numbers reflect annual economic activity during 2021.



**232**  
**DEALERSHIPS**  
(new car)



**27,749**  
**TOTAL JOBS**  
(created by dealerships)  
Includes 12,652 direct jobs and  
15,096 indirect and induced jobs.



**55**  
**EMPLOYEES**  
(average per  
dealership)



**\$11.7B**  
**TOTAL SALES**

(all dealerships)



**\$893M**  
**PAYROLL**

**\$70,577**  
Average Annual  
Earnings

**\$283M**  
State and Federal  
Income Taxes Paid

Includes income taxes paid for direct,  
indirect and induced jobs.



**1.0%**  
**REGISTRATIONS**

Kentucky's Share of Total U.S.  
New-Vehicle Registrations

**\$709M**  
**STATE SALES  
TAX PAID**

Source: Center for Automotive Research,  
NADA Industry Analysis, IHS Markit,  
Taxfoundation.org, U.S. Bureau of Labor  
Statistics, U.S. Census Bureau



### NATIONAL AUTOMOBILE DEALERS ASSOCIATION

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# HOW TO PREPARE TODAY FOR THE EV CUSTOMER OF TOMORROW

Vehicles powered by electricity aren't a new thing. Some experts have said the first ones were developed as early as 1828-1832. A British inventor named Robert Anderson displayed another prototype in 1835 at an industry conference. In the late 1880s, a chemist named William Morrison fitted a carriage with a battery. The carriage could carry 12 people and travel about 20 mph.

When automobiles began replacing horse-drawn vehicles between 1880 and 1914, their power was provided in three different ways: steam (40%), electricity (38%) and gas (22%). Steam proved to be impractical. Drivers had to wait 45 minutes before they could start driving, and they needed to be refilled continuously with water. But even though Thomas Edison and Henry Ford worked on building an EV, gasoline won the three-way race. Gasoline had been discovered in Texas and was easier to provide to rural areas than electricity, which tended to be limited to cities. Also, Henry Ford's assembly line proved itself as an efficient way to build gas-powered vehicles.

Until the 1970s, when the U.S. began experiencing high prices and shortages, gas-powered engines dominated the market. People wanted to be less dependent on imported oil, especially after the 1973 Arab Oil Embargo. However, a limited driving range and slow top speeds were a problem. The Toyota Prius was released in Japan in 1997, then worldwide in 2000. Martin Eberhard and Marc Tarpinning (not Elon Musk) started Tesla Motors in 2003; Musk became the board chair in 2004 and the fourth CEO in 2008. The Nissan LEAF debuted in 2010. Lithium battery costs declined 97% between 1991 and the end of 2021.

Unsurprisingly, people have been predicting the advent of EVs for a long time. But the time of high expectations combined with a less-than-overwhelming market share is ending. Kristen Balasia, VP of Consulting Services at S&P Global, says choices among

commercially available EVs have already grown exponentially. It now looks like the U.S. EV market will be much bigger by the decade's end and that the mainstream brands will be making about 90% of EVs by 2030.

The government is pushing EVs hard. The budget for national EV charging networks is \$5 billion. An executive order signed by President Biden mandates 100% zero-emissions vehicle acquisitions by 2035. Many people want the entire U.S. to be carbon neutral by 2050.

How fast will the transition be? Most new car owners keep their vehicles for about six years because they want to keep up-to-date with the latest features, but in June 2021, the average length of ownership had extended to 11.9 years. That makes sense; the cost of a new vehicle is high, loans take years to repay, and it's a smart strategy to continue driving what you have until the need for repairs changes your mind.

Dealers can expect to provide conventional auto services for at least another decade, but the balance in 10 years will still have shifted dramatically. That's why dealers who want to continue selling vehicles will want to transition to selling EVs. Then they can position their dealerships for tomorrow's EV customers.

The good news is that you have time. But don't wait to get started; a lot of preparation will need to occur. What needs to happen?

First is training, education and infrastructure investment. You want EV buyers to view your dealership as a place with EV experts and offers them important resources, even though you continue to service conventional gas-engine vehicles. It would be smart to hire an EV expert who can answer questions for customers. The expert should know as much as someone at any store using the direct-sales model, including knowing which benefits are available and which ones stack. Federal, state, local or utility incentives are all potentially available.

Talk to an electrician and the local electricity supplier; you will need more electricity and more electrical infrastructure, so find out what that means in specific terms. You may need new transformers and electrical equipment. Investing in charging stations is also a good idea, as well as thinking about what you need to do to provide service for EVs. Charging stations are expensive, but they will get used even if you only install one or two at a time. Put at least one in the service area. If a technician is working on an EV, the technician can charge the vehicle while it is being serviced. Little things make a big impact on customers. You may need to upgrade tools and machinery so that everything is compatible. That's a challenge, certainly, but be strategic about it. Perhaps you could work out something with a fellow dealer experiencing the same problem.

Another issue is battery storage. You may need to store batteries in a separate room or another building. Batteries can start fires. Don't skimp on safety.

