FARWEST DEALER

July | August 2019

16 **INSIDE: 2019 FWEDA Experience**
72nd Annual Convention Preview
Nov. 6-8 Tempe, Arizona

THE TAX MAN WANTS MORE

23 **Wayfair test businesses, new compliance benefit helps**

GEARMORE® IMPLEMENTS

15 Implements For the Care and Maintenance of Vineyards

Vine Trimmers

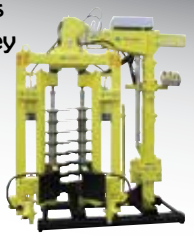
- Available in half row, one row, and two complete rows
- Features stainless steel blades that never need sharpening

Leaf Removers

- Available in single or double defoliation heads, in row or over the row mountings
- Featuring 3-pt. air compressor with low pressure air that shatters the leaves

Prepruners

- Cuts the long canes small eough that they fall through the wire for easy clean-up
- Featuring unique magnetic sensors for opening and closing the cutting heads



Venturi Air 3-Pt Hitch Models

- More uniform spray particles with fog sized droplets
- 3-Point hitch - 75, 100, and 150 gallon models
- Distribution heads available to match a variety of foliage profiles

Trailer Mounted Venturi Air

- Spray twice the acreage per day
- Entire plant evenly covered with spray
- Trailer - 300 gallon

Trailer Wrap-Around Boom

- Less chemical run-off means better spray utilization and savings
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3-Point Compost Spreaders

- Spreads wide range of materials such as: compost, peat, lime, gypsum, etc.
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3-Point Hitch Sulfur Dusters

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Vineyard Incorporators

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- Tilling produces loose textured soil that holds moisture and reduces erosion
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Soil Conditioners

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- Widths available from 4' to 8' to fit all popular vineyard rows

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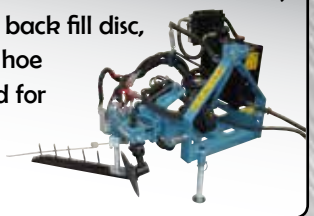
- For tractors 20 to 50 horsepower

In-Row Cultivators

- Four different attachments - blade, power disc, back fill disc, and rotary hoe
- Sensor rod for automatic implement retraction



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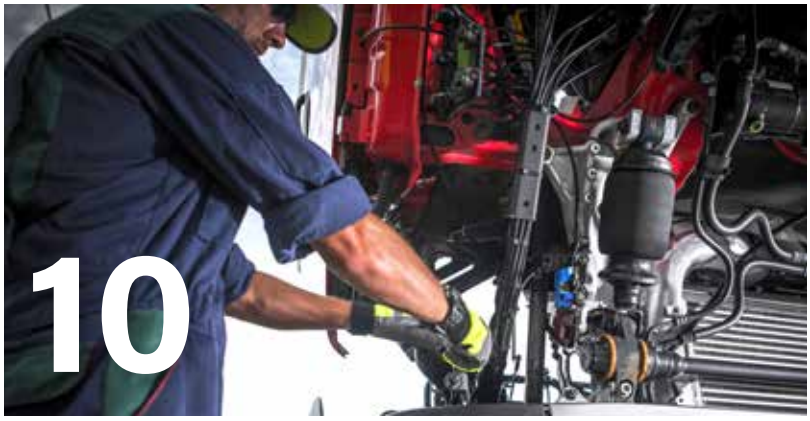
FARWEST DEALER

2019 Convention Preview

Far West Equipment Dealers Association presents "Company, Culture & Solutions: The Future of Selling," at its 72nd Annual Convention.



Right-to-Repair

Equipment industry advances tools for customers to diagnose and repair machinery. FTC hosts July 16 "Nix the Fix" workshop.

Managing technological change

To keep pace, leverage technology to gain a competitive edge.

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Follow the Leader: Does your team share your vision?

From the *Chair*

Today's job market is an eye-opener for many dealers. A shortage of skilled, qualified candidates coupled with a good economy and a push for higher wages demands inspiration when it comes to attracting and retaining talent.

Contrary to a belief that millennials tend to be job-hoppers, the next generation of equipment leaders expects to build meaningful, rewarding careers that make them want to stay with our companies and in our industry. It made me wonder whether our industry is responding accordingly.

Employees evaluate whether we are the leaders (managers) they want to follow, and they want us to invest in them. A young individual I view as a future leader in my company asked me to help provide the building blocks and chart a pathway to advance in this business. It surprised me because no one has ever asked that before. Although he observed that compensation is good, he prefers to work toward specific goals that steer the business to measurable success.

Our response should include:

- Developing a vision to guide internal decision-making and engage employees in a company's leadership objectives
- Creative thinking to transform a potential problem into a solution
- Giving back – to receive we must first give our time and talents to cultivate the workforce inside our own businesses
- Being a mentor, working with local schools/FFAs, trade schools and tech programs demonstrates our commitment to future leaders
- Providing financial support for education in exchange for a role in your company upon successful completion

We need to professionally develop these young people with good structure and growth opportunities.

Leading them with great team-building activities, recognition and rewards will improve our businesses and provide a more appealing place to work.

We invite dealers to engage on these topics during our 72nd Annual Convention, Nov. 6-8 at the Phoenix Marriott Resort, Tempe, Arizona. Our 2019 FWEDA Experience — Company, Culture & Solutions: The Future of Selling, features an exceptional slate of presenters whose expertise speaks directly to where the industry and its leaders are headed.

Look forward to seeing you in Arizona.

Members top of mind for FWEDA staff

In an ongoing effort to improve FWEDA's member experience, we're pleased to announce that Jason Peacock has been appointed Membership Experience and Business Development Coordinator.

Peacock has provided administrative, membership and marketing support for the past five years at FWEDA. He assumes his new role August 1.

Peacock will oversee Membership and Marketing Services, and support FWEDA's Ambassadors Club, which facilitates membership onboarding, recruitment and retention.

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FARWEST Dealer
Vol 29 | Issue 04

Cover photo: Vintage Uncle Sam Poster by James Montgomery Flagg

Equipment Dealers Association Gathers Industry Data

One of the primary activities of the Equipment Dealers Association is the collection and dissemination of industry specific data to its dealer members and regional affiliate associations. In addition to the biennial Compensation and Benefits survey and annual Dealer-Manufacturer Relations survey, EDA takes the pulse of dealers throughout the year relating to government relations, workforce development and other issues important to dealers.

Industry Trends Survey

EDA has recently initiated a new and ongoing Industry Trends Survey designed to capture and track inventory and sales trends on a quarterly basis. Data is collected from dealers across North America related to their new and used sales and inventory. We have compiled those results into the first of many Quarterly Reports with the initial report sent via email to EDA and Far West dealer members. EDA will continue to conduct these surveys quarterly and requests dealer-member participation – the more data we collect, the more accurate and helpful the report is. The survey schedule will be as follows:

• 10th of the month following quarter close: Dealers receive a survey link (April 10, July 10, October 10, January 10)

• Survey remains open through the end of that month

• 10th of month following survey close: EDA Members receive the survey report (May 10, August 10, November 10, February 10)

As this survey garners more participation, some of the data will become exclusive to those who complete the survey. Some baseline data will remain complimentary for all EDA members. Non-members will be able to purchase the full report.

Dealer-Manufacturer Relations Survey

EDA has surveyed and tracked dealer sentiment regarding their relationship with their primary manufacturer lines for the past 20 years. This survey allows equipment dealers an opportunity to rate the companies whose products they represent on 11 key categories of dealership operations and support plus a separate rating for Overall Satisfaction.

This report contains valuable information about the relationship between dealers and their suppliers. Both manufacturers and dealers have found the data beneficial in improving product and service quality and promoting top-ranked products to consumers.

Many manufacturers have used the survey results to promote their performance to their dealer network and end-users. They have also used the results as a means to support change and improvements within their organizations. Dealers have used the results to evaluate potential new product lines for competitive comparisons with brands they currently handle and to communicate areas of strengths and needs for improvement of their represented manufacturers.

This comprehensive survey report is distributed to EDA and Far West dealers as a benefit of membership. The report is also shared with the 59 companies rated in this year's report. Non-members can purchase the report.

The companies rated in the report received a minimum number of responses necessary to provide meaningful data and analysis of results. The brands included in the report reflect the diversity of products sold and serviced by dealers. In 2019 EDA received a record number of responses from dealers throughout North America. There were 2,516 individual dealer contacts who participated in the survey up 13% from 2,224 last year. Dealer responses were received from all 50 U.S. states, 10 Canadian provinces plus Puerto Rico and the US Virgin Islands. Manufacturers received 9,087 individual dealer ratings up from 8,800 from last year.

If you have any questions regarding the EDA surveys please contact he EDA office at 636-349-5000.

– Equipment Dealers Association

2019 Cost of Doing Business Survey

HBK's Dealership niche led by Rex Collins (CPA, CVA) is compiling and analyzing information as part of the 2019 OPE Cost of Doing Business Study. The study will assess the financial performance and condition of outdoor power equipment (OPE) dealers for 2018 based on the data received by all participating dealers. As with any industry study, the strength of the final product improves with a strong population of data. As a manager and/or owner of an OPE dealership, you have the power to help make this study a huge success for the UEDA organization and the industry itself.

All participating dealerships will receive a free copy of the final report which includes key financial performance ratios and benchmarks for your dealership, your market and the overall industry. The overall time commitment to participate in the survey should take the dealership 5 to 10 minutes.

