

In This Issue

- ◆ Letter from the President
- ◆ Dealers of the Month
- ◆ Murphy's Law
- ◆ Premium People
- ◆ Sales Savvy
- ◆ Claims Corner
- ◆ Finance Forum
- ◆ The "Bear" Necessities
- ◆ Who said that?

Dealer of the Month

September

FYDA Freightliner
Cincinnati, Ohio

October

Top Trucks, Inc.
Bethel, Pennsylvania

**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

"Ten percent of the fishermen catch 90 percent of the fish." This old saying suggests that fishing is not a matter of luck, but that an art or science (or both) is involved in the process. Having the most expensive and elaborate fishing gear is not the answer, nor is having the biggest, fastest boat. Knowing where the fish are, when they are most likely to bite, presenting the proper bait, and then knowing precisely how to set the hook are how fish are caught. And so it is with used truck sales as well.

We see large dealerships that sell many trucks, but we also see large dealerships that sell few trucks. We see small dealerships that sell few trucks, but we also see small dealerships that sell many trucks. Selling many trucks requires proper planning, budgeting of advertising dollars, training of sales people, etc. Luck won't get it done; putting trucks on a paved lot and putting up a sign won't sell trucks. Because Premium 2000+™ doesn't sell trucks, I wouldn't dare offer too much advice as to the art or science necessary. But I believe I can add a tidbit: Offer a warranty on major powertrain components on every used truck sale.

Follow my logic for a moment: Our Claims Department currently pays out a substantial amount of money each month fixing failed engines, transmissions, rear axle assemblies, turbochargers, injectors, and water pumps (and the progressive damage associated). So, as we are all aware, trucks break down! Why do they break down? A myriad of reasons including factory defect, improper maintenance, poor driving conditions, poor driving habits. The list is endless. And realize this, an inspection, no matter how thorough, *won't prevent a breakdown*. An inspection *may* identify a component issue, but unless the issue is appropriately addressed the issue remains. I've always speculated about the costs of dyno testing trucks: How often is a problem identified; and once identified, are repairs made or ignored? Too often, considering the truck's purchase price, plus the inspection price, plus repairs or reconditioning, it is impossible to then sell a truck for an acceptable profit (or an acceptable loss as we've experienced since 2007). So, how many customers, who might have been repeat customers or referred others, are you losing due to breakdowns that might have been covered had you included a Premium 2000+™ Warranty in the sale?

Selling trucks "as is" can be safe. Chances are you won't be liable for expenses should problems arise, but is this effective selling? Probably not. Most likely you've sold your last truck to a customer, and all his friends and associates, if the truck breaks and the owner has to pay for the repairs. If



Letter continued on last page

MURPHY'S LAW



By Lynn Murphy

Two of history's greatest mysteries are: What happened to the dinosaurs? And, what happened to the dyno test as part of the truck warranty qualifying process? Remember that costly, time-consuming and most times inconsequential process just to see if a truck could *qualify* for a competitor's warranty? We still get asked, "Where is the nearest dynamometer?" from newly enrolled used truck dealerships. Well, like the dinosaurs, the dyno test is now ancient history.

One of our initial slogans was, "*We qualify the dealer not the truck.*" The concept was that a quality dealer would not intentionally deliver a bad truck to one of his customers. We were told by some that this approach was naïve and that we would be taken advantage of by the unscrupulous. Our rebuttal was that each dealer knew the costs related to finding a new customer and that retaining past buyers was more cost-effective than continuously searching for new buyers. Furthermore, the used truck sales business is a small place and word travels as fast, or faster, than freight; a dealership lives or dies on its reputation.

We had no interest in generating income by insisting that dealers dyno their trucks at our "partner's" facilities—we had no partners! We relied on actuarial tables to reveal our predictable losses and built our programs around those numbers. We thought it foolish to try to prevent every claim before it could occur—after all, without claims who would need a warranty? We didn't want to inspect ourselves right out of business. Most importantly, we wanted to bring warranty qualification costs down to make it more attractive to our prospects. A \$500 dyno test was a good place to start cutting those costs.

