



April 2024 Partner Reports

All NPDA partners have the opportunity to share their latest company news, insights, tips for dealer success and more each month in the NPDA Newsletter.

The Stanek-Haack Group Provides Takeaways from Webinar **Morgan Stanley**

In January, the Stanek-Haack Group at Morgan Stanley and Performance Brokerage Services hosted a webinar on Planning for Powersports Exit and Succession in Today's Environment.

In the webinar, Paulina Matel, CFP, Financial Advisor for the Stanek-Haack Group, highlighted the 2024 economic outlook for the powersports industry. Anticipating a soft landing with a 30% chance of recession, Matel emphasized the need for traditional value-building strategies, cautioning against relying solely on economic rebounds.

Guest host and Partner at Performance Brokerage Services, George Chaconas, went on to address the challenges and opportunities in the current market. Despite increased sellers and reduced buyer activity, Chaconas sees potential exit opportunities, advising individualized pro formas.

Along with Chaconas, Courtney Bernhard, also a Partner at Performance Brokerage, discussed the complexity of valuing dealerships, considering various factors like goodwill, parts and real estate.

Overall, this webinar offered our viewers valuable insights for navigating their exit and succession planning in the powersports industry.

For important information, a complete recap of our webinar, and to take advantage of these valuable insights, [please click here](#) for an article that summarizes its content and key takeaways.

Priority Maintenance... Where Did You Go?

By Sam Dantzler

2001 - If customers were going to have their vehicle serviced at our dealership, why wouldn't they want a maintenance plan? This question was posed not for profitability, but for customer retention's sake. With a 3% market share in Powersports, we lose customers not to only to competition, but to other shiny toys outside of our industry.



How can we lock them in and keep them returning?

Priority Maintenance (PPM as it was once called – “Pre-Paid Maint”) was the solution, and for almost 20 years we saw PPM penetration climb.

“What’s it worth to have a customer return 2x annually for 3 years to the dealership?” With some dealerships as high as 50% PPM penetration on all products, it was a home run.

2024 – PPM has plummeted to an anemic 9-11% range for penetration. Bad habits set in and the COVID-19 world of transactional selling pushed PPM out the back door. PPM was the very thing sold in F&I that we hoped the customer would use ALL of. NON-Redemption was simply a byproduct, but never the goal. We need our returning customers more now than ever.

It’s time to re-ignite the best retention tool we ever have and flood our customers back into the showroom in predictable waves. Through staff incentives, F&I pay plans, and simple customer awareness, this is a must moving through 2024 and 2025.

Learn more at www.garagecomposites.com

Torque Group Thrives with Dealer Partnerships

At Torque Group, we pride ourselves on being more than just being a provider of powersports products and services. We are your partner in success, dedicated to delivering the very best in innovative products and award-winning service.



Our integrated system, online menu, and claims processing ensure a streamlined process for sales, finance, and service. As a company dedicated solely to powersports, we understand the unique challenges and opportunities facing dealerships in our industry.

We cater to each dealer’s individual wants and needs and their customers alike, and our team of enthusiastic industry experts is committed to delivering the highest level of service and support.

With our in-house training facility, we keep your dealership running on all cylinders and at peak performance. With industry-exclusive direct dealer support available around the clock, you can be sure that we will be there whenever you need us.

Whether you're in search of the best products including Extended Service Contracts, Marine Service Contracts, GAP 150 Protection, Lifetime Battery Program, Off-Road Tire & Wheel, On-Road Tire & Wheel, Platinum Care Maintenance, Oil Care Plus, Total Loss Protection, AL3RT GPS, Torque Shield Finish Protection, Wear Care Plus, Certified Pre-Owned Program, and more or personalized solutions tailored to your dealership's individual needs, Torque Group is the

company to turn to. Join us today and experience the benefits at Torque-Group.com or 800-859-0590.

CBIZ Offers Financial, Insurance, Advisory Services to Dealerships

CBIZ is a leading provider of financial, insurance and advisory services to dealerships throughout the United States.



Accounting | Insurance | Advisory

Financial services include accounting, tax, transaction advisory, risk advisory, and valuation services. Insurance services include property and casualty insurance, employee benefits consulting, retirement plan consulting, payroll, and human capital consulting.

With more than 120 offices in 33 states, CBIZ is one of the largest accounting and insurance brokerage providers in the U.S. For more information, visit www.cbiz.com.

Rollick, USAA Perks Launch Partnership



Rollick is excited to announce a new partnership with USAA Perks to deliver a one-of-a-kind Powersports Savings Program.

The program features a Powersports purchase offering exclusively available by Rollick's OEM clients.