In order to participate, please fill in your information in the table below. We also ask that you provide us with your detailed 2017 and 2018 departmental income statements and balance sheets. These items can be provided through the survey or emailed securely via SafeSend here. You may also fax your forms to (330) 758-0357.

HBK strives to provide the association and industry with a reliable and meaningful report. The more accurate the data you send, the better. HBK may reach out to the contact listed below with any questions on the data submitted.

T&E Scholarship deadline Sept. 1

The Tractor & Equipment Association awards a $1,000 scholarship annually to a student in FWEDA's territories of Arizona, California, Colorado, Hawaii, Nevada or Wyoming. Visit https://www.fweda.com/tractor-equipment/ to complete the application. Applicants must be a freshman through senior Ag student enrolled in a college, junior college or a Tech School to be eligible for the scholarship. High school graduates are also eligible for consideration. Graduate students are not eligible.

Preference is given to individuals in ag mechanics, engineering and related hands-on tractor and equipment studies, although all related agriculture majors may apply. For more information or to submit the application fax to 818-587-5924 or email sfiack@thezenith.com.

The equipment industry's everchanging landscape demands company leaders focus on **THREE KEY** areas of training that are crucial to **THE SUCCESS OF ANY DEALERSHIP:**

1

ABSORPTION FACTOR

As conditions tighten for equipment sales, it's imperative that parts and service departments produce sufficient income to absorb all dealership expenses. Do your employees know what defines 100 percent absorption? Are they aware of the best practices to achieve it?

2

CUSTOMER EXPERIENCE

Exceptional customer service is the key to building and retaining client relationships. Do your employees know the difference between an order-taker and a solutions provider? Are they aware solutions providers create value for the dealership?

3

WORKFORCE DEVELOPMENT

A well-educated, efficient workforce requires a substantial commitment of time and financial resources. Does your dealership have the right culture to recruit and retain key employees? Are your employees key to the progress and success of your dealership?

FW Coaches specializes in adapting our programs to your company's needs. FWEDA's partnership with **The TRAINING A.S.P.E.C.T.** offers a tailored coaching approach to providing your dealership with the necessary skills and solutions to achieve profitable and successful results. Contact us at **800.576.8850** or email us at **info@fweda.com** for a free consultation, or to schedule a customized training session.

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Q&A ASK FWEDA'S BOARD

What is your dealership doing to improve company culture and advance recruitment and retention in the equipment industry? Please explain the pros and cons of your approach.

RUSSELL BALL
District Manager
21st Century Equipment
Cheyenne Wells, CO

We have changed our pay structure for our service techs. We make it easier for our newer guys to make some better money while they're learning. And we implemented a company profit-sharing plan to try to engage everyone in the overall success of the company. Pros are we hope to have more engaged employees. Cons are the hits to the P&L.

BILL GARTON
President
Garton Tractor, Inc.
Turlock, CA

- Continually improve communication methods
- Recruitment from local colleges
- Retention – by having a good company culture and competitive pay.

NATHAN GREEN
President
Belkorp Ag, LLC
Modesto, CA

With unemployment as low as it is these days, we work hard every year to improve our culture and improve retention. We do an annual survey of all employees to measure their engagement and develop a specific action plan for the year based upon the feedback in the survey. To improve communication we send an employee newsletter to every employee's home each quarter and use Microsoft Teams for more informal, rapid communication. We have an employee recognition program which leads to employees of the year at each of our locations. We also have an employee task force with representatives from each location and department. They have a conference call monthly to go through specific issues they see. Last year we completed 122 tasks recommended by the task force. For employee retention, we have a policy of trying to promote from within and post all jobs internally before advertising externally. My guidance to the hiring manager is that a tie always goes to our employee over an outsider. We also have an employee referral program whereby if an employee recommends someone for a role and that person is hired, the recommending employee receives financial compensation. We have found that this has resulted in higher quality hires at a lower cost than utilizing a headhunter.

KEITH GREENWOOD
COO
Stotz Equipment
Bluffdale, UT

Recruitment and retention are critical. Everyone wants to have opportunities for growth. We want to feel valued and engaged in something meaningful. To recruit and retain we have to provide employees an environment that fosters those emotions.

On retention, just over a year ago we introduced the Clifton Strengths model into our organization. This is a strengths-based approach to management and leadership. The basic philosophy is that when we focus on building on the strengths of each employee you will get happier, more engaged employees and thus better results. Initially we rolled this out to the executive team, then to the store managers, and now we have had all of our department managers take the Clifton Strengths assessment. Eventually every employee in our dealership will have taken the assessment and discovered their unique combination of strengths. We really believe that this strengths based approach with our employees provides the perfect setting for greater team collaboration and achieving optimal performance at work and in life.

On recruiting there are many tools in the toolkit.

BOARD TALK Continued on page 9

BOARD TALK

BOARD TALK Continued from page 8

We have a depth chart where employees can recommend anyone they know, even if no current opportunities exist. This allows managers to create relationships when there are no current openings and move forward with job openings. There are different bonus level payouts depending on the position. We sponsor technicians at John Deere and local universities, we are involved in the FFA, high school and college career fairs, manager trainee program, and community involvement.

ERIC MASON
President
Mason Machinery
Aurora, UT

It's funny you ask this. It is a big focus and project in our organization right now. We have started a program we hope will be better for the culture of our business. Simply, you have to recognize, reward, and reinforce your employees. We have a manufacturer working with us right now over a two-year period. It's our "Growing Dealer Profitability" program. They have interviewed all my employees and surveyed over 1,000 customers asking pointed and specific questions about Mason Machinery and how we do business. We met with representatives to discuss the findings, as well as roundtable discussions over the next several months to improve the culture and brand of our business through measurable and attainable goals. Culture starts with leadership and development of your employees through a vision and a mission to get there.

We have started to get involved with the local FFAs around us to start recruiting and sponsoring certain kids through a college program with a commitment back to the dealership after they graduate.

MIKE METH
General Manager, Ag Division
4Rivers Equipment
Greeley, CO

We work every day on recruitment. Without a good culture recruitment becomes harder and retention almost impossible. Our approach with recruitment is working with many sources. For example we work closely with FFA, 4H and Young Farmer organizations to show the upcoming generations there are needs in agriculture. Not only on the farm but in equipment dealerships and manufacturers of Ag equipment. We also work closely with local colleges to help educate in the Ag world. Another area we work hard at is the military. We are fortunate to have five military bases in our AOR. We have programs to work with men and women leaving the armed forces to start a career in Ag.

BRIAN POTTER
General Manager
Quality Machinery Center
Tulare, CA

Morale is a challenge for any business, we reward positive attitude and excellent work. Employees need to know they have a purpose in the business, and without them we cannot grow. We are involved in all local FFA, 4-H, and Vocational Ag events. Being involved in events, it has helped brand our company as a leader in the agriculture industry.

BRENT SCOTT
General Manager
M & S Equipment, Inc.
Coolidge, AZ

This is a great question and one as a company that we realize the importance of addressing. As our employee base matures in age, we recognize the necessity of hiring and training a younger workforce. Identifying the areas that will attract the best employees as well as encourage retention are significant and diverse. We recognize that our employees are our best recruiters in finding quality employees.

By focusing on employee satisfaction and advancement opportunities, we have previously been successful with employee retention and recruitment. With company growth further away from existing dealerships we realize that we need to additionally find new, successful ways for recruitment.

EQUIPMENT INDUSTRY ADVANCES TOOLS FOR CUSTOMERS TO DIAGNOSE AND REPAIR MACHINERY

This is the final article in a series related to Right-to-Repair, a movement that seeks unrestrained access to equipment tools and technology. These articles address the Right-to-Repair vs. Right-to-Modify machinery, the potential impacts that compromise safety and emissions standards set by state and federal governments and the ramifications consumers face by altering equipment.

The equipment industry is committed to providing the necessary tools to diagnose and repair equipment to reduce downtime and increase productivity. Machinery manufacturers and dealers have a vested interest in meeting end user needs so customers can focus on growing successful businesses.

Major and shortline manufacturers and dealers demonstrate their support for a customer's right to repair machinery as memorialized in a statement of principles authored by manufacturers and equipment dealers across the country:

"To the extent not already available, the maintenance, diagnostic and repair information listed below will be made available to end users through authorized agricultural dealers at fair and reasonable terms, beginning with tractors and combines put into service on or after January 1, 2021. End users will also be able to purchase or lease diagnostic tools through authorized agricultural dealers. Certain information and tools may be available earlier."

Dealers are committed to provide access to:

- Manuals (Operator, Parts, Service)
- Product Guides
- Product Service Demonstrations, Training, Seminars or Clinics
- Fleet Management Information
- On-Board Diagnostics via diagnostics port or wireless interface
- Electronic Field Diagnostic Service Tools and training on how to use them
- Other publications with information on service, parts, operation and safety

Many of the necessary tools to diagnose and repair equipment are

'RIGHT TO-REPAIR' HITS THE CAMPAIGN TRAIL

Nixing the Fix
A workshop on repair restrictions

9 a.m., July 16, 2019
Constitution Center
400 7th St SW,
Washington, DC 20024

Candidates in the 2020 presidential race propelled the "Right-to-Repair" movement onto the national political stage when Democrat Elizabeth Warren and Independent Bernie Sanders took policy positions to attract rural voters in what promises to be a fierce election.

Warren went public in March with promises to "level the playing field" by proposing "right-to-repair" legislation targeting only farm equipment, which directly affects a constituency lost by progressives in 2016. Sanders chimed in on Twitter in May: "Farmers are unable to repair their own tractors or other equipment because of the greed of companies like John Deere," Sanders proclaimed on Twitter in May. "That is truly insane and we're going to end that."

