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## CONTACT US

Greggory J. Savage  
(801) 323-3313  
gsavage@rqn.com

Richard H. Madsen II  
(801) 323-3392  
rmadsen@rqn.com

www.rqn.com  
801.532.1500

# CONTENTS

PUB. 4 2022 ISSUE 1

- 4** EXECUTIVE DIRECTOR'S MESSAGE
- 6** TONY DIVINO HALL OF FAME INDUCTEE INTRODUCTION BY MIKE MACDONALD
- 8** NCDU HALL OF FAME INDUCTEE TONY DIVINO
- 12** KYLE TREADWAY HALL OF FAME INDUCTEE INTRODUCTION BY SHAWN TREADWAY MORGAN
- 16** NCDU HALL OF FAME INDUCTEE KYLE TREADWAY
- 18** UTAH INTERNATIONAL AUTO EXPO
- 22** HOW TO DESIGN YOUR DEALERSHIP SUCCESSION STRATEGY
- 24** THE PANDEMIC HAS CHANGED THE WAY DEALERSHIPS DO BUSINESS
- 26** THE INS & OUTS OF DEALERSHIP COMMUNICATION
- 28** A CONVERSATION WITH NATALIE GOCHNOUR, CHIEF ECONOMIST FOR THE SALT LAKE CHAMBER OF COMMERCE
- 31** DRIVING UTAH'S ECONOMY



8



18



22

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**Craig Bickmore**, Executive Director

## Executive Director's Message NCDU



# Still Bullish After All These Years...

**S**peaker Brad Wilson quoted the following during a recent House address: "The pessimist complains about the wind, the optimist expects it to change, and the realist adjusts the sail."

I think that as 2022 begins, adopting a realistic view and adjusting our sail is very good advice. However, there is also much to be optimistic about, and those who know me are well aware that while adjusting the sail is prudent and good business, I am bullish on this industry.

Just recently, we inducted two dealers into our 35th Hall of Fame, and both Tony Divino and Kyle Treadway have seen the success of adjusting sails throughout their successful careers. And here's the thing – when you adjust your sail just right, there's a tailwind that can be magnificent. I encourage you to read their stories and the personal reflections of their careers in this issue of our magazine.

Also, in this issue, you will find an economic report by Natalie Gochnour, chief economist for the Salt Lake Chamber and director of the Kem C. Gardner Policy Institute at the University of Utah. As usual, her insights offer much value to our state's small business owners, but interestingly she also tempers her economic message with some real-world advice that I found particularly noteworthy. During times of stress and turbulence, she gives the following advice:

1. Practicing warm-heartedness
2. Respecting facts and deploying wisdom
3. Seeking balance

I would suggest that these three ideas are all part of the actions surrounding "adjusting the sails," that small business owners routinely do. But here's the thing – these ideas are easier put into practice when you are a member of NCDU.

Being a member of NCDU opens up a large network of dealers here to support each other and foster that warm-heartedness the world so badly needs right now. Our dealers are mainstays of community engagement and giving back to causes that are near and dear. When our communities are strong, we're strong, and every dealer in our association goes above and beyond.

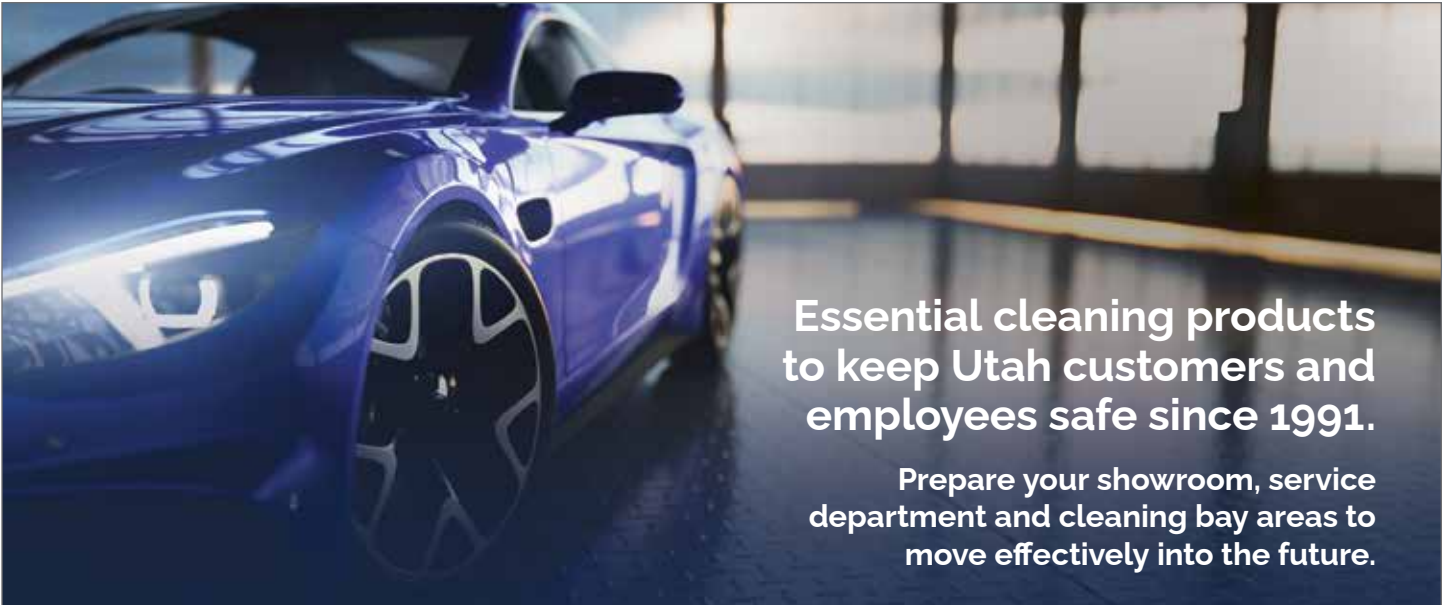
Likewise, the educational opportunities offered through NCDU and NADA supplies meaningful and factual information about industry news that supports good decisions. Again, something that is crucial.

And finally, when you have a network of people and resources at your disposal, balance is typically the result.

The NCDU stands ready to support and aid our dealers in running their dealerships, as we have throughout the last many decades. Together we make a difference, not just in our communities but in the lives of our staff, colleagues, and our own.

As always, I am grateful to be working so closely with so many accomplished, kind and caring individuals. ◀

Thank you!  
Craig Bickmore



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# Tony Divino



## Hall of Fame Inductee Introduction By Mike MacDonald

**G**oogle defines “Hall of Fame” as “The class or category of those individuals who have excelled in a particular field.”

For the past 30 years, having the privilege of being his friend, I’ve witnessed that Tony Divino is a Hall of Famer, not just for the New Car Dealers of Utah, but a Hall of Famer in his particular field: **life**.

In preparation for what I was going to say about Tony, one constant theme surfaced from all who gave accolades as I gathered comments about him. The validation of Tony’s very broad positive influence on so many came from quotes from various people he has touched in different aspects of his **life**. In essence, his “Hall of Fame” living game!

Here are quotes and observations from those who have benefited from Tony’s relentless and unwavering commitment throughout the years:

### **Weber School District**

“Tony is the longest-serving board member and chairman for more than 20 years.”

“He is the title sponsor of the annual Golf Tournament.”

“Tony sponsors the Annual Teacher of the Year Award Program that recognizes a teacher from the Weber District for outstanding achievement. He sponsors the award and dinner for that outstanding individual.”

“His employees raise money at Christmastime for 10 teachers who are in need of support, and Tony personally matches what they raise.”

“Tony allows the local high school to have their Prom on his showroom floor!”

“Tony is the title sponsor of the Christmas Tree Jubilee to raise money for the school district.”

