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Dealers of the Month

November

FYDA Freightliner Cincinnati, Inc.
Bulldog Truck & Equipment Sales, LLC

December

Truck Central, LLC
Omaha Truck Center

**If you would like to be a
Premium 2000+™ Dealer,
Call Marguerite at
888-261-7581**

**We Have Expanded
Turbo and Injector
Coverage!**

See page 4 for more info.

Letter from the President

Premium 2000+™ Prices Remain the Same: The BEST in the Business!

We have decided not to increase prices for 2009. We will be doing our share to support the dealers and their customers.

A look at our sales figures and losses due to claims has shown some interesting statistics—somewhat different, we admit, than our expectations. We are warranting a larger percentage of medium duty trucks; we are seeing an increase in the costs of parts and labor to satisfy warranty repairs; and we are seeing an increase in the average age and mileage of trucks applying for Premium 2000+™ Warranty Coverage.

Owner-operators and fleet owners are keeping their trucks longer and piling up the miles, for many reasons:

- ◆ New trucks are not affordable, especially considering the decreases in fuel mileage as compared to pre-'07 engines.
- ◆ Because of the economic downturn, with less freight needing to be moved, it seems unwise to invest in brand new equipment, especially since so many *low-mileage* used trucks from repossessions are available on dealer's lots or at auction, many with remaining factory warranty.
- ◆ Many truck owners who are profitable cannot acquire a newer model truck or add to their fleet because under current, stricter credit guidelines they aren't able to qualify for financing.

Not only are we staying the course on prices, we are now able to assist with the financing of new and used equipment. Several lenders strongly recognize the value of a Premium 2000+™ Warranty Program to lessen voluntary and involuntary repossessions and have come to us in search of business because of our network of over 700 locations that offer our Warranty Programs. We have chosen to promote a couple of these well-capitalized and aggressive lenders. In many instances, we can assist in obtaining financing for customers who might not have otherwise qualified. Please call Kristina in our office; she will be happy to assist you.

Business is picking up from all I see and hear. Exciting times are close again. Premium 2000+™ wants to be your *Extended Warranty Choice*, and we are doing all we can to assist each and every dealer and each and every dealer's customer. It has become increasingly evident that a warranty program is a necessity for every commercial truck.

Sincerely,
Lynn Murphy
President/CEO



MURPHY'S LAW



By Lynn Murphy

Several months ago I heard about a Myrtle Beach, South Carolina, golf trip on January 16-19. It's always a roll of the dice this time of year as to how Mother Nature will treat you in this part of the South. Golf packages are discounted but the possibility of rain, frost, sleet, or snow can limit or completely kill the trip.

The first day, Friday, was optional. The weekend and MLK Day were the designated days included in the package. Friday was the coldest day in NC/SC all year so I passed on golf and didn't leave on the four-hour trip to the beach until 3:00 p.m. We had plenty going on in the office so waiting was an easy, prudent decision. I found out only four of the twenty attendees even played that day, and they said it was miserable. High for the day was 39° F.

Saturday was nasty. When we awoke at 7:30 (for our 10:00 a.m. tee time) the temperature was 19° F! Predicted high was 37° F, but we trudged to the course anyway. The first clue about the type of day in store for me was when I dropped my golf balls on the putting green and they bounced two feet in the air. The putting green was frozen. Not to be deterred, we teed off and finished at about 4:00 p.m. By then the temperature was back below freezing. (Goodness, it's hard to play with three layers of clothes on!) However, I did manage a score of 79. One of the players was a young stud, a 23-year-old, past Junior Golf County Champion, who shot a 74. But, at least I finished second.

Sunday's high was 43° F, and it rained off and on all day. We were really diehards: everyone started and only eight quit after nine holes. The young champion shot 73, and I shot 78—second again.

Monday was the final day. We had good weather, but some were golfed out and others sick from the previous two days of cold, wind, and rain, so only thirteen teed off. This time the kid had trouble and finished at 80. I had another 79, but at least I could claim one victorious day.

After the round, I was informed that it took a majority vote to get invited back. Overwhelmingly, I was told that the weather was all my fault. Apparently most were familiar with Murphy's Law and applied it to their vote. Thirteen voted against having me back and six abstained.