USAA is one of the country's largest providers of insurance, investing, and banking solutions for members of the U.S. military, veterans, and their families. The organization, which is regularly voted as the top financial services company by JD Power, serves more than 13 million members.

The goal of the Powersports Savings Program is to create more opportunities for USAA members to get outdoors and experience the Powersports lifestyle. The program launched this month.

We are looking to add additional brands to participate and help support the U.S military.

Below is the link to learn more about the USAA Perks Powersports Savings program including how to get your brands to request to participate.

[REQUEST TO PARTICIPATE](#)

3rd Party Cookie Deprecation – What is Happening?

Google Chrome will be deprecating the use of 3rd party cookies by the end of 2024 in the name of user privacy. They



started restricting cookies for a small percentage of Chrome users in January and will increasingly restrict cookies on users' browsers throughout the year.

Why is this important?

3rd party cookies are the current mechanism that advertisers use to build audiences for targeting, and ad attribution. Safari and Firefox started blocking cookies back in 2013, but they own a small portion of the internet's users from a browser perspective, so the impact has been minimal. Chrome owns roughly 65% of the market share, so when they deprecate cookies, it will make a larger impact on advertisers.

What will take the place of cookies?

As of now, there is not one clear solution that will replace cookies for a targeting and attribution mechanism. Octane Marketing is aligned with The Trade Desk, and they have spearheaded a solution called UID 2.0, which has gained a lot of traction. Octane Marketing believes this will be the prevailing solution.

Key takeaways:

1. Despite the mechanism changing, the goal of reaching targeted audiences at scale will not be going away.
2. Audiences that are derived from 1st party data like bike registrations will not be impacted.
3. Retargeting will be challenging, but device fingerprinting may provide a similar solution.
4. 1st party dealership data will be more important than ever. We recommend cleaning up your database now and putting a focus on building that database moving forward.

Reach out to tschmidt@octanemarketing.com to learn more.

Underinsuring Could Lead to Exposure to Larger Losses

So, we get it – nobody loves spending money on insurance. But here's the deal, just looking at premiums and picking the cheapest option might not be the best move. While it might be tempting to focus solely on minimizing premiums, overlooking the importance of reviewing insurance limits can have dire consequences. Underinsuring not only exposes dealerships to larger losses but also introduces complications during policy audits.

Premiums are determined based on the level of exposure a dealership faces (revenue, payroll, property limits, number of dealer plates). Choosing the lowest premium option might seem like a cost-saving measure, but it could also signify insufficient coverage. Moreover, underinsuring



can lead to complications during policy premium audits. Insufficient coverage may not meet contractual obligations, resulting in additional premiums owed.

That's why it's crucial to take a minute and check out those insurance limits, and rates. Making sure you've got enough coverage means you're not left high and dry if something goes south.

Would you like to have us look at your policies? Schedule your complimentary insurance policy review today. For more information, contact Zachary Materne, Commercial Property & Casualty Risk Consultant for Powersports, at Zachary.Materne@CellBrokerage.com.

What is Third-Party Risk and Why is it Important to My Dealership?



In 2023 alone, 84% of security professionals experienced at least one significant disruption

directly attributed to a third party. A total of 66% incurred a financial loss attributed to a third-party and 59% saw reputational damage due to a third-party.

Third parties are people or organizations with whom you share your data or allow access to your information systems. The level of access and type of data shared with a third party helps you prioritize who you must engage in your third-party risk management efforts.

The FTC requires:

1. Taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue;
2. Requiring your service providers by contract to implement and maintain such safeguards;
3. Periodically assessing your service providers based on the risk they present and the continued adequacy of their safeguards

Here are some questions to ask when you are developing your vendor risk program.

1. Do I allow this vendor to have access to my information systems?
2. Do I share customer personal information with this vendor?
3. Does this vendor help to collect customer data I may use to facilitate a sale?

If you answer YES to any of these questions, it's worthwhile to assess the risk they pose to your data and data systems.

For more information, visit www.accelerate2compliance.com.

The Importance of F&I Training

As the industry prepares for the spring selling season, are your dealership's sales and F&I staff prepared? Investing in ongoing F&I training ensures your dealership staff are equipped with the skills and knowledge needed to drive profitability through effective F&I best practices.



Key training objectives:

- Enhance the customer experience by elevating the customer interview to gather valuable information to prioritize product offerings.
- Improve sales techniques by utilizing menu presentations to boost products sold per unit sale.
- Master key methods for overcoming customer objections.
- Reduce risk by ensuring your staff's sales processes are compliant.
- Review the importance of having a strong "Turn Over" process from sales to F&I.
- Consider implementing incentive programs for service departments to encourage service drive product sales.

If you're looking to increase F&I profitability, boost customer satisfaction and offer your employees with professional development opportunities, [contact Protective Asset Protection](#).