Technicians will need in-depth training. EV certifications will matter more and more over time; since most shops don't fix EVs, you can add a revenue stream if you can help your staff get the certifications they need now. You may lose business without those

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## NOW IS ALSO THE TIME TO START LOOKING AT CUSTOMER PROFILES. SINCE EVS DO HAVE TO BE CHARGED, YOU HAVE THE CHANCE TO THINK THROUGH THEIR NEEDS.

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certifications. Your team can still work on vital components, fluids, brakes and tires. Eventually, you can add working on EV motors and replacing batteries.

Despite the expense, you don't have to do everything at once. Take the time to prioritize. Maximize the money you spend by choosing improvements carefully.

The direct-sales manufacturing companies have not invested in the service side as much as they probably should have. Although they might compensate by turning to a business strategy that combines competition with cooperation, neglecting service was a strategic mistake (and, therefore, your opportunity). EVs need less service than conventional vehicles because they have substantially fewer parts, but "less service" is not the same as "no service." You may eventually change your emphasis as a business, but customers will still need service, and there will still be money to be made.

All the preparation in the world won't help you if people don't know about it. How can you let them know?

One effective way is to attend National Drive Electric Week 2022, scheduled this year for Sept. 23, 2022-Oct. 2, 2022 (go to [driveelectricweek.org](http://driveelectricweek.org) for details). It is a collaboration between Plug In America, the Electric Vehicle Association, the Sierra Club and EVHybridNoire. The event has been around for more than a decade and is held in all 50 states. This year is the 12th year. The people who attend are thinking about buying EVs of all varieties. Organizers welcome dealers. There probably isn't a better way to find many potential customers in one spot. You have the chance to meet them and make a good impression on them. That's great advertising.

Now is also the time to start looking at customer profiles. Since EVs do have to be charged, you have the chance to think through their needs. Homeowners can charge at home. People who don't have easy access to electricity at home may want to know where charging stations are, especially at restaurants and shopping areas. Let them know where they can plug in their vehicle and then do something else while the battery charges. If someone has spent a lot of time in your service shop, maybe you can talk to them about the new level of reliability that occurs when there aren't as many moving parts.

Stay ahead of the curve. The future will continue to be good for dealers who are ready for it. 🌩️



# 2022 IMPORTANT DATES TO REMEMBER

## KADA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETINGS

### November 9th

Frankfort Country Club  
Executive Committee Dinner  
6:00 pm

### November 10th

Frankfort Country Club  
Executive Committee  
9:00- 11:30 am  
Lunch: 11:30 am- Noon  
Board of Directors Meeting  
Noon- 2:00 pm

## KADA ANNUAL GOLF TOURNAMENT

### September 12th

Frankfort Country Club:  
Agenda & Details TBA

## KADA DISTRICT MEETINGS

### October 4th

Lexington Country Club, Lexington

### October 5th

Hurstbourne Country Club, Louisville

### October 6th

Holiday Inn Cincinnati Airport,  
Erlanger

### October 18th

Lake Barkley State Park, Cadiz\*

### October 19th

University Plaza, Bowling Green\*

All district meetings will begin with a reception at 5:30 pm and a dinner at 6:00 pm.  
\*Central Time Zone

## NADA WASHINGTON CONFERENCE

### September 12th-14th

Washington, D.C.

## 2023 NADA CONVENTION & EXPO

### January 26-29, 2023

Dallas, Texas: Agenda & Details TBA

## 2023 KADA CONVENTION & BOARD MEETING

### June 19-22, 2023

The Greenbrier, White Sulphur Springs, WV

### June 20, 2023

The Greenbrier, White Sulphur Springs, WV  
Summer Board Meeting



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# WOMEN'S PERSPECTIVE ARE YOU LISTENING?

You've probably noticed it's harder to find people to hire lately. The Macrotrends website says the U.S. population in 2022 is slightly less than 385 million people. The 2020 census found that more than 55 million people (about 14%) had retired. In April 2022, the labor force participation rate was 62.2%, and the unemployment rate was 3.6%. There were already job shortages before the pandemic, but the pandemic worsened it. However, even though many people chose to retire during the pandemic, about 1.5 million came back into the workforce later.

Any sentence with the word "millions" sounds like shortages should not be a problem, but everything is relative. March 29, 2022, Jeff Cox at CNBC reported 5 million more jobs open than workers to fill them. That is, employers with 18 jobs have to compete for 10 people.

Employers can no longer afford to hire only men when they need to fill jobs. The U.S. is approximately half male and half female, but there are slightly more women than men. To take the statistic above and recast it slightly, suppose you have 18 jobs and 10 job candidates, but five are women. If you default to hiring a man, those five men will compete for 18 jobs, and it's no wonder you can't find enough people to hire.

Hiring women starts with recruiting them. That can be challenging because many women don't even consider working at a dealership, and the turnover rate (according to CDK research) is 88%. But women make or influence the decision to buy a vehicle most of the

time. Many people in the industry think women are more likely to buy vehicles from other women, so companies that ignore women are losing out on a great sales opportunity.

