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### Dealers of the Month

#### May

Peach State Truck Center

#### June

Doonan Truck & Equipment of  
Wichita

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

**Take Note:  
We have added  
Water Pump Coverage  
to our Optional Turbo &  
Injector Coverage**

### Letter from the President

June 2009 was our best month in nearly two years. Growing awareness of our products and programs is a partial answer, but more traffic at used truck dealerships is more of a contributing factor according to dealership personnel we frequently talk to. The Southeast, Mid-Atlantic, and Midwest regions seem most active but the Pacific Northwest, too, is on the rebound. Transplanted Californians perhaps?



We still hear that getting financing is one of the biggest roadblocks to selling a used truck. While some of the more traditional sources of funding for used trucks have tightened up, local banks and credit unions who have a personal relationship with the buyer are still financing truck purchases. After every boom comes a bust and a return to sanity and conservatism. Neither "spending without conscience" or "lending without conscience" has ever worked for long.

New ideas are bubbling at Premium 2000+™. When you use the approach "how do we help dealers sell trucks" instead of "how do we sell our products and programs," the path to success becomes smoother. Helping dealers sell trucks has been our focus since day one. Our goal has never been to take money out of the middle of a truck sale transaction; it has been to add value to the sale to keep both the truck owner and truck dealer profitable. A lender is often involved in the transaction as well. Their exposure is less if the truck has a warranty because the buyer is less likely to default due to a catastrophic failure. We work with dealers and lenders constantly to keep borrowers making their payments and feeding their families. Over 150 different finance companies, banks, credit unions, and other funding sources have included our warranty as part of the loan docs.

Please visit our newly revised website at [www.Premium2000.com](http://www.Premium2000.com). We may have some products or programs you've overlooked that could help you sell another couple of trucks each month. We remain ready to assist.

Sincerely,  
Lynn Murphy  
President/CEO

**Please visit our newly re-designed website at**

**[www.Premium2000.com](http://www.Premium2000.com)**

**and see Premium 2000+™ "In Action"**

# MURPHY'S LAW



By Lynn Murphy

Being Irish means one must take Murphy's Laws seriously, and I do!

You should be aware of a couple of things before I continue. In my research for this article, I came across this quote: "One important fact about Murphy's Law was that it was not actually coined by Murphy, but by another man of the same name." Multiple websites are devoted to the laws. I must have suffered the con-

sequences of about half of them. Alright, I'll get to the point of this month's article.

Let's begin with the most basic of Murphy's Laws: "If anything can go wrong, it will!"

Consider this situation: One of our best dealers sold a truck and along with it, our warranty. The salesman gave the customer his paperwork including our warranty documents, and the happy customer goes down the road. The salesman put the file on his file clerk's desk for processing and went on his happy way to the next truck sale. The clerk filed the file away in the filing cabinet and went on her happy way.

Let's fast forward seven months down the road. The customer in our true story has a breakdown and calls us as he is supposed to do. He has his copy of the warranty in his hand, and we begin to process the claim per our standard procedures. But we have a little hiccup: We can't find the customer's name and truck number in our system. A couple of phone calls later we find out why. The file clerk at the dealership had processed the file *without* sending us the original signed warranty agreement, the checklist, or the check for payment.

Wow, did this create a mess! Unfortunately, the liability for this \$13,000 repair will ultimately fall to the dealer--Ouch!!

This could easily have been avoided. The dealer could have submitted this deal online via our website. This way we know a warranty has been issued and can follow up if the paperwork and payment are not received in our office. It is truly a CYA (cover your accountant) feature that can save a dealer from this situation ever occurring.

We were truly sorry that this situation ever occurred. Yes, a lesson was learned—the hard way.

Once again Murphy's Law prevailed and had to be dealt with. Who was this Murphy anyway? Visit the Murphy's Law websites after you do your next truck deal, and visit us at [www.Premium2000.com](http://www.Premium2000.com) to submit your warranties online.

May the luck of the Irish be with you and yours!

## *Who Said That?*

We would like to thank you and Premium 2000 for the above and beyond that you did for us. We will buy your warranty on all used trucks in the future. We thought it would never cover it, but it covered the inframe to 95 percent. Again thank you for the good service.

~ Frank Schmidt, Truck Owner, Black Butte Association

## Premium People



*This month, Larry Palkins, our National Sales Director, shares his story. As you can see, Larry has been a big part of the*

*Premium 2000+™ Family since the beginning!*

I had worked with Lynn Murphy for almost ten years, when, about eight years ago, we came up with a new idea for commercial truck warranties. We developed a warranty model that changed the way used trucks are sold: our trademarked "No Hoops," self-inspection concept. My task was to help get us off the ground and take that idea to the used truck industry. You liked it, told your friends, and we have now grown to over 700 locations. We never imagined we would set the new industry standard for used truck warranties. We are proud of that.