### **Prevent Child Abuse of Utah**

“Tony has been involved with Prevent Child Abuse for over 30 years.”

“Thirty years ago, Tony was asked to donate money, and he jumped right in – not just with his wallet but with his time and effort and never looked back.”

“Tony has been the Board Chairman more than once and still serves on the Board of Directors. He does not just sit on the Board; he does the work. He walks the talk. He’s there for the right reasons.”

“Twenty years ago, Tony started and organized the Prevent Child Abuse Annual Golf Tournament fundraiser and still oversees it to this day.”

“Tony was directly involved with getting Toyota’s sponsorship of Prevent Child Abuse of Utah and, more importantly, their money!”





In the game of life, Tony is anything but a blind squirrel. No luck involved in his life game. He earned all he has accomplished through honor, integrity, fairness, sacrifice, hard work, and loyalty, with the loving support of Cynthia and his family.



“He truly cares about the children of Utah and their welfare. Anything Tony commits to, you get 100% Tony.”

“He teaches the family values of love, fairness, hard work, honor in work and good stewardship in life.”

**Employees of Tony Divino Toyota**

“Tony is a self-made dealer, 35 years plus.”

“Tony is a very ‘humble’ man.”

“Tony has been the Toyota President’s Award Winner many times; he has a hands-on dealer approach and an open door policy.”

Tony is devoted and loyal to friends, some he has had for more than 60 years. He makes friends for life; he has been friends with President Miller since they were three years old.

“Tony shares the dealership success with trips to Europe, Jazz tickets and more.”

Tony was instrumental in forming the South High Alumni Association and Salt Lake Community College Scholarships Program to benefit South High Alumni’s relatives, and he serves on its Board. He is taking care of his high school buddies 50 years later.

“Tony’s success as a dealer is reflected in the long term tenure of many employees of 20, 30 and 40-plus years.”

As you can see, there’s a common theme: Twenty years, 30 years, 40, 50 and 60+ years. Now, it does not infer that Tony is old (sorry, my friend), but it validates his high level of commitment to any aspect of his life. Tony is indeed a **“life” Hall of Famer.**

“It’s not unusual to see Tony engaging with customers on a daily basis. We are proud to say we work at Tony Divino Toyota.”

“Our dealership credo is ‘Do the right thing the minute you know it’s the right thing.’ Treat customers as if they were your mother.”

Cynthia says there are some four-letter words in the Divino family that are not spoken. One of those words is F. I. S. H. Everyone knows Tony’s passion for fishing. Hell, he would fish in a bathtub if it was stocked with fish!

**From Family and Friends**

“Tony has been married to his life partner and soul mate, Cynthia, for 47 years.”

Tony and I have had many great fishing adventures over the years. Alaska, Maui, Cabo, Costa Rica, Flaming Gorge and more. A lifetime of memories. Tony is very competitive, especially when it comes to catching fish. Not very often, you might get lucky and catch a fish bigger than Tony’s when here it comes: “Even a blind squirrel finds a nut once in a while.” We all have heard that more than we would like!

“They have raised three incredible daughters and have three sons-in-law and six grandchildren.”

“Cynthia and Tony worked through the good times and the tough times to where they are today.”

In the game of life, Tony is anything but a blind squirrel. No luck involved in his life game. He earned all he has accomplished through honor, integrity, fairness, sacrifice, hard work, and loyalty, with the loving support of Cynthia and his family.

“Tony’s dedication and love for Cynthia are endless. One recent example: he stayed home with Cynthia while she was immobile for three months after her ankle surgery.”

“Tony is a true family man first. He would do anything for his family. Cynthia knew Tony was an honorable man the first time they met.”

I am honored to introduce my great friend and a 2022 New Car Dealers of Utah Hall of Fame Inductee, Tony Divino. ◀



NCDU Hall of Fame Inductee

# Tony Divino

*This year rings in the 35th Hall of Fame inductions for our industry and once again, NCDU is recognizing excellence within our ranks of dealers. What makes this recognition so remarkable is that this is an honor of peers who not only recognize success but dedication and character as well as an outstanding contribution to our industry.*

*Tony Divino, as his own remarks and those of his friend and colleague, Mike MacDonald reflect, is a self-made man. He started in this industry with a dream and ambition. Years of hard work and personal sacrifice have paved the way to remarkable success.*

*The NCDU is proud to welcome Tony Divino into its Hall of Fame.*

### **How did you get into the industry?**

After graduation, my wife Cynthia and I moved to Denver from the "U" to work for ADP. This company was among the first to do online parts inventory control and accounting for automobile dealers. One of my first clients, Larry Miller, was the parts manager for Stevinson Toyota in Denver. When he saw how hard I was working for ADP, he said, "You need to come to work for me at Stevinson." At the time, I knew nothing about the car business.

ADP transferred me to Portland, but Larry's boss eventually hired me to come back to Denver. It was a big change for me and a major turning point in my career and my life. I eventually started selling cars part-time, and it doubled my income! This



money was very helpful as we had just had a new baby. Two and a half years later, Larry said, "I'm going to try and buy my own store. Would you come with me?" I told him it depended on where he was going. In 1979, while Larry was on vacation in Utah, he bought a Toyota store in Murray, Utah. He asked me to be the New Car Manager. That was the second major turning point in my life. We were going "home" after being away for five years!

I worked 11.5 years in Utah with Larry. I learned a lot during those years, but eventually, I couldn't keep working 70-hour weeks on a regular basis. Something had to give.

While still working for Larry, I had the opportunity to purchase Toyota of Ogden with Larry as my partner. After this, I left the Larry Miller Group, and in 1995, Larry allowed me to buy him out of his investment. This chance was the third major turning point in my life. I purchased and sold a Mazda franchise and a Lincoln-Mercury franchise along the way, but my true passion was Toyota.

#### **How has NCDU benefited you professionally?**

Craig and Jason Bickmore represent about 142 new car dealers in Utah. They see what is beneficial to everyone and know exactly where to turn to help all of us. Their perspective and know-how are so beneficial for everyone. There's no way I could keep up with legal and legislative concerns on my own. I am willing to go to the state and help lobby, but we would never get anything done if we all had to do this independently. The NCDU is very supportive of all dealers, never favoring one over the other.

#### **What have been some of your biggest challenges?**

It's a challenge being an independent single-point store, getting funding and building banking relationships. Large dealership groups have economies of scale that a single point doesn't have.

Another challenge is finding time to be with my family. Sometimes the car business is a 24-7 job. I learned to pick family over work. It was the right thing to do.

#### **What are the major milestones in your life?**

Successfully raising our children was a major life goal. My wife and I have good children, although my wife gets the credit because she did the parenting when I was working such long hours. I am grateful to have Cynthia. I was able to coach two of our girls in basketball after cutting back my work hours.

Work milestones include becoming a dealer, being nominated for Time Quality Dealer of the Year and being inducted in the NCDU Hall of Fame.

#### **How do you feel about being inducted into the NCDU Hall of Fame?**

I was on a boat in the middle of the Pacific fishing when Craig called me to tell me. I felt shocked and flattered. It's truly an honor and a big deal, and it's very humbling in a lot of ways, especially when you are recognized by your peers.

continued on page 10



continued from page 9

**What are your biggest accomplishments?**

Larry asked me to buy him out in 1995, and I have been the sole owner of Tony Divino Toyota ever since. I had to take out a huge loan and refinance our building. It was an all-in move.

My biggest professional accomplishment is paying off that loan in 5-6 years. I am willing to take calculated risks, but I don't want to go all-in all the time. Being out of debt is a big deal for me. I do everything I can to stay as debt-free as humanly possible.

**What are the biggest issues facing the dealership industry today?**

There are quite a few. When COVID-19 hit, we didn't know where we were going for three weeks, and it was scary. COVID is still looming out there.

