

NJ CAR 2020 Outgoing Chairman's Message

Presented by Chairman Rob Sickel

Wednesday, September 23, 2020

When I addressed the Annual Meeting last year in advance of my “promotion” to Chairman, I spoke about the NJ CAR Mission and a major revamp of our communications and grassroots political action capabilities. I noted our mission is:

- First and foremost, advocacy.
- Second, education and training; and
- Third, member service.

Little did I know what lay ahead when I made these comments and how the coronavirus crisis would test NJ CAR's capabilities across all three of these crucial aspects of our mission as an association. The challenge of operating in a pandemic increased the demands on our capabilities but, I am pleased to say, we passed the test and the Coalition, once again, proved its value in these trying times.

NJ CAR was not able to get out ahead of Bergen County Executive Jim Tedesco, when he completely shut down all dealership operations in mid-March. But we quickly put together a Grassroots campaign that saw more than 300 emails sent to Mr. Tedesco overnight. That quick response, combined with our efforts to get the Governor's office and state officials to pressure Bergen County, led to a quick reversal of Tedesco's blanket order. It also unwound the precedent for individual counties and localities to act on their own to impose COVID restrictions on businesses.

Unfortunately, the victory was short-lived, because Governor Murphy was standing by, ready to impose a statewide ban on all retail activities, including new car sales. Thanks to NJ CAR's advocacy, the statewide ban was more narrowly drawn than the Bergen County order and permitted dealership service departments to remain open. In addition, remote or online motor vehicle sales activity was allowed, but was poorly defined in the initial Order.

NJ CAR worked with state officials to interpret the Order and advocate for clarifications and modifications that would allow dealers maximum flexibility to operate. And the Coalition immediately set about the task of advocating for reopening motor vehicle retail sales, albeit, with strict CDC & OSHA safety precautions.

NJ CAR took to the airwaves with public service announcements and advocated in various media interviews for the safe reopening of new car dealerships.

NJ CAR reached out to our friends at the State House, urging them to publicly call for reopening new car dealerships and to pressure the Governor to permit in-showroom-by-appointment-only sales.

Our advocacy efforts paid off and, by mid-May, the Governor's executive order was modified to permit dealers to resume in-person sales. No question that it took longer than it should have, and we were all frustrated by the Governor's inaction. But dealers were reopened in mid-May and it was well into July before any other New Jersey retailers were permitted to reopen for in-person sales. Clearly, our advocacy paid off.

NJ CAR training and communications, the second leg of the Coalition's mission, have also been front and center throughout the COVID pandemic.

The Coalition hosted a dozen Covid-related webinars, attended by more than 1,100 people since April. These webinars covered timely topics related to quickly evolving pandemic response including employment law issues, online sales, cyber risk, business interruption insurance, the CARES Act, and, of course, the Paycheck Protection Program application and loan forgiveness process.

We relied on our own staff expertise and the insights from outside experts, who worked closely with NJ CAR to make sure we were getting timely and accurate information to the dealers. One of those experts was Withum, whose professional staff offered up countless hours of their time to help their dealer clients and NJCAR fully understand the PPP from inception, to application, to all the many changes and shifting interpretations. Thanks, again, to Withum for all the time and talent they've given to the dealers in these difficult times.

But, while NJ CAR webinars and seminars offered in depth information, there was a constant barrage of quick updates and notices NJ CAR sent out to members to keep them updated. Over the last six months, NJ CAR sent 275 emails to members, the vast majority of which were COVID-related. These communications were opened by 33% of the 463,000 total recipients, more than twice the industry average for open rates. I would love to see that open rate even higher, but this shows that our membership remains engaged and responsive to the Coalition's communication efforts.

Many of the email communications were also published on the NJ CAR website and the Coalition maintained a heavy social media presence, posting COVID and other industry-related issues almost daily on Facebook, Twitter and Linked In.

On top of the training and email communications, Coalition staff responded to hundreds of phone calls on dozens of topics related to the pandemic's effect on the auto retail business.

With information changing almost by the hour in the early days and weeks of the pandemic, the Coalition responded quickly to the evolving situation, providing dealers with the latest information and analysis.

Now, I'd like to talk about the third leg of our NJ CAR mission: member service. The Coalition offers a wide array of member service programs, either directly or through partnerships with best-in-class vendors and professional service companies.