I've been in sales and sales management in the auto and truck market for thirty-two years. That's a long time. I think my longevity in sales has a lot to do with my positive attitude and high energy level. I'm the eternal optimist. The glass is always half full, never half empty. Ask anyone who knows me and they'll say I'm always cheerful; the "corporate cheerleader" as one colleague said of me not long ago. It wasn't a dig. He meant it as a compliment. I don't have time or tolerance for anything negative. I'm in sales! Attitude is everything!

I have several area managers under my wing, and I try my best to help them achieve their goals. If they achieve theirs, we

**Larry** continued on next page

## Sales Savvy

By Larry Palkins  
National Sales Director

### Time: Ally or Enemy? Making Time Matter

My hero, Napoleon, once said that the two most important strategies to winning a battle were space and time. He could lose space (area or ground) and even win it back, but he could never make up time. Waterloo was lost because of thirty minutes wasted.

Make time matter! The present day is important to you for this reason: You can waste it or use it, but no matter how you spend it, you've traded a day of your life for it. We usually don't think of time



like that, as we look up at the clock, waiting for the day to hurry by and get on to something else, like dinner or a favorite TV show.

I traded a day of my life today. What did I trade it for? Did I devote time to achieving my goals? What did I accomplish today with the sixteen waking hours given to me? Did I waste my time today? Some of it? Most of it? Whatever time I wasted is gone forever!

Remember that in sales especially, "Time is money!" Your very success may well rest on your effective use of it. So ask yourself: I traded a day of my life today. What did I get for it?

Make time matter!

**Larry** continued from page 2

achieve ours. Simple.

I have just been nominated to serve on the Board of Directors of the UTA (Used Truck Association). The UTA gave us a great start in this market, and many of our dealers are members. I would like to give back to the industry by bringing and implementing some fresh ideas about marketing, finance, advertising, and training.

On a more personal note, I live in Northern Virginia, the D.C. suburbs, with my gorgeous wife, Patricia. I love the Redskins, travel, and Napoleonic history—a quirky interest, but fun.

I know many of you, some for a long time now. We've become real friends. Thank you for that. To those of you who don't know me: my door is always open, so please call or e-mail and say hi. It's my pleasure to work every day with all of our great people and you, our partners.

I can be reached at [Larry@Premium2000.com](mailto:Larry@Premium2000.com) or 703-501-8646.

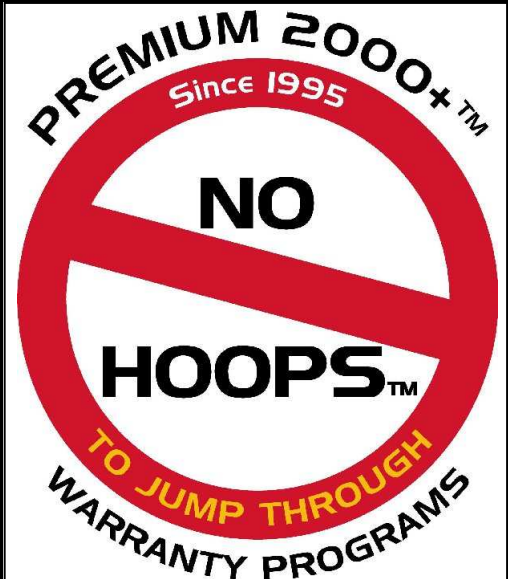
## Claims Corner

By Alan McDonald  
Director of Claims

We got a call a couple of weeks ago from a gentleman who was having a bad day. He was quite upset and did not give our claims tech associate much of an opportunity to talk to him or to help him. He owned several trucks, but one he had recently purchased was sitting on the side of the road. Our claims tech associate worked with him and, little by little, he calmed down and finally got his story out.

Well, to make a long story short, we discovered that this gentleman had not purchased our warranty coverage. In fact, he had not purchased any warranty at all. He had our pamphlet and had been offered the warranty when he bought the truck, but because he was purchasing a late model (2005 Kenworth), he decided he wouldn't need it. He admitted that he was "old school and didn't need any warranty crap" but was now thinking better of that. He was really surprised when our claims tech offered to help him find a tow and repair facility.

I'm still a little confused as to why he was so surprised that, even though he had not done business with us, we would still try to help him. Why not? Helping him find somewhere to take his truck may not be much, but it was still the right thing to do.