I'm also concerned about where the industry is going, especially government interference that doesn't look at long-term ramifications and its effects on the industry. President Biden's proposal to pay a \$4,500 bigger tax credit for EVs built by union workers would be very disruptive to the industry. Many nonunion companies pay the same wages as union companies, and they are doing a great job of building cars in America and shouldn't be unfairly penalized. We have no control over that; it's up to Congress.

EVs will be good, and I am not against them, but they are only one piece of the business and not the ultimate answer. We must look at the long term. Can we support additional demand for electricity? Where does it come from? Utah doesn't have clean power. It makes most of its electricity from coal. Why is having coal to charge a battery better than zero-emission cars like hybrids? That looks to me like a better option in some ways.

Hiring and retaining good people is always a challenge. I have been incredibly lucky to have so many long-term employees.

**Where do you see the future of the industry going?**

Many manufacturers would like to go in the direction of online ordering, do away with car dealers, and adopt the Tesla business model. Ford tried it 20 years ago, but it didn't work.

The challenge is whether the factory will do orders completely online or let the dealers continue to do what they are doing now. Choosing packages and building a car is complex and involves a lot of paperwork. We spend hours and days to make sure it is right.

Suppose someone misses a major package, a convenience, you name it, and the car isn't right because the customer didn't know enough to order it correctly. Who owns the car when it arrives and isn't built correctly, right?

**Do you have any advice for other NCDU members?**

Appreciate that NCDU is doing so much for us as dealers, from legal to legislative, auto show, working with the Motor Vehicle Enforcement Division and other state agencies. Craig looks at the big picture. He thinks about consequences for 142 dealers, not one dealer. We are lucky to have him.

**Do you have any last words?**

I never thought that the car business was for me, but I was wrong. There isn't much better, in my opinion. I really enjoy what I do and the countless relationships I have made. I have a great customer base and great employees. I am very, very fortunate. I have enjoyed this business and can't imagine doing anything else. ◀

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# Kyle Treadway

## Hall of Fame Inductee Introduction By Shawn Treadway Morgan



**SWING.** Do you know what that is? It's competitive rowing's equivalent to a hole-in-one, a walk-off home run, or a full-court shot.

The book *The Boys in the Boat*, written by Daniel James Brown, is the story of the University of Washington men's rowing team about working boys who were unlikely gold medalists at the 1936 Berlin Olympics. Their story references a thing that sometimes happens in rowing that is hard to achieve and hard to define:

*"It only happens when all eight oarsmen are rowing in such perfect unison that no single action by any one is out of sync with those of all the others."*

The ninth crew member, the coxswain, does not row. He is the only one facing forward as the eyes of the boat. Only he can see the course, judge the wind and the current, make tactical changes and coach the rowers into swing. The coxswain is the strategist responsible for coordinating the power and rhythm and is the motivating heart of the rowers. As Brown describes:

*"The single, whole, unified and beautiful symphony that a crew in motion becomes is all that matters. Not the individual, not the self ... Rowing then becomes a kind of perfect language ... It's not hard work when the rhythm comes ..."*



Kyle Treadway possesses this kind of team-creating rhythm. I see him as the symbolic coxswain of the Kenmore company. This leadership skill is just part of him, it seems effortless, and he seems unflappable. It comes from a life of **discipline, generosity, integrity** and **a fierce loyalty to family**. This rhythm is what brings him into each day prepared for whatever it may hold. In this era of COVID-enhanced industry issues, internal and external, a rhythm, a flow, a sort of zen is a powerful tool. Mind you, his rhythm is his alone. It is never imposed or thrust upon anyone else. It is his own high bar of personal expectation, his own "swing." But it seems to inspire others to row as a team.



As Kyle captains a growing family business, he wisely chooses his teammates and then lets them find the rhythm of their own stewardship, allowing them to captain their own smaller boats. In doing so, he leaves a wake of respect and certainty.



One of Kyle's mantras is "if you're not early, you are late." Many of his nieces and nephews have worked through college as his Administrative Assistants, and they soon sensed that arriving at their desk at 8:01 was unacceptable. It became a personal challenge for some of them to try to get to the office before Kyle. Others, not. You see, by 8:00 a.m., Kyle has already swum 4500 yards, done his pre-reads for the board, handled managerial and video conferences, booked flights for the next two to three months and picked up a dozen cigarette butts on his way into the building from where he parks in the employee lot. Kyle likes things tidy. He never says anything; he just quietly takes his stewardship over the family business very personally. That's why he picks up any litter in the parking lot; that's why he knows his employees' lives and families and their stories; that's why he leaves his desk completely organized at the end of every day. Not as impressive in today's paperless world as it has been the last two decades when he began the practice. But the same outcome. Kyle creates ***the swing rhythm of discipline.***

Making the rounds to the different Kenworth locations and serving his responsibilities on various regional and national boards, Kyle travels many weeks out of the year, often packing one suitcase for back-to-back travel that doesn't stop in Salt Lake City between work locations. Needless to say, he tends to accumulate a lot of Biscoff cookies and pretzels that have filled the niece's and nephew's lunches over the years! He also brings home the complimentary shampoos and soaps from the hotels to donate to the local teen homeless shelter.

This spills over into business, where giving back to the community is a priority. Kenworth Sales sponsors two Title One elementary schools and has an employee-driven charitable giving program. Last year marked the 75th anniversary of Kenworth Sales Co. Over 40 events were planned and then canceled due to COVID-19. But even with, and maybe even because of, the uncertainty of the pandemic's effects on the economy, Kenworth Sales moved forward with the plan of giving back \$75,000 to the communities of which we are a part.

That is how Kenworth Sales celebrated 75 years. By giving back. That's who Kyle is. There's enough to share.

Incidentally, Kyle does his birthday the same way. He always seems to be gone on his birthday, so there is no celebration to be had! But he does not miss a gift or card for others in the family on their birthdays. The many nieces, nephews and now their children, the fifth generation, all hear from Uncle Kyle. One birthday, however, a foil happy birthday sign that had been used around the office above various people's workstations found its way above Kyle's door on the exact day of his birthday! He was there that day, quietly took it down and folded it neatly and set it on his credenza. Later that day, a brave nephew/admin assistant tacked it up under the desk where only Kyle could see it. He noted the pleased look on Kyle's face, almost a smile?! Kyle generates ***the swing rhythm of generosity.***

Kyle's idea of time off is trading his tie for a T-shirt, his laptop for a rake and working to maintain the three-acre HOA community he and his spouse have built. They have planted nearly 200 trees and created a beautiful park-like setting for all the residents to enjoy. When you shake hands with Kyle, notice his thumbs. They are both green. He has thriving plants in his office that have been there for longer than I can remember. Do you sing to them, Kyle? Is the coxswain allowed to sing?

Now, if he isn't brown-bagging lunch in the KWS lunchroom and catching up with the techs and office staff, he is probably taking a nephew to lunch at Virg's, a local diner with vinyl seats and a steady menu. He is seated in the same booth each time, the server knows him by name, and he knows hers and her family. She greets him and brings him his iced tea without asking. He includes a quiet, thoughtful tip, with a "see you next time." He lives simply, deliberately.

continued on page 14



**continued** from page 13

One summer, in his teen years, Kyle worked at a service station. Kyle, did you wear coveralls?!! One day, while Kyle was working, some tools were stolen. He felt the responsibility of it. The next day, Kyle came to work with the sum of his earnings for the entire summer to give to the owner to compensate for the loss. He was prepared to make things right with the station owner. There was no price to be put on his good name. And Kyle's sportsmanship goes beyond being an international master swimming competitor. He is a champion at laser tag! He is a strategic but honest card player and knows how to laugh! He is ever a gentleman. He has mastered ***the swing rhythm of integrity.***

Kyle was not yet 40 years old when he assumed the helm of the business as the third generation of Treadways. He had been educated at Stanford. He and I graduated the very same day from two different universities. He is two years younger and graduated with two degrees to my one! Then, he received his law degree from the University of Utah. Now he is two degrees ahead of me. But I still have the two years on him! He had a short period of practicing law, but the "diesel in his blood" brought him to Kenworth at age 27.

