

UTA INDUSTRY WATCH

Volume 6, Issue 4

Contact the UTA @ 1-877-GETS-UTA or www.uta.org

April 2004

President's Message...

Here it is April and it seems as if I just finished the January message. Time flies when you're having fun, or at least that is what everyone says. Seems like everyone is busy as bees these days, and isn't that a good feeling?

If you're like most of the people I talk to, you're busier than you've been in a long while and happy for it because you feel like you're going somewhere new. I think the used truck industry is moving in a forward motion that we all will enjoy for at least the remainder of this year.

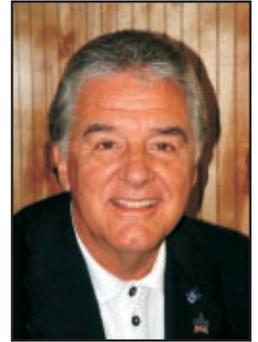
Presently, the overall activity is the highest it's been in a long time. Hopefully, new truck trades will start showing up at the new truck dealers and needed inventory will become available. Don't get too excited though - watch the price of fuel. This one thing drives our industry.

It seems there is always something major to deal with. We're a tough breed and we'll do what we have to along the way. This industry has always done that.

Like many of you, I have spent almost all of my career marketing Class 8 equipment. I'm now changing my marketing strategy to include a significant inventory of medium-duty trucks. It just makes sense in a number of ways.

A large part of our economy has shifted from manufacturing to large, centralized distribution centers. These types of operations are relying on more economical medium-duty vehicles to bring goods to nearby customers.

The retail furniture industry is almost totally reliant on contract delivery systems utilizing medium-duty equipment. More and more contractors, plumbers, landscapers, food delivery, and delivery services are exchanging their vans and pick-ups for Class 3, 4 and 5 medium duty equipment.



Look at a few other reasons that convinced me to take another look at marketing medium-duty trucks:

- The cost of inventory is significantly lower so the impact on floor plan is minimized. A typical four-year-old Class 8 truck will cost you between \$35,000 to \$40,000 to put on your lot. That same amount of money would cover the cost of four, maybe five Class 3 or 4 medium-duty trucks.
- Financing medium-duty is even easier. More lenders will step up to the plate. A home for start-up and bad credit paper can be found.
- Fuel economy is great and with the growing fuel prices, this is an important issue.

New products bring new opportunities. By adding medium-duty products, you now have something to talk about to existing customers. It gives you the opportunity to visit with them to talk about medium-duty, and more importantly, to discuss their current needs and concerns.

I believe medium-duty spreads the risk in doing business and offers us a second profit center.

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How are **YOU** supporting the UTA?

SHARE YOUR NEWS

UTA Industry Watch is published monthly. Submissions, ideas and comments are most welcome. Contact:

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INDUSTRY NEWS BRIEFS

DaimlerChrysler has established a new U.S. finance group, called Business Vehicle Finance, to provide Chrysler Group dealers with custom finance packages for commercial customers.

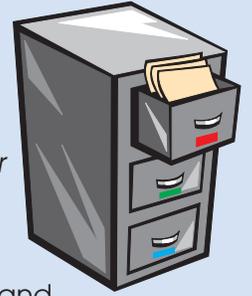


International Truck and Engine will launch its new International VT 275 V-6 diesel engine this fall. The engine, for the new International CF Series of low-cab-forward trucks, is being built at International's Huntsville, AL, engine plant. The CF Series marks International's entry into the Class 4 and 5 markets. Production of the new trucks is set to begin in January 2005.

Kenworth has honored **Tri-State Kenworth** of Enfield, CT, as its 2003 Dealer of the Year and awarded **MHC Kenworth-Texas** its Medium Duty Dealer of the Year Award.

Volvo's new family of diesel engines built for North America will use exhaust gas recirculation (EGR) and diesel particulate filters (DPF) to meet the 2007 emissions regulations. Presently, the manufacturer uses EGR to meet current emissions standards.

FILE CABINET



Fleet Purchasing -

CK Marketing and Communication's *First Quarter 2004 Fleet Sentiment* questionnaire found that 68% of fleets surveyed said they plan to purchase power units and trailer equipment in the next 6 months. While a good sign, the fact that an average of only 18% of the purchases is identified as added capacity would indicate that "much of this activity is a direct result of the delayed purchases over the last few years rather than an abundance of optimism in the overall economy," stated the findings report. "Uncertainty about the affects of HOS may be playing a bit of a part also as a higher percentage of trailer purchases, 55 percent, are being reported as added-capacity units."

Fifth Wheel Selection Guide - A new fifth wheel spec'ing guide from Holland includes a list of things to consider before choosing a fifth wheel. Also included are selection tables for trailer applications, options, installation information and a glossary of terms. The guide can be found at: www.thehollandgroupinc.com.