Warren outlined the proposal on her Medium page: "I strongly support a national right-to-repair law that empowers farmers to repair their equipment without going to an authorized agent. The national right-to-repair law should require manufacturers of farm equipment to make diagnostic tools, manuals, and other repair-related resources available to any individual or business, not just their own dealerships and authorized agents. This will not only allow individuals to fix their own equipment — reducing delays — but it will also create competition among dealers and independent repair shops, bringing down

RIGHT-TO-REPAIR Continued on page 12

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FARWEST EQUIPMENT DEALERS ASSOCIATION

RIGHT-TO-REPAIR Continued from page 10

already available for consumers who want to use them. Nevertheless, customers more often choose authorized dealers to provide parts and service to ensure qualified and expedited results. In cases where the balance of tools and technology are working to catch up in the marketplace, industry leaders assure consumers they are making strides.

R2R RESOURCES

For detailed information on Right-To-Repair visit:

www.fweda.com/r2r

"Farm equipment manufacturers and their dealers recognize their customers' maintenance and repair needs, and are committed to providing them with the service they require. By 2021 – or in some cases sooner — manufacturers will provide diagnostic and repair information and tools to farmers," Stephanie See, director of state government and industry relations, Associated Equipment Manufactures (AEM), said.

"Fulfilling this commitment is a complex undertaking and manufacturers are in varying stages of research, design, and testing to meet the approaching self-imposed deadline," she said. "We remain committed to preserving the integrity of equipment and the significant investments manufacturers make in developing the next generation of farm equipment."

The equipment industry supports these efforts in myriad ways, and we encourage end-users to find resources and follow our progress at www.fweda.com/r2r:

• Industry leaders demonstrate diagnostic and repair tools to farmers, ranchers and contractors across the country (https://www.aem.org/news/aem-cohosts-newhampshire-right-to-repair-demoday/); Wyoming and California dealers provided similar opportunities in the past 18 months, convincing lawmakers and constituents that proposed right-to-repair legislation is unnecessary

• We advocate at the state and national level for increased funding, resources and construction of infrastructure and broadband access to address the demands of technology and consumer needs to sustain agriculture and construction vital to our stakeholders

• We are steadfast in developing a workforce of the future; we champion grass-roots efforts extending nationwide to partner with agencies and organizations that rely on a qualified workforce to build and maintain healthy, thriving communities in which we live

Equipment dealers value customer relationships. We are here to serve and support you. Please do not hesitate to contact your dealer or Far West Equipment Dealers Association for more information and resources about your right to repair.

Joani Woelfel is president and CEO of Far West Equipment Dealers Association. This article appears in Wyoming Agriculture*, a publication of the Wyoming Farm Bureau.*

prices overall."

In early March, the Federal Trade Commission announced it will host **Nixing the Fix: A Workshop on Repair Restrictions, scheduled at 9 a.m. EST/6 a.m. PST, July 16** in Washington, D.C. to "examine ways in which manufacturers may limit third-party repairs." **The workshop will be streamed live on the FTC website and will be live tweeted using the hashtag #nixthefixFTC.**

The FTC said it will focus on how manufacturers may limit repairs by consumers and repair shops and whether those limitations affect consumer protections, including consumers' rights under the Magnuson-Moss Warranty Act. The workshop will discuss issues that arise when a manufacturer restricts or makes it impossible for a consumer or an independent repair shop to make product repairs and whether such restrictions undercut the Warranty Act's protections, the FTC said in a statement.

In preparing for the workshop, the FTC sought "research and data, rather than opinion pieces on law and policy" to frame the issue. The agency said it's looking for information specifically related to repair restrictions and the impact on the market.

Workshop panelists are largely advocates for "Right-to-Repair" legislation who hailed Warren's proposal, and representatives from consumer electronics companies and organizations. The Equipment Dealers Association (EDA) declined an invitation to participate:

" ... the panel is aimed at, 'ensuring competitive repair markets for consumer goods.' [emphasis added]. Agriculture equipment manufacturers and dealers are empowering customers to choose how their equipment will be maintained and repaired. Our industry has voluntarily committed to providing customers the tools and information needed to properly, safely and legally diagnose and repair their own equipment. Some manufacturers already are providing that information, and by 2021, all customers will receive that information across manufacturing brands.

"With all of this in mind, our voluntary Industry Commitment relates to products which our customers buy for commercial purposes. Our products are not consumer goods (such as personal computers and cell phones) and have wholly distinct concerns related to emissions, safety and liability issues. Activists pushing 'Right to Repair' legislation appear to be seeking unfettered access to the software that governs on-board technology in sophisticated farm and construction machines and equipment, putting the safety and security of all at risk. Such legislation also would allow tampering with engine controls (also called 'chipping' or 'tuning'), which is illegal under the Clean Air Act, and which illegal conduct recently cost one company $6.25 million in fines for excess emissions. Beyond running afoul of federally-mandated safety and emissions requirements, these practices undermine manufacturers' innovation and intellectual property. While the equipment industry supports customers repairing their own equipment, we do not support breaking federal safety and environmental laws or unnecessarily exposing the public to security risks."

EDA and the Association of Equipment Manufacturers

RIGHT-TO-REPAIR Continued on page 24

We Think it's Time to Invest in CRM

How Do We Know Which CRM Software to Choose?

Gene Marks
Founder of The Marks Group

Thinking of getting a customer relationship management (CRM) software? Just wait.

Yes, CRM applications can provide a huge value, regardless of your company's size. We've implemented hundreds of CRM systems in the 20+ years our firm has been in business and we've been part of some very successful projects. Unfortunately, we've also been part of our share of failures too. These failures are 100% my fault. Why? Because I didn't do a good job advising my prospective client.

So now I'm going to advise you...on how to buy the WRONG CRM application for your business.

For example, you get caught up in all the features. The fact is that today's CRM market is made up of hundreds of applications and many of them are very mature. Because they're mostly cloud-based, these vendors watch each other like hawks; so, when one adds a feature, you can bet their competitors will roll out similar functionality within days. You can buy any one of a number of the mainstream products (Salesforce, Microsoft Dynamics, Sugar, Zoho, Nimble and others) and you'll be fine! In fact, the features will probably be overkill. Don't focus so much on the features. Focus on the look and feel. Focus on the company behind it. And focus on some of the other things I'll mention below.

Or, you expect miracles. No, you don't sign up, sweep your fingers over your keyboard like Chopin and expect your CRM application to magically produce more sales and profits. CRMs take hard work — work that many of your people might currently not be doing. Are they logging in notes from every call? Scheduling follow-ups for every customer and prospect? Updating demographic information and notes? In the end, all of these CRM systems are just glorified databases, and if your process for getting data in and out of your chosen application is inferior, then you're going to have an inferior CRM system. Don't buy one until you figure this out and get everyone to buy in. Maybe you forget to work with a partner. All good CRM systems have good partners. My firm is a certified partner for a few CRM applications, which means we're trained to provide the best advice for getting the most value out of the products we sell. I've also learned to give objective advice to prospective customers and regularly recommend CRM applications we don't sell because they're a better fit. Face it - you're not an expert with CRM. You're an expert with your business. Ask the CRM vendor, search LinkedIn or get a recommendation for a good, trusted, certified CRM partner for the products you're researching and have them show you the good, bad and ugly, assuming they're honest.

Or you get a vendor reference...from the vendor! So, let me ask you: When a prospective customer wants a reference, do you give them the names of your three worst customers? Of course not. So why would a software vendor do the same? Here's a trick I've learned: Suppose you really like a CRM application and it's called "ABCRM." Great. Now go to a job search website like Monster or Indeed. Search for jobs where the employers are looking for people who have experience with ABCRM. That tells you that ABCRM is being used at that company. Call them up. Ask to speak to the sales or office manager, and then find out what they think of the application. People like to talk. You'll get objective feedback from a real life customer that hasn't been spoon-fed to you from a software salesperson looking to meet a quarterly quota.

Finally, you wimp out on demos. Getting a demo is important before you buy a CRM system. The salesperson does this all day. He or she knows which minefields to avoid and what questions to deflect. I know this because I do it. But my smartest prospects aren't wimps. They beat me up. They have me do multiple demos to various groups in their company. They send me their real-life data and ask me to do real-life things that match their real-life processes so they can see how the system functions. They demand a free license so they can practice on their own, and then they bury me with questions. And you know what? I love it. These are smart buyers, and I know that if they pull the trigger on one of the products I sell, they've done their due diligence and won't be a problem down the road.

So go ahead, get a CRM system. If it's implemented the right way, you'll see how critical follow-ups never fall through the cracks, key information is shared by everyone in your group and everyone in your community — prospects, customers, partners, vendors — are better served. You'll also be building a valuable asset — a database — that will be of interest to future buyers, investors or partners. But, please, don't do any of the above things. Because if you do, you won't be able to take advantage of these benefits.

– Growth Studio, Good Company

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Colorado
(620) 923-6652

Ryan Kruger
Utah
(208) 488-0322

AgDirect is an equipment financing program offered by participating Farm Credit System Institutions.

Family Owned means Family Values

By Enjoli Johnson

Building enduring and trusting relationships with customers and the community is what family-owned Brown Company is all about. Brown proudly planted its small-town roots in Wheatland, Wyoming, in 1995. As a family-oriented company, leaders operate from their key founding values:

- Family First and Fair
- Accountable with Awesome Attitudes
- Measure Ourselves
- Take Initiative and Get Involved
- Learning Always
- Yes We Will!