I told them they were crazy; they knew my name before they invited me. If they wanted the weather to be good, they shouldn't have invited me in the first place. I told them how insulted I was and that I had never failed to be invited back to such an event! Oh, yeah! No one actually invited me in the first place!

Testimonial

We have been doing business with Premium 2000+ for about 2 years, and whenever we need anything, their friendly staff is right on it. Their service is 100%! We have found that the Premium 2000+ Warranty helps us sell at least 80% of our trucks. Offering the Warranty helps ease the customer's mind, and that's what selling trucks is all about.

Michael Varnell, Sales Representative, Knoxville Trucks, Inc.

Premium People



When the phone rings at the Premium 2000+ office in Winston-Salem, not only is it answered by a friendly voice, but a

really friendly person! **Kim Bruce**, who has been with us just under a year, is a great addition to our team with her gracious smile and can-do personality.

In addition to being our top notch receptionist, she handles customer correspondence, schedules WebEx Training, and handles daily reporting. Additionally, she assists Marguerite, our Truck Sales Coordinator, in processing warranties and anything else she needs.

Kim is also a very good cook and can often be caught in the kitchen preparing lunch for the whole staff—just smell that roast beef!

Kim and her husband, Raymond, have two sons, ages 21 and 7. They also have 4 horses, 3 dogs, 2 cats, 2 turtles, and white turkeys, which her youngest son raises for FFA. These obvious animal lovers enjoy hiking, camping, horseback riding (of course), and NASCAR races. Her youngest son, Duncan, is a soccer player but is looking forward to football this summer. Kim's oldest son, Matt, will be joining the Army and leaving for boot camp in a couple of weeks. We know she is proud of both of them!

Kim is truly a team player, and we are glad to have her in the Premium 2000+ family!

Sales Savvy

By Larry Palkins
National Sales Manager

If you remember the old Tonight Show with Johnny Carson, Ed McMahon would read "answers" and "Carnac the Magnificent" (aka Johnny Carson) would hold the answer sheet up to his turbaned head and come up with the appropriate question.



When Ed McMahon read the answer, "A state of readiness," Carnac raised his brow and looked at Ed like he was a fool. To that "answer," Carnac responds as if the question were obvious: "What do the Arizona Cardinals, the Army National Guard, and your local fire department, have in common?"

That particular skit has stuck with me. They all maintain a *state of readiness*. They are each ready for the call, whether it be to play in the Super Bowl, defend our country, or fight a calamitous event, like 9/11. They all go through a boot camp of sorts, and

then spend months or years of monotonous, continuous, and often grueling, mental and physical training.

Of course, they don't play a game, fight a big 9/11 kind of disaster, or fight a war *every day*. But, they must be prepared and always be in a state of readiness in case they get the call. Drill, drill, drill, practice, practice, and more practice. It seems like it will never end, but they all know that someday the practice will pay off when that call comes in. They will be able to respond automatically and know exactly what to do when the event they have trained for arrives.

See where I'm going here? As salespeople, we must continually stay sharp, hone our skills, and be ready to respond when our call comes in. One can easily fall into a malaise when times are a little slow, but those who haven't kept themselves in a state of readiness will take much longer to react, mentally, when the call, be it by phone, e-mail, or a live customer, comes into your dealership.

Like the National Guardsman, the firefighter, or Kurt Warner of the Cardinals, you will be ready for the big game, when it comes, because you have kept yourself in a *state of readiness*.

By the way, did anyone find their way to Wapakoneta? If you have your "map," you *will* find it! (Forget your map? Revisit the November/December issue of *Premium Insights*.)

Thank you all for your business!

Comments on Claims

By Alan McDonald
Director of Claims

I'd like to take a moment to pass on a quick and seemingly inconsequential conversation with a new customer.

We received the call at 2 o'clock in the morning—never a good time to have a problem. The first words (desperate but audible) were, "How do I get heat? I'm freezing to death!"

After a short question and answer period, our claims associate was able to instruct the new owner-operator how to operate the controls for the climate system and get this gentleman some warm air. Apparently, in the excitement of his purchase, a simple thing like how to operate the heat was overlooked. As the gentlemen said, "I was so busy with price, insurance, scheduling, etc., I never thought about the basics such as heat, and the salesman forgot to go over it with me."