Beware: Scammers Posing as Your Credit Card Processor



Are you receiving questionable calls from payment processors claiming to be your current processing partner?

In a world where scams lurk around every corner, safeguarding financial information is paramount. One increasingly prevalent tactic is scammers posing as your credit card processor, preying on unsuspecting business owners to "Flip" the merchant account to their company.

Here's how to spot the deception and protect yourself:

First, always verify the caller's authenticity by asking them to verify your current merchant account number. Legitimate processors will have this information readily available.

Secondly, insist the caller confirms the business owner's name and other personal details from the original application. Genuine providers have access to this data and will be able to verify it on the spot.

Lastly, inquire about the date your existing merchant account was opened. Fraudulent callers will likely stumble over this crucial detail, as they lack access to your account history.

Remember, your credit card processor should never ask for sensitive information over the phone without proper verification procedures. Stay vigilant, trust your instincts, and don't fall victim to these cunning schemes. Protecting your financial assets starts with being informed and cautious.

To learn more, contact EDPS at 866-578-9740.

List your inventory on Cycle Trader for maximum exposure, profits

Cycle Trader is part of a unique portfolio of Trader Interactive marketplaces for buying and selling powersports vehicles, including Cycle Trader, ATV Trader, PWC Trader, and Snowmobile Trader, with over decades as part of the "Trader" family of brands.



The company's mission is to bring powersports buyers and sellers together by providing dealers and manufacturers with comprehensive listing packages and innovative advertising products that place inventory in front of relevant, high-quality buyers.

Listing inventory through the company's powersports brands ensures that dealers can maximize their exposure, generate connections, drive sales and boost profits. For more information, visit www.CycleTrader.com.

'Blue Sky' value an important part of dealership valuation process

When a dealer is interested in selling his or her business, the most frequently asked question is, "What is my business worth?"



The sale of a dealership is comprised of numerous value components, each having varying methods for determining their values. Fixed assets may be sold at net book value, negotiated value, or at appraisal. Parts and accessories factor obsolescence. New vehicles might be subject to curtailment. Used vehicles consider age and condition. But the crux of the value calculation is determining the goodwill portion of the business – also referred to as "Blue Sky."

This is the intangible value of the business, in addition to the hard assets, that is not as easily quantifiable. It requires industry expertise, a deep understanding of financial benchmarks, a steady finger on the ever-changing pulse of the market, and an intimate knowledge of buyers and their current buying parameters. It is as much an art as it is a science.

As a broker, the objective at Performance Brokerage Services is to find the unique buyer who accomplishes their clients' business and personal goals, which at times may include more than the sale price. It is important to also consider the character and quality of the buyer who will be taking care of your team, your customers, and your life's work. One who will negotiate in good faith, maintain confidentiality, and be an all-around pleasure to work with. Not all buyers cross the finish line. There is monetary value in transacting with one who will.

For more information, contact Courtney Bernhard at courtney@performancebrokerageservices.com or George Chaconas at george@performancebrokerageservices.com.

Rider's Advantage Enhances Dealer Training Team

Rider's Advantage is committed to a strategic partnership with NPDA Dealers. The company has enhanced its highly experienced training team, hired a new National Training Manager, and partnered with Laura Lemco to form Lemco Peer Advantage.



For more information on Rider's Advantage, contact National Sales Manager Rich Butler at rich@riders-advantage.com.

LeadHelm Aims for Optimum Digital Lead Conversion Rates

LeadHelm is a subscription-based software platform, focused exclusively on digital leads, that



is led by dealers, for dealers. LeadHelm's mission is to revolutionize digital lead management with its technology, centered on efficiency and adaptability, by ensuring that every potential digital customer is engaged in a manner that optimizes conversion.

LeadHelm delivers a powerful SaaS product that enables dealerships to turn more leads into kept appointments and ultimately drive sales growth. This, combined with training from the company's Client Success Team, creates happy dealers and happy customers.

LeadHelm strives to be the go-to solution for dealerships looking to improve their digital lead conversion rates and streamline their workflows. LeadHelm prides itself on creating visibility, accountability and efficiency for users, managers and owners.

The company has extensive experience with the Digital Sales Process, associated KPIs and the Digital Traffic Log. Sharing this knowledge during monthly dealer performance reviews creates best in class results at store level.

Take advantage of LeadHelm's special offer for NPDA member dealers - a free evaluation of your current digital sales operation. Let the company help you start turning more of your exiting leads into happy, buying customers at www.leadhelm.com.

Partner News content opportunities

Got news to share with NPDA Dealer members? Simply email your news by the first Monday of each month to be included in that month's Enewsletter. 200 words max can be sent to dave@npda.org.