Brown Company has spent the past 24 years developing quality relationships in their community. They take pride in being locally and family-owned, and they model their values among employees and customers.

Owner and President Trevor Bekken says "service after the sale" means everything. Doing so demands knowledgeable staff willing to go the extra mile, he said. Brown offers a full line of hay and forage equipment, lawn care, tillage equipment, lawn tools, ATVs and Ranger utility vehicles, and tractor accessories.

Nicknamed "Proud Brown," their locations treat customers to food and beverages, catering to the season with raffles, merchandise and attire. Employees greet customers with a smile ready as soon as customers walk through the doors.

They offer their community, knowledgeable, quality and specialized customer service. Brown also serves its local community taking to heart their values by "taking initiative and getting involved."

Brown CO supports local school sports and community events, sponsoring informative workshops, supporting local banks, providing information on town festivities, hosting entertainment, and supporting fellow businesses.

Twenty-four years later, the reins were handed down to the third-generation owner, son-in-law Wyoming native Trevor Bekken. The company blossomed into three Wyoming-based stores since their early '95 established roots.

Getting his own feet wet, Trevor worked closely with his father-in-law, John Bunker, to learn the ins and outs of continuing to grow the family business. Trevor started by working on ranches. Bekken credits his determination and drive for building solid relationships with customers and the community to his father-in-law. "It was John who taught me everything I knew before he passed too soon, in 2011."

As an owner, Trevor passionately strives to preserve family values in an industry that's rapidly expanding and falling out of touch with family-owned businesses. Trevor says experience, honesty and a willing attitude preserve the company to better serve customers in a changing market. They go all out to make it easy to do business with them. "We're a family," he said, adding an emphasis on never losing sight of that. With an eye toward expansion, Brown CO is looking to build on their success and sustainability.

BROWN company

Established: 1995

Owner: Trevor Bekken

Employees: 44

Major Lines: New Holland and Massey Ferguson

Other Lines: Polaris, Kuhn, Vermeer, Haybuster, Great Plains and various short lines

www.gobrownco.com

866.532.2426

Welcome to the 2019 FWEDA Experience

Innovation and technology are drastically changing the face of equipment sales — inbound selling, prospecting and lead generation, online competition, digital marketing, CRMs and automation are just a handful.

A frequently overlooked benchmark for success links company culture with financial performance. High-performing companies value employees, customers and owners, and encourage leadership among all members of their organization.

Join us Nov. 6-8 in Tempe, Arizona, for the 2019 FWEDA Experience — Company, Culture & Solutions: The Future of Selling as we explore ways your company culture creates a catalyst for revenue. Our presenters offer strategies to redefine your brick-and-mortar brand with an online presence that rivals all competitors. We highlight an equipment industry backstory that's pioneering talent and recruitment with a passionate vision.

Featuring keynote presentations, interactive sessions, dealer roundtables and a shortened schedule, owners and employees will enjoy networking opportunities. a chance to renew friendships and acquaintances and engage for leadership and business success.

KEN SCHMIDT: GOOD CULTURE LEADS TO REVENUE

Ken Schmidt is one of the business world's most outspoken and provocative thought leaders on topics such as competitiveness, marketplace advocacy and loyalty. His philosophy on driving business growth — by leveraging basic drivers of human behavior — will change the way you see the world. It might even make you want to buy a motorcycle.

Ken's best known for his work with Harley-Davidson, the legendary American motorcycle manufacturer. As its former director of communications, he shaped the company's competitive positioning and served as its primary spokesperson to the media and financial communities in the 1980s through the mid '90s. His success in helping rebuild the company's brand played a vital role in its against-all-odds turnaround from the brink of ruin to global dominance.

Since that time, he's been a highly demanded consultant who works with leaders of many of the world's best-known businesses -- as well as smaller businesses looking to improve their competitiveness.

In late 2018, he released a best-selling book called, "Make Some Noise, The Unconventional Road to Dominance," which businesses of any size can harness to become market dominators. He also co-wrote a book, "100 Years of Harley-Davidson," which is the best-selling motorsports book of all time. He has appeared on network television numerous times and has spoken to more than one thousand audiences around the world.

Ken Schmidt

FASHION YOUR BRAND FROM THE INSIDE OUT

Niki Schwan

Niki Schwan is a Trend Expert and Creative Consultant who brings a brand to life, articulating brand voice visually and aesthetically, across all platforms. "Fashion Your Brand From the Inside Out" walks the audience through defining and preserving a brand's identity, developing customer-centric results, and being a team leader who inspires productivity with clear direction from creative concepts in design and merchandising throughout the entire product life-cycle.

Schwan's sexy signature stamp spans the Fashion, Apparel, Retail and Entertainment industries and laid the foundation for her lifestyle brand: a stylishly classic fusion of past and presence. Her career in L.A and New York as a Celebrity Stylist, Trend Forecaster, Creative Consultant, Fashion and Costume Designer, Fashion Director and Editor includes a distinguished list of clients: E!, Harpers Bazaar, VIBE, Rolling Stone, Spanish VOGUE, Viacom/MTV/Vh1, EBAY, GlamSquad, Universal, BILLBOARD, Nicki Minaj, Scarlett Johansson, Lauren Conrad, Natalie Portman, Dita Von Teese, Janina Gavankar, Mariah Carey and more.

Schwan's approach to the client journey transcends industries, giving inspired vision to every medium, and amplifying the caliber and content of brand messaging. She grew up in California's Central Valley, surrounded by family and friends with deep roots in the world of agriculture. Schwan recently moved home to California's heartland where she's raising her daughter while criss-crossing the country for her special projects and clients across the globe. Combined with her passion for quality fare, health and wellness, Schwan is an ambassador for farm fresh living and the rural lifestyle.

See Schwan in action following her general session presentation as she curates, explores and inspires with a Master Class in Farm to Table Style. Schwan will teach participants how to perfect the guest experience with custom charcuterie boards and table presentations. Conference attendees, spouses, marketing and customer service teams will take away ideas and actionable techniques to create a sophisticated yet simple dining and client experience for customer appreciation and networking events, pop-ups and showroom receptions.

MASTERCLASS: FARM TO TABLE STYLE

PRESENTED BY NIKI SCHWAN

RETAIL DR: PHIBBS TRANSFORMS THE JOURNEY

The retail world is undergoing a seismic shift. Even major luxury brands are slashing their workforce and closing doors in response to new retail challenges. The retail industry is letting online shopping win by trying to fight tech with tech, rather than focusing on and fixing the in-person experiences that give brick-and-mortar stores real advantages.

Bob Phibbs

This is the wrong approach. Since 1994, Bob Phibbs has been transforming businesses big and small into thriving retail operations by giving them the tools to succeed in a challenging brick-and-mortar retail market. Bob Phibbs, is the Retail Doctor; a speaker, author of three books and retail sales expert of choice for some of the most legendary retail brands including, LEGO, Omega, and Yamaha. With over 30 years' experience, beginning in the trenches of luxury retail and extending to senior management positions, he has been a corporate officer, franchisor and entrepreneur.

He and his work have appeared in the New York Times and the Wall Street Journal. He also performs business makeovers for the Los Angeles Times. He received the highest increase in sales from South Coast Plaza, the highest grossing mall per square foot. He is one of the top retail influencers in the world. A recent business makeover he did for a rural AG dealer in upstate New York has resulted in a 30 percent increase in year-over-year sales.

CULTURE DRIVES RECRUITMENT & RETENTION

Ron Nilson

Ron Nilson says he is an example of the "Great American Dream," and his passion is to share how he attained that dream with others — by giving back to an industry that's given him so much. Nilson started at the bottom changing out hot tanks in a small manufacturing company in Seattle. He worked his way up, ultimately managing the company as its president, until they sold to Cummings Engine in 1986. Following that he started Tiger Engineering, and later sold to Caterpillar Inc.

Nilson then bought a small manufacturing company in Coeur d'Alene, Idaho, which is now a global leader in the industry. Nilson is Chairman of the Board, CEO, and Owner of Ground Force Worldwide (GFWW), which builds mine support equipment for open pit and underground mines. The company exports 70 percent of its equipment outside the United States. Nilson has worked directly with CATERPILLAR® and their dealers worldwide for 37 years.

Nilson will share an inspiring story of his struggles with self-esteem and addiction as a lost youth who found his way into an apprenticeship program. There, Nilson said he found direction and purpose in his life. He's grateful for the chance he was given as a troubled youth when he walked into a machine shop. "They didn't judge me," Nilson said. From there, he learned the trade and started moving through the ranks.

In his leadership role, Nilson details his approach to a company culture that fuels not only the success of his company, but also recruitment and retention of his employees. He's deeply invested in efforts to help the at-risk community develop skills and gainful employment in his work with Kootenai Technical Education Campus in Idaho. Nilson said the program has a 100-percent graduation rate, 99.5-percent placement rate, with graduates who each receive 3.49 job offers.

DUIGNAN OFFERS INDUSTRY INSIGHT

Ann Duignan is a managing director at J.P. Morgan, covering the U.S. machinery sector. Ann has ranked # 1 and/or # 2 in Institutional Investor's All-America Research Team survey and the Greenwich Poll for over a decade.

Ann joined J.P. Morgan from Bear Stearns, where she was the diversified industrials analyst for five years.