Mentored for nearly 12 years by our father and other giants in the transportation industry, Kyle has said he still felt unprepared the day our father passed away, and the name on the door changed from Gene Treadway to Kyle Treadway and the desk with everything it contained was now his

responsibility. He may have been mad at dad for leaving too soon, for breaking the rhythm, but only for a minute; he didn't have time for that now. He was at the helm, he was the only one who could see the whole field, and he had a boat to guide.

That boat has become a fleet. As dealer principal, Kyle has grown the business from the four locations he inherited in 2000 to 31 stores across the Mountain West and Mid Atlantic, with over 1200 families relying on Kenworth Sales for their livelihood. But, it is no cruise ship. Through seismic economic shifts, construction, staff changes, industry demands, supply chain disruption, earthquakes and a pandemic, Kyle had the 2020 vision to navigate COVID, as all of you did, to adjust and reroute. Kyle has a phrase, "If you can't fix it, feature it." This works as well for the support poles painted red in the West Valley parts showroom and for this and that in his own home. It also works for the COVID pandemic.

Instead of giving in to all of the swirling anxiety of a maverick virus, with a skilled tech team, Kyle produced a company-wide video message to comfort and assure employees that their jobs are secure, that the doors will remain open as an essential business, that the company is thriving. We can not only weather this, but we may come forward as contenders and Olympic champions in this regard! In each week's video, he would greet and give an encouraging and informed anecdote based on current events or historical significance to inform and boost morale. Soon other rowers or team members would



participate in the message. It began as a tool for pandemic peace of mind and evolved into a COVID-connector, an effective morale missive and PR platform. It was an inspiring way to meet and stay connected in a large company. It has continued each week for nearly two years. Each week begins with a familiar “Kyle Treadway, dealer principle here,” and ends with the reassurance, “Because together we are strong.” Like everything else, he has established a pattern for **the swing rhythm of leadership**.

Families are at the top of Kyle’s list. His concern for employees’ safety and security is second only to his own family. He cares fiercely for the legacy of the Treadway family and future generations. The fourth generation is now being mentored by Kyle, as he was by our father and grandfather. His patient leadership allows for hands-on experiential learning. Kyle, how many family members have you individually trained to read financial statements? How many times have you explained acronyms and organizational charts? How many times have you told the history of the company, told of its mission, vision and values? Perhaps one of the most difficult jobs of a coxswain is the repetition that has to sound fresh and relevant every single time. Kyle is invested in family. Kyle is invested in relationships. Kyle is invested in people. **Kyle values the swing rhythm of family**.

As Kyle captains a growing family business, he wisely chooses his teammates and then lets them find the rhythm of their own stewardship, allowing them to captain their own smaller boats. In doing so, he leaves a wake of respect and certainty.

When the author of *The Boys in the Boat* approached the last remaining member of that nine-man Olympic crew, who was in heart failure and seeing his last days, the author asked, “Can I write about your life?” “No,” the old rower said.

Silence.

“You can write about the boat.” (By that, he meant all the guys who rowed.)

Today Kyle Treadway is honored as an inductee into the UADA Hall of Fame. But if you were to ask him to tell the story of his life that brought him here, I am certain he would say: “No, but I’ll tell you about the boat. My family and the people I work with; I will tell you about all the people who rowed with me.”

Kyle, as one of your crew members and even more as your sister, I congratulate you on receiving – and deserving – this honor. ◀



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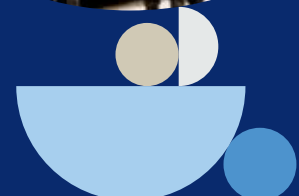
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NCDU Hall of Fame Inductee

# Kyle Treadway

*The NCDU Hall of Fame recognition is one where our industry pays tribute to those dealers who make a contribution to our business not just through company success, but through character and leadership impacting our industry as a whole. Over the past 35 years, NCDU's Hall of Fame inductees have been dealers whose lives and stories have impacted us all.*

*Kyle Treadway is second generation dealer who took the reigns of the family business and not only improved on the success of the company, but also put his own mark on it as it grew. Shawn Morgan, Kyle Treadway's sister spoke of the vision and dedication to the family business.*

*The NCDU is proud to welcome Kyle Treadway into its Hall of Fame.*

## **How did you get into the industry?**

My grandparents started the business in 1945. Kenworth Truck Company recruited them at the end of World War II and asked them to relocate to Utah and start the dealership. Kenworth expected an economic boom and thought the dealership would be a great opportunity. They recruited my grandfather because he had been working as the chief operations officer of a national truck fleet.

My dad worked in the business, too. He was 17 when they started and had just been released from the U.S. Army Air Corps. (You

basically know he lied about his age to get in.) My grandparents hired him to run the dealership's parts department. The dealership initially had three employees, all with the same last name: my grandfather, grandmother and father.

I grew up in the business but rejected it and never thought I would make it my career. But after working for a law firm for a few years, I discovered I really disliked the practice of law. I asked my dad, "Can I come work for you until I figure out what I want to do?"

Going away from the family business made all the difference. It made me appreciate the dealer world, and in 1987 I realized I loved the work. My brother and sisters did the reverse path. They joined the business and then left. We have a family board of directors, and they are on the board, though they are no longer involved in day-to-day operations.

## **How has NCDU benefited you professionally?**

NCDU teaches members about best practices and provides networking opportunities. It's important to have peer support and resources, and NCDU's peer network has really helped me with career and business development. They have also advised me about running a larger company as our company has grown. I have ridden on their coattails.

### What have been some of your biggest challenges?

Relations with the OEMs have always been a challenge that will never end. Another challenge is managing growth and deciding how to structure the business. Our markets are different than the markets for car dealers. They are cyclical and have a smaller customer base.

We are also figuring out our succession plans for when company leadership transitions to the fourth generation. Two of my nephews are in the business and would like to take the helm. That will probably happen in five to 10 years.

### What are the major milestones in your life?

The first was in 2000, a decade after I decided I had found my career. My father died of cancer after being diagnosed in 1998. He was still the principal in name, but he couldn't run the business. After his diagnosis, we stepped in as a team and had to figure out how to run the business and handle the aftermath of 9/11.

I officially became the dealer principal after he died. It was very difficult. I wasn't prepared, and I aged a decade in one year. Like most businesses, we had a lot of confusion and concern. It was my first economic downturn at the helm, and it was incredibly stressful. We pulled back and became very conservative in our investments, inventory and employment decisions.

The next milestone was in 2014. We had survived 9/11 and the Great Recession of 2009, and we were recognized as Dealer of the Year by the American Truck Dealers Association, a division of NADA. Then, in 2021, Kenworth Truck Company recognized us as the North American Dealer of the Year.

### How do you feel about being inducted into the NCDU Hall of Fame?

It was an unexpected honor from a group that I respect. The NCDU Hall of Fame recognizes contributions to the industry, but I have gained far more than I have given. I am a commercial truck dealer, not a car dealer. However, I have great respect for car dealers. They are much larger as an industry than we are, and I've learned from them.

### What are your biggest accomplishments?

I take a lot of pride in the partnerships we have created with customers, the communities and the other industry stakeholders we are surrounded by. We've put time, thought and effort into building our business and helping customers build their businesses. It's important to me to give back to the community for the support they've given us.

In addition to fleet owners and operators, our stakeholders are the manufacturers, component suppliers and aftermarket service providers.