Surprising to others, but not to us, is that over the past ten years we have had to cancel less than half a dozen dealerships for too many losses. Ironically, one of the folks who warned us early about trusting dealers to do the right thing was our biggest abuser. But his poor business model was a reflection of less than 1% of the dealers we have partnered with. Dealers who are conscientious don't want that call from their irate customer who is stranded in Montana with a blown engine. The fact that we fix the truck is a great consolation, and the customer is thankful that the dealer sold him our Premium 2000+™ Warranty. The dealer, too, is thankful. His/her customer will buy another truck from him/her, and a dyno test won't be necessary.

So, Lynn Murphy's Law is this: "Simply: Keep warranty costs affordable, keep the inspection process uncomplicated, and pay warranty claims because that's the business we're in!"

Premium People



This month we introduce you to one of our Area Managers, **Kris Lunsford**. Kris joined Premium 2000+™

about 18 months ago, and although he is headquartered in the Atlanta area, he works with dealers all over the United States helping them to become more familiar with our Warranty Programs.

When asked about Premium 2000+™, Kris responded, "I only get involved in things I believe in 100% and Premium 2000 is something I believe in more than 100%. The people at Premium 2000 care about everyone who is involved with our company, from our smallest dealer to our largest. Everyone is treated with the same respect and nobody is overlooked."

Kris and his wife, Anna, live in Lawrenceville, Georgia, just north of Atlanta, with their 5-year old daughter, Jaci, and their two dogs. Besides keeping busy with Jaci and her activities with gymnastics and ballet, Kris plays softball and basketball and loves to watch college sports. Their most exciting news at the moment is that they are expecting a baby on May 25th. Congratulations!

Kris does a great job representing Premium 2000+™, and we are glad to have him as part of the team!

Please visit our newly re-designed website at www.Premium2000.com
and see Premium 2000+™ "In Action"

Sales Savvy

By Larry Palkins
National Sales Manager

A year is 12 months long. Isn't it?

Now I know that seems like a dumb statement. Duh, everybody knows that a year starts

on January 1st, and ends on December 31st. A year is 12 months. What I mean is a work year. If you think you have 12 full months to make your income, you may be surprised.

Right now, it's December. With the holidays, vacations, etc., many sales people just chalk it up as a loser month. The prevailing mindset is that nothing happens during December. Add Thanksgiving and you've given up about six weeks at the *end* of the year! If you've written off those six weeks, you've only got about 10 1/2 months left in the year.

Add in your own vacations, other holidays, and surprise inclement weather. January is slow after Christmas. Then come summer doldrums when schools are out and everyone else is on vacation. Other events may be out of

your control, like family emergencies, and illnesses sneak in as well.

Holy cow, Batman! After you factor in all of that, you may only have *nine* full work months to make your annual goals and income forecast. If you are a commissioned sales person, and most of you are, you must be focused every work day! Given that many things are out of our control, we must start January 1st like we only have nine work months to make our year!

If you plan on that and stay focused for the first nine months, you will have one heck of a year, I promise you! Enjoy the holidays, but get prepared for a nine month work year, and you will reap the benefits in 2010. Next year can be great, but only if we all get out of the block fast!

Like Satchel Paige, the old baseball pitcher for the Cubs used to say: "I keep my eyes lookin' straight ahead. I never look over my shoulder, 'cuz somebody might be catchin' me."

Same thing applies to time. Poof! Next thing you know, it's next December.

Thank you all for your business in 2009.



Claims Corner

By Alan McDonald
Director of Claims

You've just sold another truck! You've made a new friend, a longtime customer, and of course, added value to the deal by sharing the value of our warranty products with your customer. Through the process, you've answered so many questions you've lost count. Everybody's happy! But, just remember: The customer has a reason for so many questions.

That customer is looking at you not only as a sales person (a key point in a purchase) but also as an expert in your industry. They do not know it all! They are looking to you for guidance, your opinion and your knowledge. They are impressed with all you know about the truck you're showing them, the specs, the options, how it will do the job they need. You know your stuff! You are the man (or woman)!

However, don't just drop it there. For instance, consider the warranty. The more familiar you are with the warranty programs and the better you understand them, the more confident you will be in selling them. Your ability to answer all the customer's questions will be interpreted by your customers as a sign that you're on the ball! Take a minute and explain things like component coverage, maintenance requirements, how to contact us, etc. If you get asked a question about the warranty that you are not sure of or comfortable with, call us. Take advantage of our online training as well.