Golf Ball Messages - Golf balls can be a good way to promote your business, as well as to send a sales message. Golf Ball Gifts offers a full selection of quality golf balls that can be personalized with your message or promotion, and then gift wrapped. For details, visit www.golfballgifts.com.

New Jersey - Has become the second state to ban the use of hand-held cell phones while operating a moving vehicle. New York was first in 2001. More than 40 states have pending legislation.

Truck Tires At High Speeds - Trucks that operate at 75 mph will get 10%-30% fewer miles from tires than those trucks that run at 55 mph, says Bridgestone/Firestone. Irregular tire wear is more likely at higher speeds because the load is concentrated on the center of the tread and shoulders and tends to scrub more. Higher speed also generates heat which ages rubber and shortens casing life.



Mark Your Calendar

NOVEMBER 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

UTA's 5th Annual

Convention
NOV. 3-6, 2004

Scottsdale, Arizona

For information and sponsorship opportunities contact Sue Dorso at
(941) 492-2429
or dorso@verizon.net

UTA Benefits, Partners and Services



The UTA is the only organization in the world dedicated to supporting those involved in the used truck industry. We make this statement often, but sometimes we don't realize the magnitude of that support. The numbers of people actually in those supporting roles and those who offer partnerships for UTA members are amazing. Teamwork is present everywhere and being in Texas this week with my racecar certainly brought that concept and the attending awareness of it to the forefront.

It has been said that no man is an island and it is true in all aspects of our lives. Racing cars or selling trucks - it all takes teamwork.

Working within this industry has fostered not only many business friends, but also personal ones who continue to support my work and me, as I am committed to support them. This is one of the greatest rewards of being involved in our industry.

There is so much information available to us, as noted in the many benefits of the UTA. Communication is the key in our business and we are on the leading edge of it with our newsletter, our interactive website and our customer-oriented brochures, with more slated to be published in 2004.

Our annual convention is a great way to visit with our peers in the industry and solidify friendships and business relationships. Growing through the UTA's educational programs and learning new ways to sell both wholesale and retail evolve daily as new information comes forward.

Discounts from available programs and events tied with the UTA Partnership Program provided great benefits for members. These include:

- Heavy Duty Marketing Associates
- HTAEW.com
- Hiring Solutions
- Manheim Heavy Duty Auctions
- SOARR.com (Interstate Online Software)
- *The Truck Blue Book*

These are some of the member companies offering discounts to members.

Do you realize that a UTA member can recoup their dues simply by attending the auctions and taking advantage of the discounts offered to UTA members? Get to the bottomline is what I like to

do in my business and the most notable benefit of our Partnership Program is tied directly to our pocketbooks. That is where the rubber meets the road as we say. Those who have joined the UTA and offer other members the ability to share in discounts for their goods and services are supporting not only the Association as a whole, but also the individual members. Valuable team members I say.

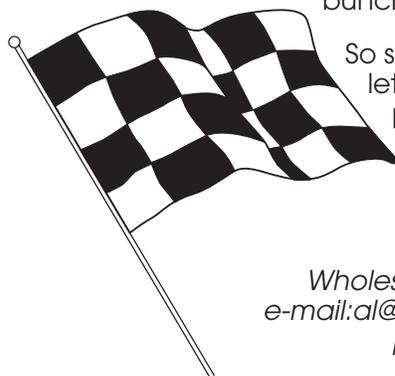
It only takes a few minutes for my racecar to cross the finish line and it might seem as if that is where the work is done. But we all know that the majority of the work was done before the car ever entered the track. When we stand on the sidelines talking with other competitors we are learning new things, new ways, new products and new services.

Networking is invaluable and we are so fortunate in the UTA to be able to pick up our directory, page through there to find the person we need to get the information we want. This is a terrific resource for information.

Call the other dealer members if you need to know something about a truck or trailer that you don't know. Call someone in the finance company field to get your questions answered about a deal. Call any of the board members of the UTA if you have a question or a comment.

There is a place on the UTA website that you can e-mail your comments and someone will answer you. Call me if you have any questions about wholesaling. Call Craig Kendall if you have a question about a Peterbilt model. Call Ethan Nadolson if you have a question about computers or software.

Our board members and all of our members have volunteered to help each another when we joined the UTA. It's a great Association and a great bunch of people.



So start your engines and let's roll into a profitable spring.