### What are the biggest issues facing the dealership industry today?

I see three that apply to car dealerships and truck dealerships alike. The first is consolidation. There are fewer dealer principals,



Some great things are going on out there, and unique experiments are taking place that you can learn from.



and as the threshold for entering this business gets steeper, the pool of potential dealers becomes smaller and smaller.

Second, our business model is changing. How we reach our customer base has become increasingly different over the last 10 years, whether you are looking at e-commerce or digital marketing.

Third, the labor pool is a problem. It is challenging to recruit, train and retain qualified personnel. Our long-haul trucking customers have a driver shortage because fewer people are willing to sit in the cab of a long-haul truck for 50 hours a week. There's a breed of person who enjoys solitude and the open road, but that life is less appealing to the younger generation.

Driver shortages domino through so much of our industry. That's why autonomous driving is important. It isn't more cost-efficient than having a human driver, but freight demand is mushrooming, and we are not meeting the demand for people to deliver packages. Automation is in trial stages in several states, and autonomous trucks are operating quietly on the open road. All of the long-haul companies are aggressively approaching the switch to autonomous driving.

### Where do you see the future of the industry going?

My answer might seem retro, but we've always built our business on relationships, and that is more true today than ever. You can have CRM and everything online, but a successful business needs relationships and reputation. You may not shake hands or knock on the door, but you still need to relate to other people. The basics will just have a high-tech flavor added to them.

### Do you have any advice for other NCDU members?

Watch and learn from your peers. Some great things are going on out there, and unique experiments are taking place that you can learn from. Also, help each other. Everyone goes through a crisis sometime – help your fellow dealer figure it out. Finally, keep your eye on the future, and develop people and relationships.

### Do you have any last words?

Thank you for this unexpected honor. I value it more because it came from automotive professionals in my home community, and my family and coworkers have all been impressed. ◀

# Utah International

# Auto Expo

The Utah International Auto Expo was held Jan 14-17, 2022, at the Mountain America Exposition Center. A big thanks to our sponsors and all who participated and made this an event to remember!









# How to

# Design Your Dealership Succession Strategy

Paul Skeen, CPA, Partner, Eide Bailly



**S**uccession planning is an essential business activity for dealer owners, whether you own an auto or truck dealership, an implement dealership or a heavy equipment dealership. This strategic approach is essential to estate planning and helps ensure sustainable business continuity after you've left the dealership business, whether through retirement, an unexpected life event or even death. A documented, approved, and well-understood plan increases the likelihood the transition will go to the successor you choose and happen how you want.

**1. Build your team.** To start building out your succession plan, you must first create a planning team. This team might include your CPA, financial planner, estate planner or business attorney, insurance representative, any

necessary business counselors or advisors, and relevant family members and/or key management, including your chosen successor, once you've determined who this will be. Your team might evolve to include (or exclude) certain individuals over time.

- 2. Develop your crisis plan.** Next, you must develop a crisis plan. Your crisis plan should outline the next steps should something happen to you, the dealership owner, unexpectedly. It assigns a management team and outlines responsibilities, and it also includes pertinent documents like loan information and other financial resources.
- 3. Align plans.** You must also align your estate plan with your succession plan. Oftentimes, great estate planning doesn't equal great succession planning. For example, your



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Succession planning is an essential business activity for dealer owners, whether you own an auto or truck dealership, implement dealership or heavy equipment dealership.

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successor, start the training process and integrate them into dealership operations. If they're already involved, gradually expand their responsibilities with the goal of preparing them to take over entirely. You want them to understand the ins and outs of your business, so they're able to carry on the relationships you've built with employees, the community, the factory and any relevant third parties.

5. **Document everything.** Documentation is key to every step of this planning process and beyond. To give your successor a guidepost for business success, it's helpful to document a strategy they can follow even years after you've exited. Your years of experience will greatly inform this strategy and can help you feel more confident in the transition. ◀

estate plan may give ownership of your business to all of your children equally – even those who aren't involved or interested in the business. This could be detrimental to succession planning.

4. **Start training.** By this point in the process, you've likely identified your successor or your plans to sell. For a



For more information, visit [EideBailly.com](http://EideBailly.com) or reach out to Paul Skeen at the Eide Bailly Billings Office at 801-456-5456, or [pskeen@eidebailly.com](mailto:pskeen@eidebailly.com).

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CPAs & BUSINESS ADVISORS

# The Pandemic Has Changed the Way Dealerships Do Business

**E**ven though it has been about two years since the pandemic shutdown of March 2020, the divide between pre-pandemic life and post-pandemic life has not closed. The future has very few certainties, but that doesn't prevent you from making educated guesses. There are specific areas that could affect the future of your dealership. Those areas are the ones where you should focus your decisions. Here are a few general subjects you should consider to get you started, but everyone's situation is different. There might be others you should add, too.

## Cyberattacks

The digital cloud is important for a couple of reasons: convenience and security. The cloud makes it possible to access information somewhere other than a physical store, and it also protects that data by using security protocols.

Although the cloud's convenience is an obvious benefit, security aspects are important, too. Automotive dealerships have a high volume of data, and much of it is sensitive because it involves personal and financial information about customers.

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You don't have complete control over how long it takes someone to buy a car, but you should make buying as easy as possible whether customers are online or in your store. Online, you might want to consider having a virtual sales manager.

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### Online Shopping

Most potential customers now prefer to do some or all of their shopping online instead of at a dealership. Thanks to the internet, they can conduct in-depth research and become well-informed before making their final buying decisions. According to an online article on the Autolist website that appeared in May 2021, people spend more than nine hours researching vehicles. Going to the dealership to buy a vehicle often takes about three hours. That time might be spent looking at vehicles, talking to the sales staff, test driving, negotiating the purchase price and trade-in price, and signing paperwork.

The shift to online research and paperwork filled out in advance allows you to improve efficiency. If customers start the buying process from home, that means you can often shorten the time needed to finalize the sale. As people do more paperwork at home, the sales process becomes easier, and customers are happier about their vehicle-buying experience.

What is the ideal amount of time? A Car and Driver article by Jack Nerad published Jan. 4, 2018, said customers wanted to spend 45 minutes to an hour finalizing their purchase. Although that was more than four years ago, the pandemic has increased people's expectations about buying goods quickly and easily.

The 2022 Deloitte Global Automotive Consumer Study contains results from a survey of 26,000 people in 25 countries. It found that people still prefer buying in person from an authorized dealer. However, online purchasing was also attractive because those surveyed thought it would be easier and more convenient.

You don't have complete control over how long it takes someone to buy a car, but you should make buying as easy as possible whether customers are online or in your store. Online, you might want to consider having a virtual sales manager.

### Payments

It has become increasingly important to take payments securely online. That way, customers can pay at their convenience and avoid crowds. Your DMS can do more than enable online payments; it also allows you to track them.

### Remote Work

One advantage of cloud-based software is the way it allows employees to work remotely. If you set things up correctly, employees working from home can set up deals, offer different payment options, schedule service and test-drive appointments and allow customers to set up contracts and payments digitally.

The pandemic pushed the entire world forward technologically when it became necessary to shut down public institutions and ask people to isolate themselves. That was hard, and it continues to be hard. But companies also became more efficient, and what used to be considered a concierge level of service became mainstream. As a result, you can deliver a better experience to your customers than ever before. That's always good for business. ◀

Security patches and updates for cloud-native systems can be installed whenever necessary, and cloud record backups prevent you from losing important information if or when someone hacks your business. If you don't already have a cloud-based DMS, you should consider getting one.

### Digital Advertising

Websites, including social media websites, are an opportunity to help potential customers find you. You can then let them know about any special offers you might have. That becomes doubly important at a time when many people are still avoiding brick-and-mortar stores.