We consistently get remarks from customers that the "salesman did not tell me that!" Believe me: We know how tough it is to sell a truck today. We also know and don't forget the high quality of our dealers and their sales staff—you!

So, don't oversell or undersell the warranty products. Just by being familiar with and understanding the warranty programs, you can not only make yourself look better, but looked up to.

Your customer has purchased a truck for his or her livelihood and a warranty to partner with and to protect his or her business. Share your knowledge. Know your products. Help your customer be successful. Believe it or not, they're not only looking at you but to you!



Finance Forum



By Eddie Lunsford
Finance/Insurance

How do credit repair agencies work?

You've all seen the ads for companies offering to repair your credit. Credit repair agencies are a reality, and credit repair is perfectly legal in most states if the companies follow the federal and state laws governing this process. They are advertising in the media and spending millions of dollars to get your attention.

Credit repair companies basically work on your behalf and perform duties you could potentially do on your own if you had the time and the know-how.

If you are considering using the services of a credit repair agency, it is in your best interest to become educated in this process.

Some credit repair agencies charge a fee per item removed from your report. Others charge an ongoing monthly fee. You should read the terms and conditions of credit repair companies carefully to see exactly what services are offered and at what price.

Here is a basic outline of the process:

1. When you sign up for this service, you will be asked to sign a power of attorney.
2. The repair company will get all three major credit bureau companies to send your credit report to them.
3. When they receive these reports, they will review them and identify the items normally considered to be negatives.
4. Once they have identified the negative items in these reports, they will write dispute letters on your behalf questioning the validity of these items. They will sign your name and that's where the power of attorney comes into play.
5. The credit bureaus have to respond and perform their investigation. This investigation consists of the bureau making sure that what the lender reported is correct.
6. After the process is complete, the credit bureaus will update your files and send you copies. If they are unable to verify the information from the creditor or the creditor doesn't respond, then they have to remove the negative items.
7. The credit repair agency will track what was removed and can then generate another set of dispute letters if any negative items still remain.

This process continues as long as the consumer chooses to pay for these services. These services can be effective and are becoming more popular than ever.

This article is for informational purposes only. We are not advocating or endorsing the use of credit repair agencies and urge you to do your own research and use caution if you decide to invest in their services.

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
Corporate Training Director

Hiring used truck sales staff can be a trying and complicated process. During my career as a used truck manager I have been involved in all kinds of hiring processes: personality testing, hiring the owner's friend, advertising in Monster.com and in the local newspapers, taking referrals by friends and/or sales staff, and a myriad of other things.

"So what works best?" I have been asked. My answer is simply this: all of them. Wait, no—none of them! Well, some of them!

"What!" you say, "This answer makes no sense." You're right, it doesn't! Frankly, I have used profile testing and skill set testing and hired some very good salesmen. And, I have used profile testing and skill set testing and hired some real losers.

Just to get things going, let's explore a couple of actual examples from my hiring experience files.

Example #1: I tested an applicant (a company requirement), and the personality test results were the worst I had ever seen. The corporate personnel manager called me and said that while the final decision was mine, he would recommend that I did not hire this applicant.

Now I was in the throes of a real dilemma. What the testing told me versus what I knew about this applicant just did not add up. This guy had a great personality, kept his appointments with me, was articulate, had good selling skills, was neat, and presented himself very well. In checking with former employers I found that his prior history in sales was solid. Now what?

My gut told me that this guy would be a good salesman but testing indicated otherwise. Looking for answers, I discussed and shared his test with him. After viewing the results he commented "According to this I am a thumb-sucking, bed-wetter and should be curled up corner." I laughed and hired him right then.

Was I crazy? Well, apparently I was not. He became one of my best salesmen and was hired several years later by a competitor. He is now a successful used truck manager at an OEM store.

Example #2: I tested a job applicant who applied for a sales job via Monster.com. Profile testing and skills testing were impressive. He dressed neatly and had a good personality. His references checked out. The corporate personnel manager recommended that I hire him. He looked good on paper so I hired him. I was soon very sorry I had invested the time and the money to train him.