Ann holds an honors degree in agricultural engineering from University College Dublin Ireland, a higher diploma in mathematical modeling and computer simulation from Trinity College Dublin Ireland, and an M.B.A. from Vanderbilt University, Nashville TN.

Ann Duignan

Patrick McGaughey

WHY THIS SUCCESSFUL EQUIPMENT DEALER DOESN'T JOIN FWEDA

He doesn't join FWEDA because he hires it. If he wants a club, he'll join Rotary. Instead this successful dealer looks at his industry association as an organization working for him on issues that impact his bottom line.

He understands government affairs and legal professionals are paid thousands of dollars and he gets these industry advocates for a few hundred dollars a year, or less.

There's more to this 2020 view of 'membership' in FWEDA and Patrick "Pat" McGaughey, CPF, IOM will show dealers how the next generation of dealers will define the value of FWEDA and other organizations that they don't want to join but will be eager to hire and/or contract with when the dealership is handed off to them.

Conference Workshop: The Value of Hiring FWEDA

Highlights of this conference workshop also includes:

- The 1% Factor of impact of FWEDA
- The next term for 'Membership'
- The value in perpetuity and the real ROI of FWEDA
- The bonus value of FWEDA
- and.. how to multiply the value of FWEDA

Patrick H. McGaughey, CPF, IOM is a certified professional facilitator, an international speaker and a 20-year veteran faculty member for the United States Chamber of Commerce Institute for Organization Management at major universities across the U.S.

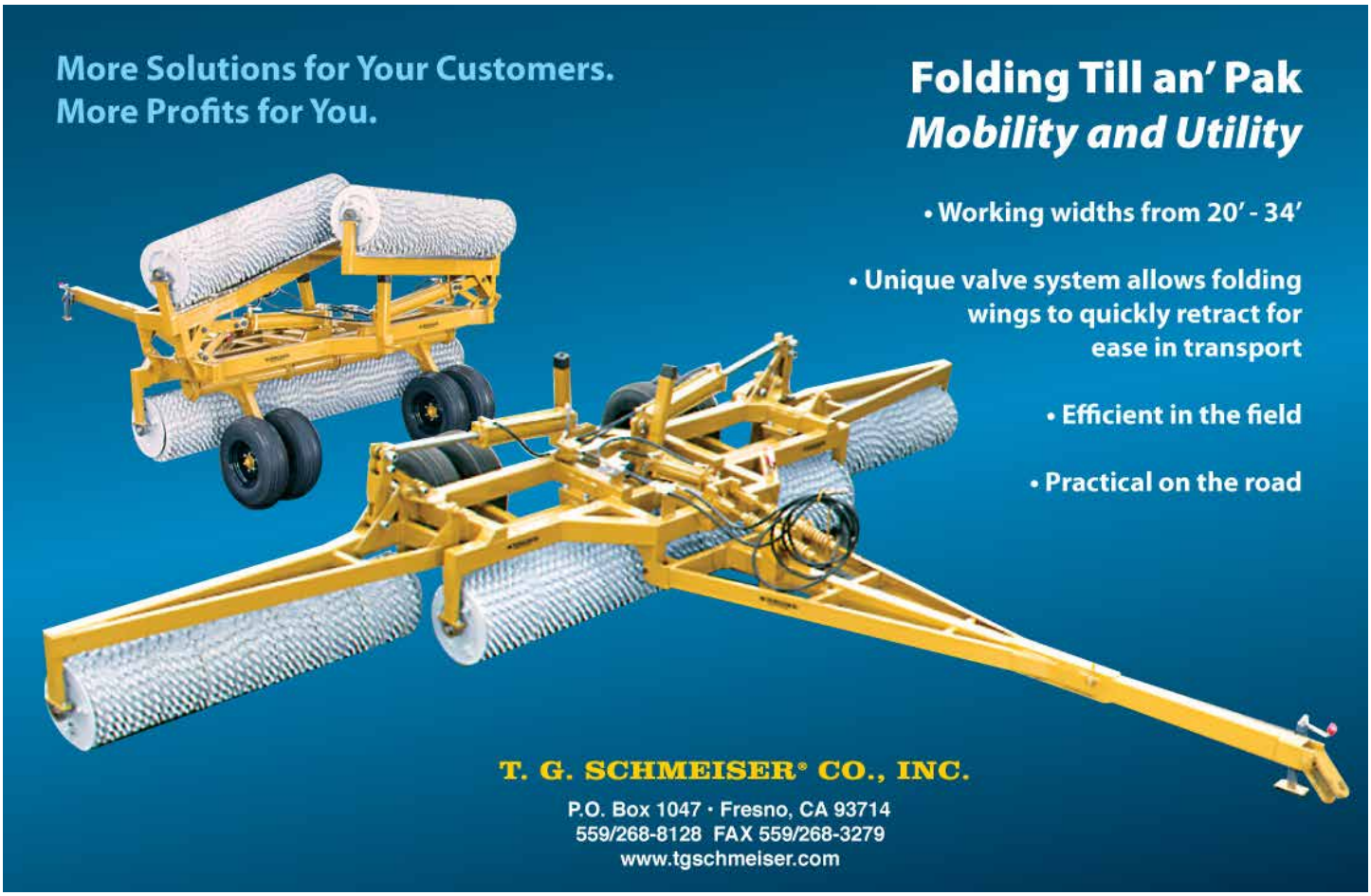
2019 FWEDA GOLF TOURNAMENT

7:30 a.m., Nov. 6

The Raven Golf Club Phoenix, AZ

Raven Golf Club, Phoenix's spectacular championship golf course. An array of world-class amenities and unparalleled guest services have earned it recognition among the nation's top daily fee golf properties — including 4.5 stars by Golf Digest, *"#5 Golf Course in the State*" by Arizona Magazine, and *"#1 Guest Service in North America."* From its manicured greens and expansive practice facility to its picturesque air conditioned wedding and event pavilion overlooking the 18th hole, Raven Golf Club Phoenix offers a remarkable golf, dining and special events experience in the shadows of South Mountain.

For information about programs, activities or sponsorship opportunities, fweda.com or email **events@fweda.com**



FFA Charter modernized with Trump action

President Donald Trump signed the National FFA Organization's Federal Charter Amendments Act in late February, authorizing updates to the way it does business. FFA's Riley Pagett said the amended charter allows for less federal involvement in choosing board members.

"We still have a board member that is the Secretary of Education or his or her designee, but for the first time, we're able to pick and reflect the board member positions based on their involvement in FFA or the agricultural and food world, or career and technical education," said Pagett.

FFA can now increase the number of national officers when necessary, and shift to modern online communications instead of magazines and quarterly newsletters. Pagett says implementing the new charter means the national organization will be working with states and local chapters to amend their constitution and bylaws before next fall's national convention.

It's the first major amendment for the charter since the 1950's and puts more attention on the three component model of agricultural education including classroom laboratory experience, hands-on learning, and leadership development. The bill to amend the FFA charter was introduced by Indiana U.S. Senator Todd Young.

– *Courtesy of AgriMarketing*

Deere elects new COO

Deere & Company's Board of Directors elected John C. May, as president, chief operating officer. The appointment was effective April 1. May will be responsible for leading Deere's efforts to maximize operational excellence throughout the company. May has been with Deere for 22 years. He joined the senior management team in 2012. Deere also announced the election of three other leaders to

new positions effective April 1. Cory J. Reed has been appointed president, Worldwide Agriculture & Turf Division, Americas and Australia, Global Harvesting and Turf Platforms, and Ag Solutions. Reed joined the company in 1998. Rajesh Kalathur has been appointed president, John Deere Financial and chief information officer. Kalathur joined Deere in 1996. Ryan D. Campbell has been appointed senior vice president, chief financial officer. Campbell joined John Deere in 2007.

– *Shortliner*

Equipment Leasing and Finance Industry Confidence Eases in June

The Equipment Leasing & Finance Foundation (the Foundation) released the June 2019 Monthly Confidence Index for the Equipment Finance Industry (MCI-EFI) last week. Designed to collect leadership data, the index reports a qualitative assessment of both the prevailing business conditions and expectations for the future as reported by key executives from the $1 trillion equipment finance sector. Overall, confidence in the equipment finance market was 52.8, easing from the May index of 59.2.

When asked about the outlook for the future, MCI-EFI survey respondent Quentin Cote, CLFP, President, Mintaka Financial, LLC, said, "As unemployment is at record lows and employees are hard to come by, companies will rely more on capital equipment to support business growth and productivity growth from the employees they have. My concern is primarily the trade wars, and their impact on the prices of goods. This will eventually weaken the purchasing power of consumers and small businesses."

The overall MCI-EFI is 52.8, a decrease from 59.2 in May.

• When asked to assess their business conditions over the next four months, 3.3% of executives responding said they believe business conditions will improve over the next four months, down from 16.1% in May. 80% of respondents believe business conditions will remain the same over the next four months, an increase from 67.7% the previous month. 16.7% believe business conditions will worsen, an increase from 16.1% in May.

• None of the survey respondents believe demand for leases and loans to fund capital expenditures (capex) will increase over the next four months, a decrease from 16.1% in May. 83.3% believe demand will "remain the same" during the same four-month time period, an increase from 77.4% the previous month. 16.7% believe demand will decline, up from 6.5% who believed so in May.

• 13.3% of the respondents expect more access to capital to fund equipment acquisitions over the next four months, up from 12.9% in May. 86.7% of executives indicate they expect the "same" access to capital to fund business, a decrease from 87.1% last month. None expect "less" access to capital, unchanged from last month.