### Mobile Services

Sometimes people don't want to bring a vehicle in for service. Some dealerships have met that need by expanding their services; more specifically, they offer mobile services. They can pick up a vehicle from a customer's home, rotate the tires or change the oil, and then return it. Suppose you are considering offering similar services at your dealership. If so, you will need a DMS that can work off-site without a VPN.

# The Ins & Outs Of Dealership Communication

Dominion DMS

Communication within your dealership can make a world of difference for your customers, your employees, and your staff. Even if you believe your dealership is great at communicating inside and out, improvement is always possible.

Working toward more effective communication can mean:

- **Increased Revenue** – Do your service technicians spend a lot of time walking back and forth to the parts back counter to discuss and retrieve parts needed for a vehicle? Are your service advisors waiting for customer authorization on services? How long do customers need to wait at the dealership to get updates on their vehicles and pay? This time adds up to fewer cars serviced, fewer cars sold, and money left on the table.
- **Happier Employees** – Businesses that present more transparency and communication improve employee morale. This means more engaged team members. In fact, according to the McKinsey Global Institute, effective communication can improve productivity in any workplace by up to 25%. Happier employees also mean reduced turnover.
- **A Fulfilling Customer Experience** – Put yourself in the shoes of a customer for a moment. Which sounds better: spending the day in a dealership waiting room, or going about their day with the trust that they know their car is in good hands? People are known to take better care of their cars over their own health. Your customers want to take their vehicles somewhere where they will be frequently updated on services.
- **Transparency in Your Dealership** – If you communicate better and more frequently with your employees they are more likely to communicate better with you. This means problems are solved quicker, your staff is more relaxed, and your customers come back.

If one or more of these would be beneficial at your dealership, now is the time to start.

## Barriers to Effective Internal Communication

If communication is lacking throughout the dealership, there might be a physical or psychological barrier causing it. The cause may be deeply rooted or something easily fixable.

## Do any of these sound familiar?

### A Lack of Transparency

There could be any number of reasons why staff members might not be in sync. Often it's because nobody understands



the goal. For example, if you expect your dealership to service 1,200 vehicles a month, does everybody in your service department focus on that? If so, are they aware of how they are performing? Not being transparent about information like expectations or even the vision of the business can get in the way of meeting goals.

Clearly defined goals set the right expectations. There should be a process or tool to help maintain an easy flow of internal communication.

### Unclear Direction from Managers

An easy mistake a manager can make is to point out an issue without involving employees in finding a solution.

Let's say a service manager received complaints from customers about paint scratches on serviced vehicles. Relying this to the service staff without a prevention plan going forward may not help. Reminding employees to be careful with vehicles is reasonable, but what if the vehicles were damaged prior to arriving at the dealership? Your team may suggest implementing a more consistent check-in inspection of the vehicle's condition upon arrival. This inspection could actually lead to higher service revenue in repairs to these damages along with more trust from the customer.

### Employees Can't Ask Questions

Do you remember the old saying, "There are no stupid questions"? Is that what your employees actually believe? Fostering an environment where your team feels comfortable speaking up will strengthen your dealership. Creating a habit where experienced employees are encouraged to mentor others will improve their morale and allow new employees to get up to speed more quickly.

### Not Recognizing and Celebrating Good Work

Staffing issues can mean that teams are stretched more thinly than before. With everyone so busy, it is easy to forget to show appreciation. The perception of being unappreciated can lower



morale and lead to burnout. When employees feel recognized and seen by managers, they feel more open to voicing their ideas. Satisfied employees are far more likely to provide superior customer service and productivity.

### **Stressful Training**

The more difficulty new employees have with their training, the less likely they will be comfortable asking questions or communicating well with others. According to a 2016 study by the National Auto Dealers Association, 28% of dealership terminations occur within an employee's first 90 days. Starting a new job often demands learning a lot of information. Investing in effective training programs can pay dividends in quicker new hire productivity while reducing turnover.

### **How to Improve Dealership Communication**

There are several ways a dealership can implement to increase and improve communication between departments. These tips can break down many of the barriers listed earlier that prevent good communication within the dealership.

### **Start with Yourself**

You are in charge. This means you influence a lot of what happens at your dealership for better and for worse. Create a culture of good communication. Set up ways to promote transparency in your dealership. Spend more time with your staff to create a comfort level for employees to ask questions, understand expectations, and feel more recognized. This should result in better goal attainment, a happier workforce, and more satisfied customers.

### **Communicate Digitally**

It is hard to beat a face-to-face conversation, but that is not always possible or efficient. Digital communication is better than none at all. There are paid and even free options available for sending messages between departments. It may even be functionality that is already available. Using an internal chat tool can provide quick answers to keep your business running at its peak.

### **Create One Source of Truth for Information**

A dealership typically invests in many different types of software, with different and sometimes redundant sources of information. Between your DMS, your CRM, and other tools in use at dealerships today, it can be confusing and inconsistent. A best practice is to choose one system to be the source of truth that all employees rely on. This will make transparency easier, and provide the foundation to communicate across departments.

Between all of the benefits, barriers, and tips discussed, there is one overarching theme: effective internal communication is important for a successful dealership, and it starts with you as the manager. It offers many benefits and prevents a lot of potential problems. Overall, it can improve productivity, boost profitability, and create a positive employee and customer experience.

If you are unsure where to start, take a look at your dealer management system. See what features are available that may make following the tips provided easier. As a DMS provider ourselves, we strive to make important processes like internal communication easier for you with dashboards, chat features, and collaboration tools. ◀



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# A Conversation with Natalie Gochmour, Chief Economist for the Salt Lake Chamber of Commerce

Susan Morgan, The newsLINK Group, LLC

It's no secret that Americans are anxious, divided and frustrated, but we still have many reasons to feel emboldened and hopeful. William Falk, Time magazine's current editor-in-chief, wrote an end-of-year letter dated Dec. 31, 2021, summarizing the year. He ended with a reminder that the world also felt dark 80 years ago during World War II, at the end of 1941. However, that generation refused to surrender and eventually won the war.

## A Look at History

In their book *The Second Machine Age*, Rick Brynjolfsson and Andrew McAfee analyzed the wages for full-time, full-year U.S. male workers between 1963 and 2008. They classified workers by educational attainment, from advanced degrees to high school dropouts. All the groups had increased prosperity 1963-1973; wages stagnated 1973-1982. In 1982, the information age began to reward education. Those rewards resulted in highly technical or specialized educations prospering, but not everyone received the same rewards.

To analyze the housing shortage, we can look at the Federal Housing Finance Agency Housing Price Index (1977-2020). By far, the worst drop during that period was a 12.1% drop during the Great Recession. However, home appreciation for 2020 was at 28.3%. (The previous highs were 20.1% around 1979, 18.3% around 1994, and 17.2% around 2006.)

The housing crisis is not the first time supply has outpaced demand, but shortages over the last decade have accumulated. Until 2017, there was a discrepancy between dwelling units and household formations. People formed more households than they built residences. Since then, Utah has been working to close the gap by building more residences. According to UtahRealEstate.com records from 2000 on, residential units had a median number of days on the market of 87 days in 2011. By the end of July 2021, the median was only 6 days.

The pandemic prompted the Great Resignation, especially among boomers. According to the Bureau of Labor Statistics, being close to retirement age and having the wealth to retire early has allowed boomers to retire earlier than expected.

"I-We-I" describes what has happened in the U.S. between 1880 and 2020. Author and political scientist Robert D. Putnam examined individualism and cooperation against four

trends (economic, political, social and cultural). Individualism was prevalent at the beginning of that period, followed by increased cooperation until the Eisenhower presidency. After that, though, cooperation began dropping again. Although individualism benefits personal freedom and innovation, it can also cause inequities that increase social strife.