Many companies in the auto industry have gotten the message. General Motors' board is one of the most gender-diverse boards in the country. The CEO is Mary Barra, and 58% of the board members are women. Most of the committee chairs are women, too.

Other industry CEOs include:

- Liza Borches (Carter Myers Automotive)
- Mary Buchzeiger (Lucerne International)
- Flavia De Veny (Camaco-Amvian)
- Corina Diehl (Diehl Automotive Group)
- Aicha Evnas (Zoox)
- Gail Faulkner (Faulkner Auto Group)
- Julia Fream (Original Equipment Suppliers Association)
- Linda Hasenfranz (Linamar Corp.)
- Jennifer Johnson (Kendrick Plastics)
- Abigail Kampmann (Principle Auto)

- Lisa Lunsford (GS3 Global)
- Claudia Marquez (Hyundai Motor Mexico)
- Sejal Pietrzak (DealerSocket)
- Kimberly Rodriguez (Dura Automotive Services)
- Rosa Santana (Forma Automotive)
- Anuja Sonalker (STEER Tech)
- Sandy Stojkovski (Vitesco Technologies North America)
- Chrissy Taylor (Enterprise Holdings).

That's a long list, and maybe you haven't heard of every company listed after these names, but it's encouraging so many women are CEOs as long as you don't think about the number of men who are CEOs. Still, it's progress.

How do you encourage women to apply for work at your dealership? Think about what you can do to encourage girls to take classes to help them get dealership jobs. Reach out to local schools and teachers at those schools. In addition to public and private schools, talk to people at universities and community colleges. Attend career fairs and support organizations that encourage all students to gain valuable trade skills. Consider awarding scholarships and offering apprenticeships. Even a relatively modest scholarship can still help students pay for their training.

Most people will visit the website before they visit the dealership. Make sure yours sends the right message. For example, look at your dealership website and post pictures of a diverse workforce. People notice inclusive content; have prominent pictures of female employees on the website.

Train employees about gender diversity and inclusivity. Everyone who interviews job candidates should be up-to-date on these subjects. Have teams with as many women as men on them, especially those that customers see.

Hiring women to work at your dealership is a good idea, but listening to them once hired is also important. You want to create a collaborative and supportive work environment. Talk to them about the demands on their time, personal and professional. Would job sharing, flexible hours or work-at-home options help? Offer everything you can that is situationally appropriate. If your DMS system requires a VPN, switch to a cloud-native solution so employees can log in from home.

Promotions and pay raises encourage employees to stay with their companies. They are helpful, but make sure you don't reward one gender and exclude the other. Given the gender biases of the past, it is easy to favor men over women unconsciously regardless of performance. Are women doing work that benefits the company but isn't included in their job description? Rewrite the job description. Identify and reward high-performing employees, and provide mentorship, training and opportunities for career development available to and possible for every employee, regardless of gender.

## IF WOMEN DO SPEAK UP, IT'S IMPORTANT TO HEAR WHAT THEY HAVE TO SAY AND DO SOMETHING ABOUT IT. THEY HAVE A DIFFERENT PERSPECTIVE THAN MEN, AND THAT'S TOO VALUABLE A THING TO LOSE.

In an article by Bonnie Marcus that appeared on the Forbes website Oct. 13, 2021, she noted that women have been encouraged to speak up about workplace injustices ever since the #MeToo movement, but sometimes no one takes action after listening to them. That's a problem. People who get ignored tend to stop giving feedback, and when they have the chance to go somewhere else, they are likely to take it. The result is high employee turnover. Any company with high turnover, including dealerships, will not be as profitable as it could be.

The article noted that 75% of women discriminated against in the workplace because of age and gender chose to do nothing. More than two-thirds (70%) didn't think talking would help. About one-fourth didn't trust HR, and a little less than a fourth thought talking would cost them their job.

That leaves the 25% who did speak up. Some spoke with a manager, but 61% were dissatisfied with the result. Others spoke with HR; 71% thought that didn't help either. When women feel ignored in the workplace, they may start thinking about filing lawsuits. Wouldn't it be better to listen and take action to help them?

What can you do at your dealership to change the dynamic? First of all, work toward making sure men do not outnumber women. According to David Mielach on the Business News Daily website Dec. 1, 2021, women are 75% less likely to speak than men when they are a minority. Groups without women reached different decisions than groups with women. The situation worsens when decisions are made by the majority instead of requiring a unanimous vote. They don't get as much time to speak, and they don't feel as powerful. Interestingly, asking for votes to be unanimous made it more likely for women to speak up because the group needed their vote to succeed.

If women do speak up, it's important to hear what they have to say and do something about it. They have a different perspective than men, and that's too valuable a thing to lose.

Listening to the perspective you get from female employees will help you retain them as employees, but it will also help your dealership be more innovative and original. Half your customers are women. Half your employees should be, too. If that isn't already the case at your dealership, you've got a great goal to work toward. 🚗



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**Automotive Compliance Software**

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kimberly.johnson@mcaginc.com



**Workers Compensation**

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jforesman@uscky.com



**Automotive Compliance Solutions**

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josh.koronich@comply.net



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