Al Hess
UTA Vice President
Wholesale Trucks of America
e-mail: al@trucksofamerica.com
phone: (816) 472-7775

SUCCESSFUL SELLING STRATEGIES

Successful Qualifying: A Key To Closing More Deals

Probably more used truck sales are lost due to failures in qualifying than any other reason. The noted author, Stephen Covey, says that the key to good communications is: "Seek to understand before trying to be understood." If you think this is true, this relates exactly to good qualifying, doesn't it? So, what are the things we must understand before we can begin to make a product presentation?

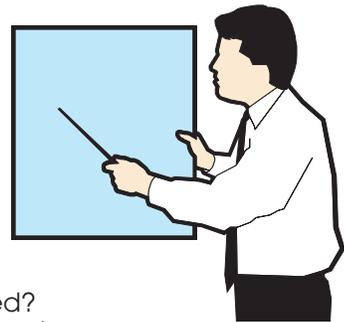
First: The prospects NEEDS must be understood. When we ask the question, "what are you looking for in your next used truck?", your prospect will often begin describing the ideal make, model, year, mileage and spec's of their next truck. These are not their needs; they are only features that may offer benefits to satisfy their needs.

Getting to their real needs takes a combination of good questioning and insight. A better question might be: What do you want your next truck to do better; or could you tell me a little bit more about how you use your truck(s)? The answers to these questions should give you better insight into the problems your prospect is experiencing with his or her current truck(s).

Second: Are your prospects actually ready to buy now or are they shopping and just kicking tires. Unless you like punishing yourself, there's little point in trying to get a prospect involved in a deal if they're not ready to buy now. If your prospect is on your lot a good question to ask is: What would you like to accomplish today? Or perhaps: When will you need to put your next truck into service? The answers will help you understand your prospect's buying temperature. If they're not ready, nurture and build on your relationship until they actually are ready to buy. Both you and your prospect will be better served.

The third qualifying element is determining your prospect's ability to buy. Why not ask the question: Mr. Prospect, would you mind sharing with me your budget or payment range for your next truck purchase? If you've done a good job in building trust early on, your prospect will play fewer games with you now. But, if they are still reluctant to give you a budget number, you may want to try the following: Mr. Prospect, we have pre-owned trucks in stock from under \$20,000 to over \$65,000; based on what you've told me you need in your next truck, we could look at trucks that will range from \$35,000 to \$45,000. Do you think you'd be more interested in looking at the \$35,000 trucks or the \$45,000 trucks or somewhere in between?

It's critical to get this information at this time because this relates to your prospect's ability to buy in their desired price range. You're also going to have to determine down payment, trade equity, along with credit and job history.



Finally, do you have the products and services that will satisfy the needs your prospect has identified? The information you gathered earlier is so important at this stage of qualifying, because you will almost never have a used truck in stock that matches up 100% with the prospect's ideal specs. If you understand what your prospect really wants to accomplish, satisfying the actual needs can be accomplished through a wider variety of specifications.

You'll also be able to demonstrate product value and show how your vehicle actually satisfies their needs.

You may want to give these suggestions a try. I think you'll find them helpful.

Good luck and good selling.

*Paul Spokas
UTA Board Member
Heavy Duty Marketing Associates
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Upcoming UTA Training Programs

Twenty-First Century Sales Prospecting

Atlanta, Georgia, on April 8, 2004
Lincoln, Nebraska, on May 12, 2004
Orlando, Florida, on June 16, 2004



This new one-day workshop:

- Assists all dealership salespeople increase their prospecting performance and results.
- Helps salespeople build their business through increased sales consistency in sales commissions.
- Enable salespeople to increase sales volume and profitability through applying proven prospecting strategies and tactics

Professional Used Truck Selling Skills

Buffalo, New York, on May 3-4, 2004

This 1 1/2 day seminar:

- Assists all dealership salespeople increase their sales performance and results.
- Helps salespeople increase sales volume and profitability by developing and applying proven selling skill tactics.
- Covers such core topics as: Building Strong Relationships, Qualifying, Needs-Benefit Sales Presentations, Handling Sales Objections, Negotiation and Closing.

For more information or to register for these or other UTA training programs visit www.UTA.org or www.HDMAinc.com, or call the HDMA Academy at (336) 643-1961.

Communications Impact



Have you ever seen an unflattering picture of someone you didn't know and heard someone comment that it was a great picture of the person? You might have thought: "The guy looks like he just swallowed a pill sideways. What does he look like in a bad picture?"

The human mind stores images that are holistic. The person we have never seen is not in our image library, so we are left imagining the person two dimensionally at that 1/32nd of time in which the camera exposed the film. Someone who has actually seen the person views the photo in what might be likened to an Internet video capture - a short series of mental images that fill in the features of this person in the instants before and after the snapshot. The brain provides additional information as perspective and context for the single, flat image.