He lasted until his first paycheck, and then I didn't see him for a couple days. He told me he was sick. This behavior continued. It took me a while to discover he had a drinking problem. Profile testing cannot determine if someone is an alcoholic. I have no idea what this individual is doing today. I hope he took steps to deal with this problem and has been able to straighten out his life. And, yes, I had the men in both examples tested for drug and alcohol use.

I guess you can see why I am conflicted when it comes to personality and skills testing. To be fair and balanced, I must admit that in many other instances such testing proved to be a valuable tool, but in my opinion, they are just that—one of many tools one can use to make a hiring decision.

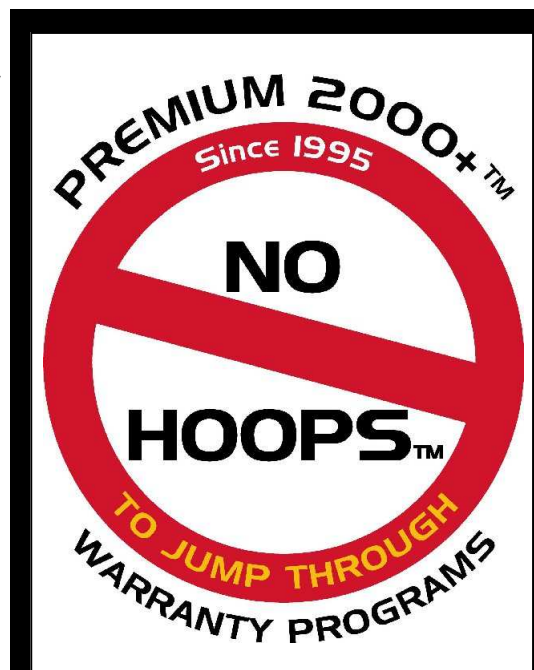
As I am writing this, I have come to realize that this topic is too big to fully explore in just one article, so I am going to stop here and delve into other aspects of hiring in future articles.

In the interim, I ask you to share some of your experiences with me by e-mailing them to me. Collectively we all have experiences to share, and I would really like to hear about yours.

I hope that by the end of the series of articles I plan to write, some insight into hiring will have been exposed that will help you. Stay with me as I continue this exploration into hiring over the course of the next few months.

Please send your experiences 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.



Who Said That?

We get testimonials every month from satisfied customers and dealers. This one is particularly interesting.

Recently, a dealer called to talk to us about a claim we had denied; as a Premier Dealer, he asked us for some help. After reviewing the claim and determining that this dealer met the criteria for some goodwill under our Premier Dealer Program, we resolved the situation. The dealer, the customer, and the lending institution were all pleased with the outcome.

After several emails back and forth with our Area Manager, Mike Spillman, the dealer sent us the following e-mail:

Yes, I think it's all working out. I want you guys to understand that us and ABL (the finance company) know that Premium 2000 did not have to do anything. The fact that you did makes me even more glad we signed up with you guys so many years ago now. Thanks for everything.

— Reggie Erwin, TMC Truck Sales

We were happy to be of assistance in getting this customer back on the road!

*Best Wishes for a Merry Christmas
and a Prosperous New Year*



From the Premium 2000 +™ Family

Letter continued from page 1

the owner can't pay for the repairs you lose another truck buyer forever and you have to spend a lot more dollars for advertising to find new buyers. This can't be effective use of dealership advertising dollars. *Advertising is supposed to be used to find and add new customers not to replace lost ones.*

Truck buyers know that trucks break down. There are several ways to plan and budget for breakdowns: (1) The dealer can put aside monies from every sale and take care of his customers, (2) the truck owner can do likewise, or (3) a warrantor can be involved who can take care of the problem 24/7 and keep repair costs in line. Option 3 would seem to be the most effective (and most likely to actually happen). Premium 2000+™ is the easiest, least expensive, and most comprehensive set of warranty programs you will find. Shouldn't you be offering a Premium 2000+™ Warranty Program on each and every medium and heavy duty truck you sell?

Sincerely,
Lynn Murphy, President/CEO

RISE TO THE TOP
with
PREMIUM 2000+

WARRANTIES

*When the Mirrors & Magic
Are Gone...
And the Smoke Clears...*

**PREMIUM 2000+™
RISES TO THE
TOP!!!**