• When asked, 30% of the executives report they expect to hire more employees over the next four months, a decrease from 41.9% in May. 63.3% expect no change in headcount over the next four months, an increase from 45.2% last month. 6.7% expect to hire fewer employees, down from 12.9% last month.

• 40% of the leadership evaluate the current U.S. economy as "excellent," down from 51.6% in May. 56.7% of the leadership evaluate the current U.S. economy as "fair," an increase from 48.4% the previous month. 3.3% evaluate it as "poor," up from none in May.

• 3.3% of the survey respondents believe that U.S. economic conditions will get "better" over the next six months, down from 9.7% in May. 70% of survey respondents indicate they believe the U.S. economy will "stay the same" over the next six months, a decrease from 77.4% the previous month. 26.7% believe economic conditions in the U.S. will worsen over the next six months, an increase from 12.9% in May.

• In June, 26.7% of respondents indicate they believe their company will increase spending on business development activities during the next six months, a decrease from 35.5% last month. 73.3% believe there will be "no change" in business development spending, an increase from 64.5% in May. None believe there will be a decrease in spending, unchanged from last month.

– *Ag Equipment Intelligence*

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BENEFITS PROGRAM

HEALTHCARE & BENEFITS

- Mobile Advocate Access
- Multilingual Support (40 languages)
- LiveCARE (Video CARE)
- Automatic Notifications (i.e. open enrollment deadlines)
- Training Videos and Walk-throughs
- Secure 24/7 CARE Portal
- Opportunities Analytics
- Advocate Screen Sharing Assistance
- Email transcript of Texts/Chats
- Employer Specific Benefits Page

CARE STUDY:

Maintenance Medications

Starting Point

Participant contacted the CARE Center and spoke with PersonalCARE Advocate regarding four maintenance medications that were costing $372/month. Two of them were specific inhalers with no alternatives per her doctor

Action - PersonalCARE Advocate

PersonalCARE Advocate researched fulfillment, discount and savings analysis in an effort to reduce annual out of pocket cost

Impact

Identified two coupons: one for three free months of medication and one for $40 of savings per month for 12 months

Cost of CARE 13% lower
Prior annual cost $4,464;
New annual cost $3,426

$1,038 annual savings

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THE TAX MAN

CASHES IN

WAYFAIR: FWEDA ROLLS OUT PROGRAM TO SUPPORT DEALERS WITH TAX COMPLIANCE

Although the landmark Wayfair ruling intended to equalize the treatment of online vs. brick-and-mortar retailers, its impact on equipment dealers might make Independence Day might feel more like Armageddon.

The cost to an ag dealer doing business because of the Wayfair ruling ranges between $50,000 and $150,000 for compliance, depending on the size of the dealership," said Rex Collins, of HBK, a financial services consulting firm.

Wayfair overturned a previous ruling the court said gave an arbitrary advantage to online retailers with its physical presence rule that limited states from collecting tax for online sales. GOVERNING, which covers state and local politics and policy, estimates states collectively missed out on $13 billion to $23 billion a year in potential online sales tax revenue.

Despite the booming economy, experts say cities and towns haven't rebounded from the Great Recession because of their tax structure, falling farther behind as the economy shifted from reliance on manufacturing to a growth in the service sector, which is not widely taxed.

And while brick-and-mortar retailers are expected to benefit from a more even-handed application of the sales tax laws, dealers are experiencing an increase in audits and inquiries as states review sales across taxing jurisdictions. For dealers selling in several states, it's proving a compliance challenge.

States across FWEDA's territories stepped up implementing Wayfair rules:

- Arizona established economic nexus ($100,000 in sales or 200 separate transactions) effective Oct. 1, 2019.
- California increased the economic nexus threshold to $500,000, eliminating the 200 transactions. Effective April 1, 2019.
- Colorado established economic nexus ($100,000 in sales or 200 separate transactions) effective June 1, 2019. It implemented destination sourcing rules outside a retailer's jurisdiction, but specifies that a small retailer may source its sales to the business' location regardless of where the purchaser receives the tangible personal property or service until a geographic information system provided by the state is online and available for the retailer to determine the taxing jurisdiction in which an address resides.
- Hawaii established economic nexus ($100,000 in sales or 200 separate transactions) effective July 1, 2018.
- Nevada established economic nexus ($100,000 in sales or 200 separate transactions) effective Oct. 1, 2018.
- Utah established economic nexus ($100,000 in sales or 200 separate transactions) effective Jan. 1, 2019. The state repealed an 18-percent seller discount offered to remote sellers who voluntarily collected and paid Utah sales tax.
- Wyoming established economic nexus ($100,000 in sales or 200 separate transactions) effective Feb. 1, 2018.

"Over the past year, we have seen a dramatic change in the sales tax landscape due to the ruling in the South Dakota vs. Wayfair Supreme Court case," said Lance Formwalt, of Seigfreid Bingham law firm. "Regardless of where your dealership is located, if you sell to out of state customers, you could now be subject to new sales tax collection and reporting requirements in these states."

To support dealers in understanding the new rules, FWEDA is partnering with legal and financial experts to provide resources and consultations on sales tax and compliance issues.

As part of this collaboration, association members are eligible for limited consultations and a flat-rate analysis of possible sales tax liability issues. Members will receive a confidential, individualized legal analysis of their sales tax situation based on the states in which they sell.

Along with this analysis, the Association will provide members with access to information about the agricultural equipment sales tax exemptions available in all the states in the Association's territory.

FWEDA is coordinating with other dealer associations to provide access to similar information for states outside of the Association's territory.

For information on this program, email info@fweda.com or call 530-564-7090 for details.

POLITICS & POLICY Continued on page 24

POLITICS & POLICY Continued from page 23

TAXES AT A GLANCE

STATE AND LOCAL GOVERNMENT TAX REVENUE
First quarter 2019 combined tax revenues for Property, Sales and Gross Receipts, and Income Taxes increased 3.8 percent to $381.0 billion from $367.1 billion in the same quarter of 2018.3

PROPERTY TAX REVENUE
The estimated total for the first quarter of 2019 state and local property tax revenue was $150.4 billion (±4.3 billion), an increase of 6.4 percent from $141.4 billion (±4.0 billion) collected in the same quarter of 2018.

INDIVIDUAL INCOME TAX COLLECTIONS
Individual income tax collections in the first quarter of 2019 shows a decrease of 3.8 percent to $106.8 billion (±0.5 billion), from $111.1 billion (±0.8 billion) collected in the same quarter of 2018.

GENERAL SALES, GROSS RECEIPTS TAX REVENUE
General sales and gross receipts tax revenue was $107.2 billion (±0.8 billion) in the first quarter of 2019, an increase of 5.0 percent compared to $102.1 billion (±0.8 billion) collected in the same quarter of 2018.

CORPORATION NET INCOME TAX REVENUE
Corporation net income tax revenue for the first quarter of 2019 was $16.6 billion (±0.07 billion), an increase of 31.7 percent from the $12.6 billion (±0.05 billion) collected in the same quarter of 2018.

STATE TAX COLLECTIONS
Total state tax revenue increased 2.0 percent to $256.4 billion in the first quarter of 2019, from $251.4 billion reported in the same quarter of 2018. Individual income tax, at $95.8 billion, is down 3.1 percent from $98.8 billion in the same quarter of 2018. General sales and gross receipts taxes, which accounted for $80.8 billion, increased 5.1 percent from $76.9 billion in the same quarter of 2018. At $9.9 billion, corporation net income tax collections increased 34.9 percent from the $7.3 billion collected in the same quarter in 2018. The majority of the nation's state tax revenue came from individual income (37.4 percent) and general sales and gross receipts (31.5 percent). In the Northeast, West, and Midwest regions, individual income tax collections accounted for the largest percentage of tax collections with 48.2 percent, 42.3 percent, and 35.9 percent, respectively. In the South, general sales and gross receipts taxes were the largest of the four main categories at 41.4 percent.

Find footnotes at https://www.census.gov/content/dam/Census/library/publications/2019/econ/g19-qtax1.pdf SOURCE: U.S. Census Bureau

REVENUE PROJECTIONS FOR FY 2019
(As of May 2, 2019)

INDIVIDUAL INCOME TAXES	$1.8 Trillion
PAYROLL TAXES	$1.2 Trillion
CORPORATE INCOME TAXES	$245 Billion
OTHER	$280 Billion

SOURCE: Congressional Budget Office

RIGHT-TO-REPAIR Continued from page 12

(AEM) presented the survey data to the FTC for the workshop:

Research Title: Modifications to Safety and Emissions Features in Off-Road Equipment

- 770 Equipment Dealers responded to the April 2019 survey. This is a significant sample generated across a broad range of OEMs.
- Of the responding dealers, 33 percent had modified equipment come into their dealership for service in the past 24 months. Modified equipment is defined as equipment which has been altered from manufacturer settings. Examples of modifications include engine tuning or chipping, changes to hydraulic systems or safety mechanisms.
- While each responding dealers' percentage varied, some participating dealers reported that up to 50 percent of the equipment brought into their dealership(s) for service had been modified or altered from manufacturer settings.
- Of the responding dealers (257) who did have modified equipment come into their dealership for service in the past 24 months, 45 percent reported that the modifications included those which removed, impaired or disabled Federally-required emissions control equipment such as the installation of engine tuning or chipping devices and other modifications that increase injection pump fuel delivery or disable Exhaust Gas Recirculation or Diesel Particulate Filters. EPA regulations state that if a dealer performs service on a tampered emission control system and does not return the system to its certified emissions configuration, the dealer may be liable for violating the Clean Air Act.
- Of the responding dealers (257) who did have modified equipment come into their dealership for service in the past 24 months, 54 percent reported that the modifications included those which removed, impaired or disabled OEM safety features.
- Of the responding dealers (257) who did have modified equipment come into their dealership for service in the past 24 months, 62 percent reported modifications could reduce reliability, durability or resale value of the equipment. One such example would be a modification making the engine run at higher horsepower than specified, thereby increasing wear on components and reducing durability, reliability and resale value for subsequent owners.