In 2020, the U.S. Census Bureau identified Utah's 18.4% change, 2010-2020, as the fastest-growing increase of any state in the country. A third of that growth is in Utah County, followed by 15.9% in Salt Lake County. In the 2020-2021 period, Utah County's population grew by 2.9%. Salt Lake City's population grew by 0.8%. Numerically and politically, Utah's power is shifting south.

In terms of job growth, the U.S. has had three recessions since January 2000 and October 2021: one in July 2001, the Great Recession and a pandemic recession in April 2020.

Business in Utah is very different from business elsewhere. Utah has outperformed the U.S. on employment even during severe downturns and snapped back fast. December 2019-December 2021, four states had positive job growth: Utah (3.7%), Idaho (2.3%), Texas (1.0%) and Arizona (0.7%). Overall, the U.S. had a 1.8% job decline during the same period.

The following table from the Utah Department of Workforce Services shows that Utah's job growth or losses were concentrated in 10 industries:

Industry	Job Change	Percentage
Construction	+13,600	12.4
Financial activity	+6,000	6.6
Manufacturing	+7,900	5.8
Trade, transportation and utilities	+13,900	4.89
Professional and business services	+7,800	3.5
Education and health services	+5,600	2.7
Information	+500	1.3
Government	+1,800	0.7
Leisure and hospitality	-4,800	-3.1
Mining	-800	-8.1

Among other factors, the white-hot construction market is caused by housing needs, and the manufacturing industry's growth is caused by a desire to shorten supply chains.

### Business Intelligence

Since business leaders face serious challenges from many different factors, it makes it easy to see which possible risks could derail the economy by putting these challenges into a risk matrix, where the x-axis measures the economic severity of a potential shock and the y-axis measures the likelihood of that shock.

One important risk has to do with U.S. global supply chain stress. Moody's Analytics did a chart defining "pre-pandemic normal" as 2019 Q4 = 100. Then they looked at the years 2009 through part of 2021. During the first part of 2021, supply chain stress caused high inflation. Another chart, based on information from BLS and Moody's Analytics, showed the pandemic recession in 2020 and inflation in 2021. The chart also shows the Federal Reserve forecast. The Federal Reserve appears confident that raising interest rates will reduce inflation within a year or slightly longer.

Federal fiscal support for those affected by the pandemic has been unprecedented. During 2020 and 2021, the federal fiscal response totaled 24.6% of the gross domestic product. Those numbers come from the Congressional Budget Office and the National Bureau of Economic Research.

Guidelines make important decisions easier. The following guiding principles might help leaders make the best possible decisions.

The first is practicing warm-heartedness. Arthur Brooks once asked the Dalai Lama what to do when he felt contempt, and that was the Dalai Lama's answer.

The second recommendation is from Jon Meacham, author and historian, who said discernible reality does exist. Although there might be disagreement about causes and solutions, you can find common ground with facts, respect the facts and then rely on wisdom to move on.

The third recommendation, finding balance, was prompted by the current president of the University of Utah, Taylor Randall. During an earlier part of the pandemic, he commented that people who focus on one problem lose perspective.

### Strategies to Succeed

Phil Dean, a senior research fellow at the Gardner Institute, suggested four strategies. The first is to prepare for economic re-sorting. The pandemic brought demographic changes; for example, we now have Zoom towns and employees who get their checks from out of state. The pandemic also accelerated other technological trends such as online school, telehealth and remote sales. Behavioral change has come from a new preference for working from home. Remote work is here to stay: Moody's Analytics did a graphic of net out-migration from 10 major urban core locations, 2007-2021. It shows a sharp increase in out-migration, starting mid-2020.

Second, take care of yourself and others. Before the pandemic, the State of Utah Department of Human Services published a 2017 Prevention Needs Assessment Survey about Utah Youth that examined statistics from 2013, 2015 and 2017. The percentage of youth with problems increased for each of the years considered.

Third, take care of those who are left behind. We have good reasons for being worried about the pandemic causing students, Utah's future workforce, to be left behind academically. The Utah State Board of Education and the National Center for Improvement of Education Assessment examined English language arts and math skills for grades 5-8. They found that learning disruptions had had a definite negative impact on these subjects.

Finally, it's important to invest in institutions. People need society's institutions to shape their social lives, connect with others and be replenished. But many people have lost trust, respect, faith and confidence in these institutions, and society has suffered as a direct consequence. We need to repair the damage. ◀

## Further insight from our conversation with Natalie Gochnour

### Q: What are the economic effects on the economy as the boomer generation moves into retirement?

A: Utah differs from the rest of the country because the state has more millennials than boomers. However, the pandemic has accelerated the economic impact of boomer retirements. There will be a rippling effect as boomers move out of decision-making roles.

### Q: Are there areas with housing surpluses instead of shortages?

A: Although some rural communities have housing surpluses, northern Utah, southwestern Utah and urban Utah all have housing shortages. Other states have some different housing

dynamics. There are supply and labor constraints for housing, and the nation is still growing, which means the current housing market is an owner's or seller's market.

### Q: What do you think about the inland port, the airport and the prison?

A: Everyone on Capitol Hill is very mindful of what they call generational investments. As a result, really solid things are happening financially in our state.

Current state investments include the Point of the Mountain, the prison, the inland port and the 2030 Olympic winter games. The Point of the Mountain is on its way. Our state doesn't just

continued on page 30

want field housing. Our leaders have decided to develop the land for a public purpose. Point of the Mountain will be a job creation center with some housing and open space.

Our state has decided to push the Inland Port through and has set aside money for it. The Inland Port is a generational investment and will make Salt Lake City a place where we are tightly tied into the global supply chain.

**Q: What are you keeping an eye on in terms of possible Federal Reserve missteps?**

A: There is a lot of liquidity in this economy. The Federal Reserve brought the rates down and did what it needed to keep the United States of America performing as well as it could during the pandemic, but now they've got to get rates up. We have a fed that is very proactive. It won't rest on the sidelines.

What am I watching? I'm watching labor force participation, consumer confidence, employment and job growth. I don't want to be surprised, and I don't think markets want to be surprised, either.

**Q: How much will inflation slow down when rates rise, and how persistent will it be?**

A: Anybody who studies economics is in the spotlight right now. Everyone is suddenly talking about inflation, which hasn't happened for a long time. Channel 5 did a special about it. I want people to understand that economists and policymakers know what inflation is and how to work with it. To give you an example, they asked whether it is transitory or long-term. I answered that the fed can absolutely stop it; they just cause a recession when they do. Nobody wants that. Recessions are hard, and we just had one. The question is, what do you need to do to manage it in this environment? I'm going to be a little vulnerable here, but I think people are a little too skittish and afraid.

Let me give you an example. I think the inflation for the calendar year 2021 was 4.3%. People see bigger numbers, and it scares them, but they don't realize that you are always dealing with starting dates and ending dates for that reference. They want to see December of last year and December of this year, and if it's 5.6%, boom, they tear their hair out, but the average is 4.3%. I look at the state forecast about what's going into the budget. In October 2021, their forecast was 3%; hence, the governor's budget added a 3.5% cost of living increase. They looked at the 4.3% and the 3% and picked an average.

What's the root cause of the inflation? We know supply chain problems are pushing costs up, so there's a supply-side phenomenon. There's also all this money out there. Too much money is chasing too few goods. We know they will figure out the supply chain. On the demand side, the demand is from excess savings, which gets spent; stimulus, which gets spent; and pent-up demand: things we couldn't do, like travel. We couldn't travel before, but we want to travel now. All of that will happen.

The amazing thing is that markets correct. For me, the question is, how well do we manage it moving forward? I have some

optimism about inflation because of our leaders and the monetary policymakers. I don't think we'll be through with inflation, but I think we'll be a lot better than we are now. Some of the causes are temporary, we have the tools to deal with inflation, and we are on a roll. Perhaps the worst is behind us.