You laugh? An unlikely story, we'd never forget such a thing, right? Ladies and gentlemen, it does happen and more often than you might think. As the saying goes, the devil is in the details.

Seasoned sales professionals are still around who, like myself, can recall a time (not so long ago) when a truck driver could stand near a truck, listen to it run, and tell you what type of engine was in it. Today these people are few and far between. With the changes in the industry, the influx of new drivers from not only different backgrounds but different nationalities and languages, the world is different. This is not a bad thing, but certainly more challenging.

We at Premium 2000+™ certainly don't mind answering questions and helping customers as much as we can; we welcome the opportunity. But let's all take a minute to think about the small details, the *what ifs* and *how to's* that newcomers to this industry may not know or have even thought about. From a new customer's point of view, some little details and helpful hints from their salesperson can make their buying experience a great time, can bring you more business, and can make a loyal customer and, better yet, a friend.



The "Bear" Necessities

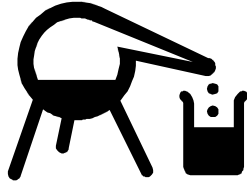


By Steve "Bear" Nadolson
Corporate Training Director

Change. Change! Change?

My dad had a saying he would invoke whenever a new thing came along that was about to revolutionize some aspect of our lives: "Fire—bad!" he would say mockingly. I always conjured a vision of a caveman, seeing fire for the first time, exclaiming, "Fire—bad!" failing to see the great things that were about to affect a change on his life from that day forward.

How do you embrace change? Let's look at two extremes illustrated below.



World's longest experiment: Pitch drips two drops in 21 years. (Slow)



World's fastest production car: A Shelby SSC Ultimate Aero goes 257 MPH. (Fast)

Again, how do you embrace change? Are you pitch, dripping at the rate of two drops every 21 years, changing very slowly; or are you the Shelby, speeding along, buying and trying all the new technology? Are you the last one to try new stuff? Or, do you grab at every new idea or technology that comes along?

I had lunch today with a friend of mine who said his company was slow to grasp a vision of how some technologies could help his company grow. He felt that others (his competitors) were passing him by, and he was frustrated. He expressed a fear that he and his dealerships were going to be left behind.

We agreed that a whole lot of new and creative things are going on in the new and used truck sales industry today—computer programs, engine technologies, sales strategies, warranty programs, and so on—and that to ignore them was probably not wise.

Consider running new technologies by these tests:

- ◆ Is it time saving? Time is money. Anything that saves time deserves consideration in today's business environment.
- ◆ Will it be worth the investment down the road? Fads come and go. Will your investment stand the test of time and be usable, upgradeable, and viable in the coming years?
- ◆ Is it simple to use? Technologies that are hard to use are a waste of money. The learning curve should be appropriate for the amount of savings to be realized. That is to say, if a lot of savings are to be had, you can invest a good amount of time in learning and teaching your people how to utilize it. If only a little time or money can be saved and a lot of time must be spent learning how to use the new technology, then investing in it may not be a good idea.
- ◆ The best deal is a short learning curve and big time savings!

Oh, by the way, the best systems and the best technologies are the ones you will *actually* use!

I am sure there are other criteria and tests you can come up with on your own to measure a technologies' worth to your business. Consider this list a little jump start to get you going in the right direction.

In closing, now just might be the time to at least *look* at what is new and on the cutting edge. You may even want to try using fire to cook your meat rather than chewing it raw!

WE HAVE EXPANDED TURBO AND INJECTOR COVERAGE!

Premium 2000+™ now has a year of turbocharger and injector coverage under our belt. Loss experience has been acceptable, and therefore, we have expanded turbo and injector coverage to include all classes of trucks, all term lengths of coverage, and our entire array of component options for the \$550.00 surcharge we've been utilizing. **The turbo and injector coverage provides warranty for the initial 12 months and the mileage that corresponds with the class of truck being warranted.**

Many customers and dealers have inquired about this option, and we listened. Now that we have done a year's worth of due diligence, we feel comfortable with this risk and the price. We hope this option will help you increase your truck sales and profits.

Please call your Area Manager or Marguerite (888-261-7581) if you have any questions.