



Breakfast Update

Welcome

Mark Ward, Partner



BDO Kendalls



Breakfast Update

NADA Convention Update

Damian Wright, Partner



BDO Kendalls



TO CO

Nada 2009

“Committed to Community”



Workshops

- Strategic business management / succession
- Business development
- Vehicle sales
- Fixed operations
- Human resource management

Credit Crises

“Only when the tide goes out do you discover who has been swimming naked”

Warren Buffet

Housing

- Housing prices – increase 120% / 6years
- Mortgages – Repackaged and sold
- 16% of all mortgages default
- 1 in 6 have negative equity in homes
- Easier to borrow for house than an automobile

Auto

- New vehicle sales – peak of 17 million
- Finance company – 110% finance
- Ownership – 2.3 cars per household
- Prediction for 2009 – 11 million units
- Sales at 1982 levels

Auto - continued

- 47% of buyers excluded from market
- Government committed \$17.4 billion for GM and Chrysler – \$6 billion for GMAC

Nada 20

- Bonus pyramid
- Free dent repairs
- Up-sell car accessories
- Free towing service
- Daily sales meetings

Nada 20 - Continued

- Sales leads – Sales Manager
- Sale meetings – Hold lot
- Photo flyers – Customer service area
- 20 minute free vehicle appraisal
- Back to basics selling

How to manage

- Cash is King
- Understand your lenders
- Reduce inventory levels
- Be prepared for higher interest rates
- Understand debt terms
- Push out CAPEX
- Scenario plan – worst case

Opportunities

- Dealership acquisitions
- Come out stronger

Other presenters

- Alan Mulally – CEO of Ford
- Christopher Gardner – “The pursuit of happiness”
- Bill Clinton & George Bush Senior
- Jason Jennings

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Credit tips to protect your Business

Andrew Fielding, Partner



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Dun & Bradstreet December 2008 Quarter Trade Payments Analysis

Average days to make payment:

- Businesses – 56.5 days
- Governments – 57.1 days
- Big Business – 61.5 days



Two main areas of Credit Control

- Documentation
- Review and Enforcement



Credit Control Documentation

Terms and Conditions of Sale

Key Clauses:

- Director's Guarantee
- "All Monies" Retention of Title
- Charging Clause



Credit Control – Documentation

- Right to enter premises to recover stock
- Ability to charge interest on overdue accounts
- Ability to charge recovery costs e.g legal fees



Credit Control – Review & Enforcement

- Annual credit application forms review
- Signed application forms exist for all customers



Credit Control – Review & Enforcement

- Company name, trading entity is still current
- Directors' details are still current
- Current trading terms – are they within the approved limit?

Credit Control – Other Issues

- Debtor Insurance
- Are your goods clearly identifiable as being sourced from you?



Credit Control – Action

- Have your solicitor review and confirm your credit application form includes the clauses discussed previously
- Circulate your clients requesting confirmation of their details and acknowledgement of your terms of trade
- Review current trading and bring credit limits in line with approvals



Questions?



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Australian vehicle sales – December 2008 YTD

		Volume 2006	Volume 2007	Volume 2008	% Change	Share% 2006	Share% 2007	Share% 2008
1	Toyota	213,847	236,647	238,983	0.99	22.2	22.5	23.6
2	Holden	146,511	146,680	130,338	-11.14	15.2	14.0	12.9
3	Ford	114,965	108,071	104,715	-3.11	11.9	10.3	10.3
4	Mazda	63,664	77,734	79,826	2.69	6.6	7.4	7.9
5	Mitsubishi	54,175	65,397	60,692	-7.19	5.6	6.2	6.0
6	Nissan	53,392	60,015	59,214	-1.33	5.5	5.7	5.9
7	Honda	54,202	60,529	52,571	-13.15	5.6	5.8	5.2
8	Hyundai	46,523	50,007	45,409	-9.19	4.8	4.8	4.5
9	Subaru	37,520	38,445	38,492	0.12	3.9	3.7	3.8
10	Volkswagen	21,571	27,400	29,875	9.03	2.2	2.6	3.0
11	Suzuki	15,798	21,575	22,523	4.39	1.6	2.1	2.2
12	KIA	20,770	20,985	19,661	-6.31	2.2	2.0	1.9
13	M/Benz	18,104	20,230	18,540	-8.35	1.9	1.9	1.8
14	BMW	16,034	17,197	17,263	0.38	1.7	1.6	1.7
15	Audi	5770	7,225	9410	30.24	0.6	0.7	0.9
16	Other	77,483	90,263	84,652	-6.22	8.0	8.6	7.9
		962,666	1,049,982	1012,164	-3.60	100	100	100