**Q: Unemployment is a natural part of the economy. But there has been a lot of discussion at every level about full employment fixing the economy. What is the rate of natural employment you are looking at to maintain a healthy economy?**

A: As a rule of thumb, you want to have at least a 3.5% unemployment rate and a labor force participation of about 63%-64% nationally. That's what we're looking at. The other thing we're looking at for full employment is rising wages. We expect wages to rise when there is full employment. We have both of those things challenging the Utah economy right now. Our unemployment sits at about 1.9%, which is incredibly low. I would make the case that we are at full employment in Utah, and the nation is getting close.

**Q: What is the relative value of education going forward? How do we as a state make sure that those most vulnerable among us have educational opportunities?**

A: I've worked with higher education. It has the most incredible mission to save people's lives and give them the skills to be successful and prosperous, and I think we absolutely have a world that rewards education, but education has to change with the world. What can we do to help the people among us who are socially and economically disadvantaged? Give them the skills to succeed.

I think an earned income credit on Capitol Hill will pass this year. [It did.] It's a tax credit that rewards people who work on the lower end of the pay scale. It's proven to increase neighborhood participation rates and targets the exact people you want to help. We would join other states that do this, and there's also a federal EITC. It's one of those areas that both liberals and conservatives agree on. We're getting a big income tax cut that benefits the rich, and the earned income tax credit benefits low income. They're also going to change Social Security income. [They did.] That way, there will be a fair spread of our tax cuts. ◀

Natalie Gochnour is the director of the Kem C. Gardner Policy Institute at the University of Utah, the associate dean in the David Eccles School of Business, and the chief economist for the Salt Lake Chamber, which represents 7,700 business members. She received a bachelor's and master's degree in economics from the University of Utah and has specialized in teaching public finance. Her public service includes working as an associate administrator at the Environmental Protection Agency and as a counselor to the secretary of Health and Human Services during the presidency of George W. Bush. Later, Natalie advised Gov. Norm Bangerter, Gov. Mike Leavitt and Gov. Olene Walker. The Salt Lake Chamber recently honored her with the 2021 ATHENA leadership award.

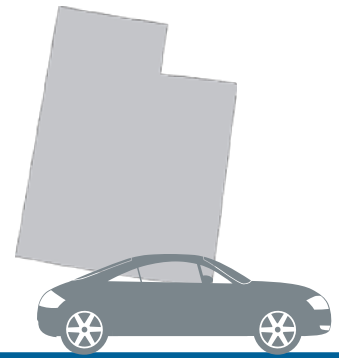
Natalie often speaks about what she sees in Utah's economic future. Her recent forecast, "A Warm Winter Stew," was used to write the above article, but her presentation and the Q&A session at the end are not transcribed exactly and have been edited for length.



# Driving Utah's Economy

## Annual Contribution of Utah's New-Car Dealers

Numbers reflect annual economic activity during 2020.



**140**  
**DEALERSHIPS**  
(new car)



**25,529**  
**TOTAL JOBS**  
(created by dealerships)  
Includes 10,689 direct jobs and  
14,840 indirect and induced jobs.



**76**  
**EMPLOYEES**  
(average per  
dealership)



**\$8.3B**  
**TOTAL SALES**  
(all dealerships)



**\$667M**  
**PAYROLL**

<b>\$62,452</b> Average Annual Earnings	<b>\$211M</b> State and Federal Income Taxes Paid
---	---



**0.8%**  
**REGISTRATIONS**  
Utah's Share of Total U.S.  
New-Vehicle Registrations

**\$563M**  
**STATE SALES  
TAX PAID**

Source: Center for Automotive  
Research, IHS Markit, NADA,  
Taxfoundation.org, U.S. Bureau of  
Labor Statistics, U.S. Census Bureau

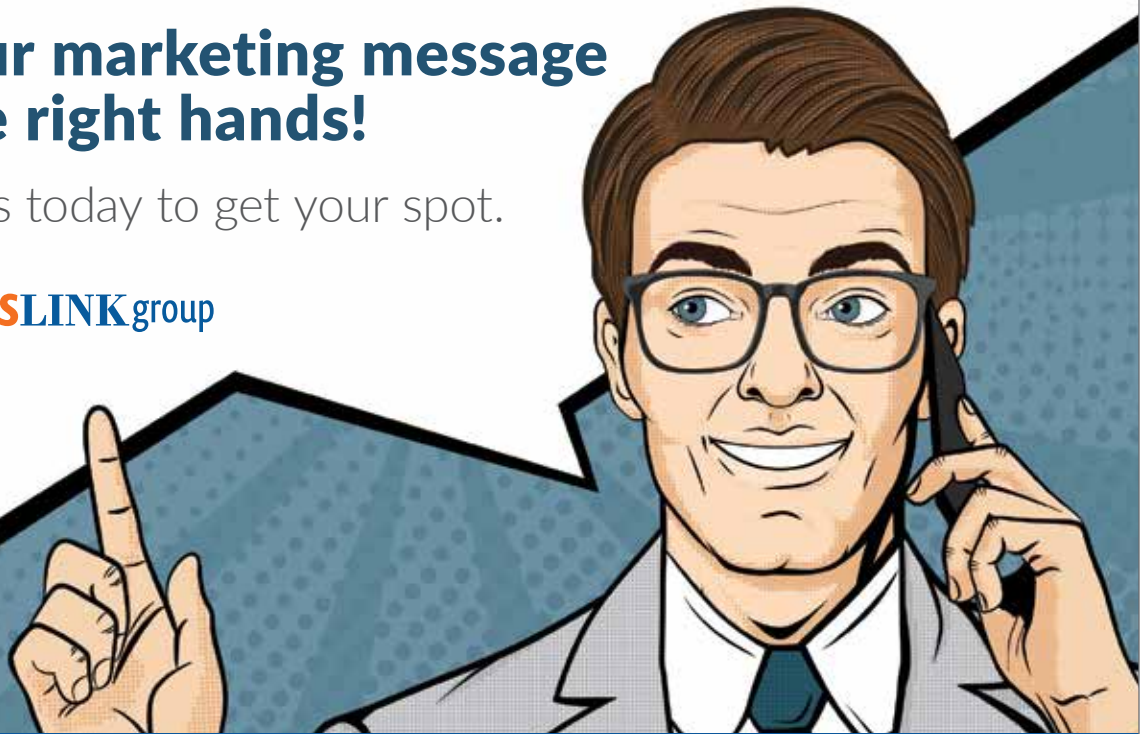


### NATIONAL AUTOMOBILE DEALERS ASSOCIATION

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## Advertiser Index

### Accounting

Clifton Larson Allen..... Page 5

### Cleaning

Brody Chemical..... Page 5

### Dealer Financing Partner

America First Credit Union .....Page3

Bank of America..... Page IBC

### Dealer Management

VUE DMS ..... IFC

### Insurance

Goldenwest Insurance Services ..... Page OBC

Zurich..... Page 15

### Legal Advice

Eide Bailly ..... Page 23

Ray Quinney & Nebeker..... Page 1

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# dealership experts

commercial lending | indirect lending | commercial insurance



**KERRY WAHLEN**  
President/CEO  
801.540.2774  
kwahlen@gwcu.org



**MARK TURNER**  
Executive Vice President  
801.648.2748  
mturner@gwcu.org



**BRIAN HOXER**  
Commercial Insurance  
Manager  
801.786.8418  
bhoxer@gwcu.org



**MATT WAHLEN**  
Commercial Insurance  
Assistant Manager  
801.648.2580  
mwahlen@gwcu.org



**TERESA WEBB**  
Vice President  
Indirect Lending  
801.786.8469  
twebb@gwcu.org



**MINDY SMITH**  
Commercial Insurance  
Assistant Manager  
801.337.8341  
msmith@gwcu.org

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