We do this constantly, even with things as rudimentary as geometric shapes. An equilateral triangle with a square fixed at its base is a tree. Add a circle to the top and place it next to a door in a public place, and we know this is the ladies restroom.

Clearly images and symbols are powerful communications tools because they can convey "a thousand words" of information in an instant. However, these same visuals will carry perspective and contextual baggage for any individual audience member. That baggage may not support your intended message. Still, the powerful nature of creative imagery raises the potential success of any

communications effort, making it more than worth the risk. One must simply consider what unwanted emotions or actions any evocative image might release in some members of your audience.

Firms like Benetton have made a consistent marketing statement by using powerfully evocative images in their ads. They have often been meant to shock the general public - those who do not happen to be their target market. However, the ensuing controversy does attract the attention and patronage of those who are their target.

So today, think about the images you implement, whether through pictures or words. Have they been chosen to provide maximum communications impact? Are they the right icons to tell your story? And more importantly, are you saying anything to some people that might be off the focus of your intent?

It's worth considering.

May your voice always be above the noise.

— Mike Porter, APR, President
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16 Complete UTA's Fundamentals of Used Truck Sales Seminar



The UTA held a *Fundamentals of Used Truck Sales* training program in mid-March in Columbus, OH. Pictured here are the participants. Starting from the left are **George Korneischer**, Custom Truck Sales Saskatoon, Manitoba, Canada; **Jeremy Johnson**, ATC Freightliner Group, Fort Worth, Texas; **Al LaPorta**, International Used Truck Center, Charlotte, NC; **Jonathan Farley**, Columbus Truck & Equipment, Columbus, OH; **Shawn Hiller**, Bayshore Ford, New Castle, DE; **Andy Hatlestad**, Olson & Johnson Truck

Sales, Marshall, MN; **Jeff Omilian**, Buckshot Truck Sales, Milton, Ontario; **Joe Burns**, Carrier Truck Centre London, Ontario, Canada; **Heath Hamil**, ATC Freightliner Group, Fort Worth, Texas; **Fred Smith**, Custom Truck Sales, Calgary, Alberta, Canada; **Vince Cerni**, Cerni Motor Sales, Youngstown, OH; **Cyndi Aranyosi**, Kirk National Lease, Sidney, OH; **Kevin Stanich**, Columbus Kenworth, Hilliard, OH; **Sara Baumann**, Advantage Truck & Salvage, Buffalo, NY; **Jeff Wogan**, Cerni Motor Sales, Youngstown, OH; **Kathie E. Brown**, International Used Truck Center, Denver, CO.

On behalf of the Used Truck Association, congratulations and good luck to all the graduates of this outstanding program. We hope they have a long and successful career in the truck industry.

The next session of *Fundamentals of Used Truck Sales* will be held by the UTA on Sept. 8-11, 2004 in Dallas, Texas. To reserve a spot at this session, contact the UTA's facilitator, The HDMA Academy, at (336) 643-1961 or by e-mail at HDMAinc@earthlink.net.

Industry Events Calendar



April 8-11 – Florida Tow Show
Orlando, FL, www.pwof.org.

**April 17-19 – American Truck Dealers (ATD)
Annual Convention**
Seattle, WA, (703) 821-7116, www.nada.org.

April 20-22 – Truck World 2004
International Centre, Toronto, Ontario, Canada,
(888) 454-7569, www.truckworld.ca.

April 29-May 1 – North American Truck Show
Baltimore Convention Center, Baltimore, MD
(800) 225-1577.

May 12-15 – Western States Tow Show
Reno, NV, www.ctta.com.

**June 16-18 – 2004 Truck Blue Book Annual Used
Truck Seminar**
Orlando, FL, (800) 654-6776
www.usedtruckseminar.com.

June 10-12 – The Truck Show Las Vegas
Las Vegas Convention Center, Las Vegas, NV,
(650) 349-4876, www.truckshow.com.

President's Message

(continued from page 1)

Reports from the UTA Convention Committee Chairman say sponsorship activity is already almost 100% of where we were at last year's final number. Interest and activity is showing up here also.

As we have mentioned before, this year's convention is going to be a good one. Make your plans to attend.

Be sure and visit our website and check out the benefits of being a UTA member. Also check out AI's column inside this issue.

Your board met in Louisville at the Mid America Truck Show at the end of March. Watch for a follow up in our next newsletter or check out our website for highlights.

A thought by Phillip McGraw: "There's a thin line between successful people and unsuccessful ones; crossing over to the successful side requires only a subtle evolution in mindset."

See you at the next auction or fuel stop.

— *Eddie Walker*
UTA President

- Quintessential Quote -

"Don't duck the most difficult problems. That just insures that the hardest part will be left when you're most tired. Get the big one done. It's downhill from then on."

Norman Vincent Peale