Upcoming Events

Legislative Sessions

Arizona	Adjourned
California	1/7 – 11/30
Colorado	Adjourned
Hawaii	Adjourned
Nevada	Adjourned
Utah	Adjourned
Wyoming	Adjourned

US Regular Session
1/3 – 12/31

16 July 2019

Nixing the Fix: A Workshop on Repair Restrictions

9 a.m. EDT
Constitution Center
400 7th St SW
Washington, DC 20024

Staff of the Federal Trade Commission will host a workshop on July 16, 2019 to examine ways in which manufacturers may limit third-party repairs and is seeking research focused on such limitations. ***Live webcast will be available at ftc.gov.***

14 August 2019

EDA HR WORKSHOP

10 a.m. PST
Understanding Best Practices in Sexual Harassment Prevention

Avoid a #MeToo claim at your dealership. Free webinar led by EDA's general counsel, Natalie Higgins.

Register at equipmentdealer.org

17-18 September 2019

FWEDA September Board Meet & Greet

6:30p.m., September 17
Wave @ Hyatt Regency John Wayne Airport, Newport Beach
4545 MacArthur Boulevard
Newport Beach, CA 92660

6-8 November 2019

In conjunction with board meetings held at locations across FWEDA territory, we're planning Meet and Greets. The last one of 2019 is scheduled at **6:30 p.m., September 17** in California.

We invite members and welcome anyone interested in learning more about FWEDA to attend. Dealers please bring your peers to find out what FWEDA is doing to protect and promote the interests of Far West members.

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Managing technological change

By Dave Baiocchi, President, Resonant Dealer Services LLC

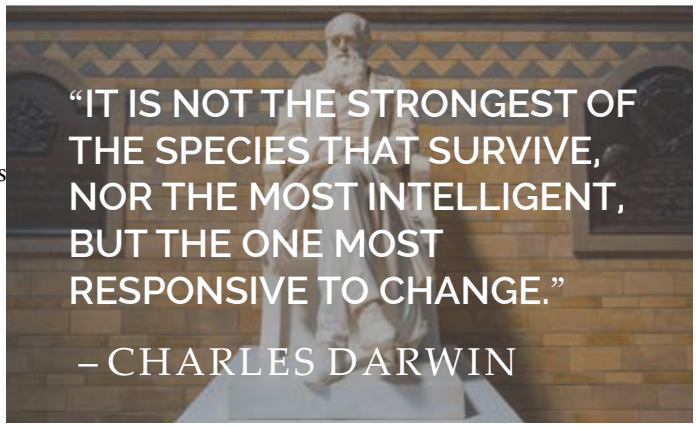
Dave Baiocchi

During my time as a dealer principal, one of my most prodigious challenges was managing change. As a rule, most of us would rather not deal with change. If you have some tried and true methods and "best practices" in place that are efficient and profitable, why change what's already working? Conventional wisdom says if it ain't broke, don't fix it.

Circumstances however have conspired to make this aphorism irrelevant. The drivers of change in our business are moving so fast, that existing SOP's are almost obsolete the day they are adopted! In order to keep pace, manual processes have to be constantly updated in order to leverage technology to our best advantage.

Trying to manage a tsunami of technology is akin to trying to control floodwaters. Back in 1997 we had severe flooding across many rivers in our state. During these storms the Lake Don Pedro dam overflowed and what came as a result is salient to the idea I want to share. Recently I viewed a video clip from the Turlock Irrigation District that showed the dramatic force of the water as the flood gates were opened to relieve pressure on the dam. As a result of the extra volume of flood water, the river was behaving differently. The normally lazy and docile river was churning and rumbling, complete with rapids. The interesting part to me was realizing that I was not actually watching the existing river, but rather a new path that the immense volume of overflow water had cut into the countryside. A new path was created that looked very similar to the old river, but with more energy and excitement.

In the same way, our current flood of technology is changing the landscape. Ignoring the flood and discounting its effects is tantamount to simply "hoping" that you can remain profitable using your existing processes. The truth however, is that this new landscape is now filled with possibilities that didn't even exist before the flood. While we hunker down and keep doing the same old things, with the same old tools, competitors who have abandoned the old waterway find new ways to attract customers along the newly excavated riverbed. If you refuse to embrace the opportunities created by these events, you may find yourself scrambling the keep the customers you have, let alone forge new client relationships.



With so much investment on the line, and so many tools to choose from, integrating new processes can be a daunting proposition. Are there ways to scale and control the implementation of technology so that the right decisions are made, the costs are metered, and the benefits measured and exploited?

Here are a few ideas:

None of us are as smart as all of us

First of all, managing change in this hurricane of technology cannot be a "top-down" proposition. Everyone on the team has to take an active role, and it has to include more than just handing out assignments for implementation. Remember that your team members are the ones CLOSEST to the existing procedure. Giving them access and input to the decision-making process will help them to not only understand the new processes, but actively promote the changes within the individual departments.

Leveraging industry knowledge

Use resources like NAEDA, FWEDA and your own OEM's to find other dealers of similar size and complexity that have updated technology successfully. Learn from their mistakes and get advice that can help you gain the efficiencies you expect.

Stepped rollout

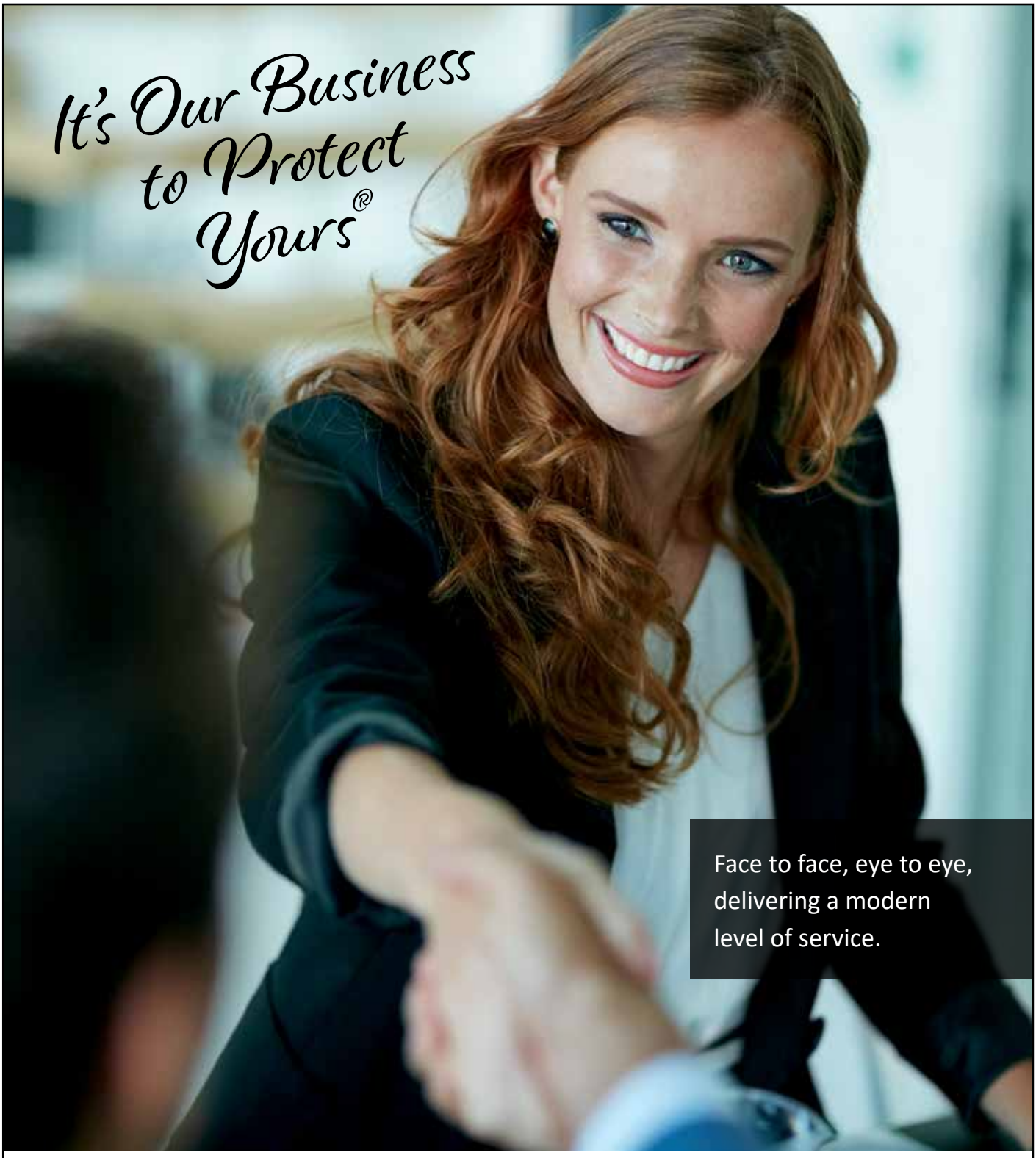
Do you have multiple branches, product lines, or even companies? Can you carve out one branch to run a beta-test on new technology to shake out any unforeseen obstacles along the way? This may cause some short-term internal accounting issues, but before you try and take your entire ship down the river, perhaps a scouting mission with a smaller craft can discover an easier, and more effective path. Find ways to break up the deployment so that it's processes can be assimilated and maximized early on.