Our NJ CAR Services company offers state-of-the-art business forms, advertising specialties, logo sportswear and other products that we all need at the dealership.

Our insurance division offers hole-in-one insurance, health benefits consulting and voluntary employee benefits, like life and disability.

One of our most valuable and effective NJ CAR insurance programs is our partnership with AmTrust and Gallagher, through which we offer workers compensation insurance to approximately 120 dealership rooftops across the State, covering more than 10,000 individuals working in those facilities.

Charles Russo, our in-house loss prevention specialist, is working with dozens of dealerships across the state to identify health and safety risks on the job and to implement safety protocols that work. I have personal experience with the process and I can tell you two things:

1. it works it works to keep my employees safe and to reduce injuries on the job; and
2. it saves..... it saves money by helping reduce exposure and reduce insurance premiums.

The NJ CAR workers comp program is different than other workers compensation insurance programs, because it is built by and for new car dealers and underwriting for the program is designed to meet the unique needs of new car dealers.

I also wanted to highlight another NJ CAR member service program that has proven itself especially valuable during the COVID crisis: the NJ CAR motor vehicle agency.

Early in the pandemic, the state closed all local motor vehicle agencies. When they finally reopened four months later, it was a mob scene and that chaos continues to this day. People camping out at local motor vehicle agencies to renew licenses, take driving tests, and register new cars. Agencies turning away customers, reaching capacity before noon. It's a mess. But, because of NJ CAR's unique dealer-only motor vehicle agency arrangement, we have been able to offer service to our members with little or no interruption.

As the pandemic hit, we shut down briefly to protect the health and safety of our workforce. We reassessed our operations, reorganized workflows and floor plans and created split shifts to ensure safe operations. As business started to build back in April and May, the NJ CAR agency was ready to handle the workload. Since April 1, the NJ CAR agency has processed more than half a million titles and registrations. Titles and registrations that could ***not*** be processed at the local agency. Think about that: ***could not have been processed at the local agency.***

What would you tell your customers if they could not get their vehicles titled or registered? What would you tell the banks and finance sources if you could not register their liens or get them titles? What would their response have been if you could not get banks titles? Ask your dealer friends in other states how they fared when the local DMV's shut down.

I want to take a moment, right now, to say thank you to Sue Sbarro, Director of NJ CAR Motor Vehicle Operations, and her team for the extraordinary job they have done keeping us going during the worst of the pandemic. Sue has been clocking 12-plus hour days and her managers and employees have been working late, coming in Saturdays, and doing anything that is needed to get the work done. Sue, I seriously do not know what the dealers in this state would do without you and your incredible staff.

Now, I would like to turn to the newest NJ CAR member service program, NJ CAR Clean, which has been developed by staff to meet the unique challenges of operating a retail business in a pandemic. When the Governor closed dealership showrooms, he did so without understanding that dealers can operate safely; that our showrooms are the ultimate social distancing environment and that dealers could be trusted to implement all the appropriate precautions to keep employees and customers safe.

When the Governor finally reopened dealerships in May, it was because we persuaded state officials that dealerships did not pose a credible threat to the spread of the virus.

None of us knows what lies ahead. But we remain concerned that a resurgence of the virus could lead to another retail shutdown. The best thing we can do to avoid this possibility is to operate in a safe manner and to publicize what we are doing in hopes that, if the Governor decides to reinstate business closures, dealerships will be spared.

For more information on our new NJ CAR Clean program, please contact Breanna Esquilin, NJ CAR Director of Workforce Development or Charles Russo, NJ CAR Risk Manager & Safety Specialist.

It's up to each and every dealership, with each and every transaction, each and every day, to drive home the message that dealerships are a safe place to work and to do business and that no public health purpose will be served by shutting us down, again.

Right now, I'm very pleased to be able to introduce NJ CAR's first ever incoming Chair woman. It's a sign of the times and a fitting reminder of just how much the car business is changing. Judy is a next-generation car dealer, having taken over the business from her Dad and brother, both of whom passed away, leaving the family-run business in her capable hands. Like so many other women in auto retailing, Judy has grown the business and transformed the industry. It's no longer car guys doing car business. It's auto retail and women have made their mark and are helping lead the way.

So, it took 102 years, but on November 1, Judy Schumacher – Tilton will take over as NJ CAR's first Chairwoman. Congratulations, Judy. And thank you for your willingness to serve your fellow dealers.