US vehicle sales – December 2008 YTD

		Volume 2006	Volume 2007	Volume 2008	% Change	Share% 2006	Share% 2007	Share% 2008
1	Toyota	2,047,056	2,161,467	1,843,669	-14.70	12.4	13.4	13.9
2	Chevrolet (GM)	2,396,532	2,250,352	1,790,519	-20.43	14.5	13.9	13.5
3	Ford	2,415,059	2,087,048	1,680,321	-19.49	14.6	12.9	12.7
4	Honda	1,308,135	1,371,438	1,284,261	-6.36	7.9	8.5	9.7
5	Nissan	898,103	941,200	838,361	-10.93	5.4	5.8	6.3
6	Dodge	1,077,579	1,058,402	784,113	-25.92	6.5	6.6	5.9
7	Hyundai	455,520	467,009	401,742	-13.98	2.8	2.9	3.0
8	GMC Truck (GM)	456,565	484,932	361,739	-25.40	2.8	3.0	2.7
9	Chrysler	604,874	543,011	335,108	-38.29	3.7	3.4	2.5
10	Jeep	460,052	475,237	333,901	-29.74	2.8	2.9	2.5
11	KIA	294,302	305,473	273,397	-10.50	1.8	1.9	2.1
12	Pontiac (GM)	410,229	358,022	267,348	-25.33	2.5	2.2	2.0
13	Mazda	268,786	296,110	263,949	-10.86	1.6	1.8	2.0
14	Lexus	322,434	329,177	260,087	-20.99	1.9	2.0	2.0
15	BMW	274,432	293,795	249,113	-15.21	1.7	1.8	1.9
16	Other	2,871,331	2,731,279	2,279,803	-16.53	17.4	16.9	17.3
		16,560,989	16,153,952	13,247,431	-17.99	100	100	100

Western Europe vehicle sales – December 2008 YTD

		Volume 2006	Volume 2007	Volume 2008	% Change	Share% 2006	Share% 2007	Share% 2008
1	VW	1,613,778	1,547,035	1,483,559	-4.10	10.9	10.5	10.9
2	Ford	1,205,157	1,205,233	1,131,823	-6.09	8.2	8.1	8.3
3	Opel/Vauxhal l (GM)	1,258,749	1,255,749	1,070,979	-14.71	8.5	8.5	7.9
4	Renault	1,230,085	1,126,798	1,028,347	-8.74	8.3	7.6	7.6
5	Peugeot	1,067,387	1,045,120	952,282	-8.88	7.2	7.1	7.0
6	Fiat	854,796	923,443	899,646	-2.58	5.8	6.2	6.6
7	Citroen	875,983	897,647	813,043	-9.43	5.9	6.1	6.0
8	Toyota	800,629	809,039	703,846	-13.00	5.4	5.5	5.2
9	M/Benz	713,758	715,650	668,727	-6.56	4.8	4.8	4.9
10	BMW	670,320	689,272	660,390	-4.19	4.5	4.7	4.9
11	Audi	628,000	645,676	645,925	0.04	4.3	4.4	4.8
12	Nissan	310,633	290,472	315,634	8.66	2.1	2.0	2.3
13	Seat	368,784	363,239	315,077	-13.26	2.5	2.5	2.3
14	Skoda	308,206	324,780	314,818	-3.07	2.1	2.2	2.3
15	Honda	255,978	279,771	231,740	-17.17	1.7	1.9	1.7
16	Other	2,603,476	2,675,283	2,322,541	-13.19	18.3	18.1	17.1
		14,765,719	14,794,207	13,558,377	-8.35	100	100	100



Thank you

Wednesday 18 February 2009



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