Well communicated goals

Team members engaging new technology are bound to be resistant. The worst thing that can happen is the lack of clear guiding principles and well communicated short, medium- and long-term goals. Post these items conspicuously during the deployment. Give everyone a target to shoot for, and track and display the progress along the way.

Without these measures in place, a

AFTER MARKET Continued on page 28



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After Market Sales Force

AFTER MARKET Continued from page 26

change in technology can easily devolve, and cancerous negative forces can exponentially multiply. Most resistance is born in a lack of understanding, or initial buy-in. That is why it is ultimately important to secure strong buy-in during the DESIGN phase. Trying to get personal commitment in the deployment stage is nearly impossible. Before you know it, you have team members working "around" the system to try and return (as closely as possible) to the prior way of doing things.

Enforcement

Your leadership has to be single minded in this regard: "This is the new way." Lack of enforcement (especially with branch operations, and remote technicians) can be a project liability. Use a reporting mechanism for middle management to govern this process. Hold and plainly document as many status meetings as are necessary to call out departures from the "new way" and stress the importance of embracing the tools that you have paid for.

Encouragement

The counterweight to enforcement is encouragement. Managing change is managing people. Your staff needs to be communicated with, and they MUST believe that you are as dedicated to the new course as they are. Find people doing something RIGHT, and celebrate it. Incentives also work well, but you would be surprised how well a little encouragement and dialogue greases the wheel (especially from the senior management).

Remember that the goal of change is to allow more capacity for growth, and improved service to your clients. Whether its wireless billing, inventory systems, cloud-based computing, GPS tracking, telematics, fleet management, or a full-blown business system, the changes made must facilitate and promote new offerings, and expanded options for customers.

People constantly change. We all change. Clients change. Suppliers change. The world changes. Why do you think Wal-Mart, Coscto and Amazon came to be the size they are today? Did they create one business model at the beginning, and then they stay with that model until now? No. When the market changed- they changed. Our clients are on the hunt for something different, efficient, dynamic and effective. Either you must change the way your dealership operates and embrace these changes, or things will be changed for you. Being able to choose the timing of new designs and implementation yourself, is always more comfortable than the alternative.

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How Can Workers' Compensation Systems Promote Safety and Health?

Erick Johnson, Regional Marketing Manager, Federated Insurance

Many factors can affect the number and severity of your workers' compensation claims, but none more than the quality of your workplace safety and health program. Some studies have shown that every dollar invested in a safety and health management program can net an employer $3 to $10 in cost savings.

Factors that contribute to workers' compensation claims include:

• Workers' nonwork health behaviors and conditions such as lack of exercise, obesity, poor stress management, smoking, and sleep disorders.

• Worker age—younger workers may be less experienced and knowledgeable and more apt to take risks that result in accidents and injuries; older workers become injured less frequently, but the claim costs associated with their injuries and illnesses can be higher, and their time away from work can be longer.

• Worker behavior—compliance, conscientiousness, resilience, and risk-taking.

• Working conditions and workplace stress.

Preventing accidents, injuries, claims

Steps you can take to prevent accidents and injuries and reduce the risk of a workers' compensation claim begin before an employee is even hired. Effective safety and health management measures include:

• Having your Human Resources (HR) personnel screen for behavioral and personality traits like resilience, compliance or disobedience, and risk-taking;

• Having your HR staff emphasize your company's safety culture and the importance of compliance with safety procedures to prospective employees;

• Educating and training new employees in their job duties, the safety and health hazards of the job, and the importance of following safety procedures;

• Enforcing your company's safety procedures, recognizing or rewarding those employees who follow safety procedures, and instituting real consequences for those who do not follow procedures;

• Supplying all your employees with necessary PPE;

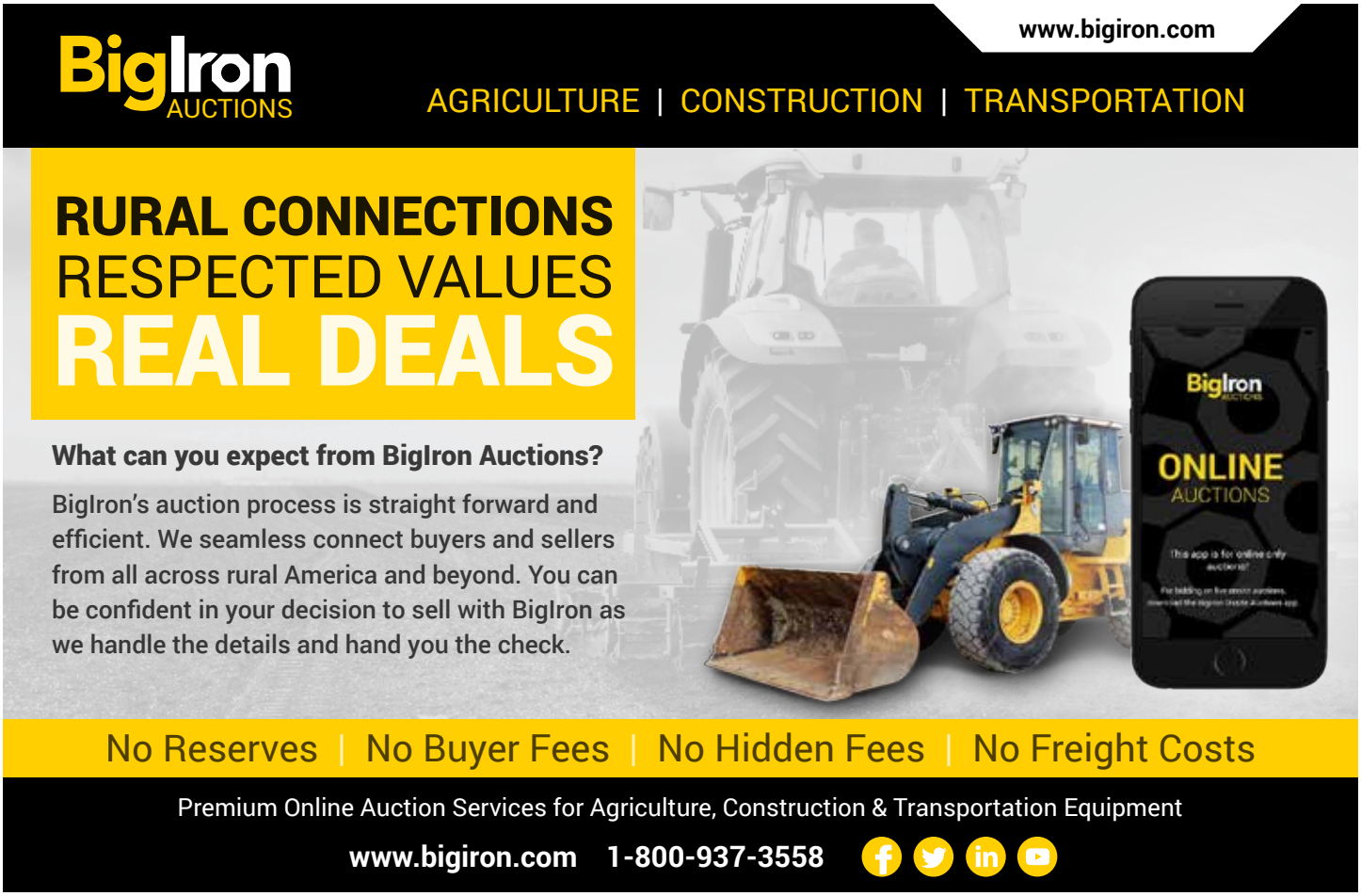
• Investigating and reviewing near misses, injuries, and work practices to identify safety weaknesses and updating safety procedures, if necessary; and

• Training your employees in new or updated safety procedures and monitoring their compliance.

Take every opportunity at staff meetings and during employee performance reviews to talk about the importance of safety in your facilities and compliance with your safety policies and procedures.

You want your employees to be fully engaged in protecting their own and others' safety and health. A strong safety culture can help prevent the accidents that lead to workers' compensation claims.

— Federated Mutual Insurance Company



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- 50 gallon polyethylene tank, with bottom drain, filter basket, and sump
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- Diaphragm pump and M-70 Control

Three-Point Sprayer

- Available 105, 155 & 210 gal, high-impact polyethylene tank has a deep sump to ensure complete emptying.
- Low center of gravity chassis is powder coated, ensuring outstanding weather and chemical resistance.
- Rigid mount MB booms from 20 to 33 ft and self stabilizing MB booms in 40 ft. All booms have aadjustable spring loaded break-away.
- Hardi pumps are designed for the application of chemicals and liquid fertilizer.

Vineyard Sprayer

- Available 105 to 320 gallon tanks are made of high-impact UV and chemical resistant polyethylene. Tank includes site gauge, Hand wash tank, jet agitation, and sump drain valve for complete emptying.
- Selection of blowers, booms and spout sets makes it easy to choose the machine which fits your needs.
- Electrical remote control of all functions and is available with 2 distribution valves. The pressure valve is made of stainless steel for maximum corrosion resistance.
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- Diaphragm pumps provide excellent output and protect mechanical components from harsh chemicals.

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