## Finance Forum



By Eddie Lunsford  
Finance/Insurance

Maintaining good credit or establishing credit is an important part of financial health. Especially in today's economy, a good credit history and high credit score can make the difference in whether you can purchase a truck or for that matter any other big ticket item.

- ◆ Good credit is all about the ability to pay and maintaining a good payment history. Credit cards can be a good way to establish a credit history if they are used responsibly. Use a credit card to make a purchase and then be sure to pay the balance due on time. This will establish a good payment record, which will look good to other creditors.
- ◆ It is important to establish a history for unsecured credit. If you carry many credit cards and keep a high balance, this will make your credit score lower. You need to stay at least 50 percent of the high credit amount to be in line. Also keep in mind that the number of open credit cards you have will also affect your score. Remember the better the debt-to-income ratio, the better your score will be.
- ◆ Installment loan history is also important to potential creditors. These are usually loans that are secured by something such as an automobile. Having both types of credit presents a balanced credit picture.
- ◆ If you have been denied credit, you should receive an explanation from the lender as to why. If the lender doesn't send you that information, then you can request the reasons for denial. You are also entitled to the credit report the lender used to determine your creditworthiness. You will need to review this report and make sure everything is accurate.
- ◆ After you have reviewed your credit report(s), you have the right to dispute the accuracy or completeness of any information in your credit report by contacting the credit reporting agency directly. Be sure to follow up to assure that any mistakes are corrected.
- ◆ Credit-monitoring services are available at a cost to alert you when changes are made to your personal credit report. These services monitor updates, show inquiries, or any other new information added to your file.

As a matter of course, you should review all of your credit reports every year. In fact, by federal law, you are entitled to a free credit report from all three credit reporting agencies once a year. This can be obtained at <https://www.annualcreditreport.com>. Requesting your own credit report does not affect your score.

Remember: the best credit tip available is to pay your bills on time!

## *Gateway Funding and Facilitation Services*

Having Trouble Getting Your Customer Financed?

Our Sources Are Among the Most Aggressive!

Call Eddie Lunsford at

800.622.2164

or e-mail:

Finance@GatewayFiSolutions.com



## The "Bear" Necessities



By Steve "Bear" Nadolson  
National Training Director

Many of us have to deal with trade terms in our transactions, both with buyers and sellers and even interdepartmentally within the dealership. The issue of enforcing trade terms with your customers can create a ticklish situation between you (the used truck department) and the new truck sales manager (the new truck department).

At the risk of coming off as lecturing, I would like to point out why trade terms exist and give some pointers as to how you can enforce them. Trade terms exist to protect the dealership. After all, trades are being taken in lieu of cash. So the trades must be turned into the used truck department in the condition that was agreed upon at the time the new trucks were sold by the new truck department.

You (the dealership) placed a value on the trades at the time of the sale based on the trades being in a certain condition at turn in. The best way to protect your dealership is with *written trade terms* agreed upon by both the buyer and the seller and signed by both parties involved. The more specific those terms are the less chance for misunderstanding when the trades are presented for turn in.

Enforcing those terms rests in the hands of the used truck manager and the new truck manager. Both parties must be on the same page when it comes time to inspect the trades for acceptance, and upper management must set policy in this area. This should not become a battle between the departments. This is where clearly written, signed terms become important.

It is not fair for the used truck manager to nitpick the trucks, but neither is it fair for the new truck manager to ask the used truck manager to overlook major deficiencies. The dealership loses when this happens.

Trades must be remarketed, and deficiencies can run up the cost of reconditioning the trucks for resale. Not only does this affect the used truck department's bottom line, but it also impacts the dealership's bottom line. I cannot emphasize this enough. Both department managers must work as a team to resolve trade term issues with the customer.

Now, this leads me to a question and an assignment. Please e-mail me examples of how this works in your dealership. Share some examples of trade term situations that you have been involved in and how they were resolved. Please give me examples of good and not so good situations. Is this an issue in your dealership?

As many of you know, I was a used truck manager for over twenty years and was confronted with trade term issues many times. I know resolving these issues can be a tough job. I am interested in how you handle them.

I will follow up in the next issue with some feedback on this matter. Rest assured I will not publish names or use examples of this feedback without your permission.

In the spirit of growth and education, I hope you will respond to this issue and a dialogue on this topic will result in real learning for all us. Please e-mail your response to me at [Bear@Premium2000.com](mailto: Bear@Premium2000.com).

*Steve "Bear" Nadolson is President of Bear Marketing Group, Inc. and offers sales and management training in person or through Web based training seminars. He can also be reached at [Bear@BearMarketingGroup.net](mailto: Bear@BearMarketingGroup.net) or by phone at 740-507-0717.*

Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.

— Mark Twain