

PROFESSIONAL DAA MANAGEMENT

YOUR BIGGEST OPPORTUNITY IN THE
COMPETITION FOR MARKET SHARE

Prepared by **Garrett Associates**

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THE DEALER

EXPERIENCE

Over the last twenty years dealers have seen many changes in their business:

- the internet
- wage regulations
- buyer preferences
- information available to shoppers
- new vehicle segments
- new vehicle technology
- margin structure changes
- new brands entering the market
- new advertising mediums

The challenge was daunting, but dealers did successfully adapt to the changing world. Dealers became more professional, provided more training to their teams, found new technology to help their business, and developed new processes. Today's most successful dealers are those who proactively examined every part of their business, asking themselves, "What is the opportunity here to change and improve?"

THE DEALER ADVERTISING ASSOCIATION

Despite the massive changes at dealerships, most Dealer Advertising Associations (DAAs) are still run the way they were always run.

Dealers are stuck managing day-to-day administrative tasks, which is unfair for dealers serving as unpaid directors. If dealers don't do administrative tasks themselves, the tasks are offloaded to the advertising agency, but putting agencies in control of critical DAA files and distracting them from their advertising work is not a good solution either.

The CPA does not audit the media invoices before paying them.

Objective metrics are not used to judge the agency's performance. The Board members default to judging the agency based on how they feel about the agency. Consequently, logical agencies spend more time selling their value to the Board than selling cars to the public.

The result is that many DAAs are not winning the market share they should be winning.

THE PROFESSIONALLY MANAGED DAA

Bringing professional management to a DAA is an opportunity for dealers to adapt and become more competitive. The value of professional DAA management is measured by market share gains.

Along the way, professional management removes the administrative burden on dealers, saves the DAA money by auditing invoices, and prevents meetings from running too long.

MEETING FORMAT

The professionally managed DAA meeting format respects the dealers' limited time and maximizes the use of the dealers' valuable experience and knowledge:

- The meeting starts with a dealer-only session, so sensitive subjects can be discussed in an open forum, not swept under the carpet.
- Following the dealer-only session, corporate partners and guests are invited into the room. The Board reviews the ROI on its advertising investment by analyzing market share data and assesses market conditions that could affect sales.
- At the conclusion of a professionally managed DAA meeting, a short memo is sent to the agency that highlights how its work is performing and gives it specific goals on which to focus.

At professionally managed DAA meetings there is no review of advertising, and generally there are no agency representatives in attendance.

Both advertising agencies and dealers contribute expertise to the DAA's success, however, directors and agencies can't afford to waste their time reviewing the other's work.

Professional DAA managers help advertising agencies focus on their job of developing and deploying advertising that leads to greater market share. Professional DAA managers free directors to focus on their job, which is to measure the effects of the advertising and guide high-level investment decisions.

MANAGING THE **ADVERTISING** **AGENCY** RELATIONSHIP

Unpaid Directors cannot be expected to give the same attention to managing their DAA's advertising agency as they give to operating their own dealership.

Professional DAA management ensures advertising agencies receive consistent engagements that motivate and focus their efforts.

When agencies fully understand their job security is tied to producing a positive ROI on the advertising investment, they spend more time developing breakthrough creative for the DAA, they watch the media daily to gain actionable insights, and they do not neglect the DAA when their agency grows.

MANAGING THE RELATIONSHIP WITH CORPORATE PARTNERS

DAA Boards need to lobby their corporate partner for support.

A professional DAA manager will step in on behalf of the DAA and ask corporate partners to support the DAA with detailed market share data. Corporate partners typically also have awareness of DAA strategies that are working well in other parts of the country, and they share these best-practices if asked.

When this flow of information is done in real time, a corporate partner brings a powerful competitive advantage to the DAA.

The US market is demographically diverse. Advertising creative and media mixes need to be customized for nearly all media markets. Advertising must also be adaptable to quickly changing market conditions in each DAA. Therefore, professional DAA managers will encourage corporate partners to resist overly centralizing control of the DAA's creative messaging and media mix.



ACCOUNTING, AUDITING **AND REPORTING SERVICES**

All DAAs require accounting services that :

- Receive Income,
.....
- Pay and Audit Bills,
.....
- Reconcile Bank Statements,
.....
- Produce and Share Monthly Financial Reports,
.....
- File Annual Taxes.

Professional DAA managers are better suited than traditional CPAs to provide accounting services because they are trained in auditing media and production invoices against industry standards. This can save tens of thousands of dollars. Moreover, putting eyes on the invoices and asking questions pushes agencies to deliver higher quality work.

Professional DAA managers produce financial reports specifically designed for DAAs. These reports provide far more financial transparency to directors than reports provided by general CPAs.



DAY-TO-DAY ADMINISTRATION

Professional DAA managers provide day-to-day administrative services, so dealers can focus on adding value within their dealership.

These services include:

- secure storage of all DAA files
.....
- insurance policy management
.....
- board election management
(as needed)
.....
- contract review based on
experience and industry
standards
.....
- central point of contact
service for all director and
member inquiries

DAA MEETING **ORGANIZER AND HOST**

Professional DAA managers book the meeting location and audio visual needs. They send invitations and collect meeting materials.

Professional DAA managers are trained in corporate rules of order.

They ensure that communication is efficient, decision making processes are fair, and the DAA's bylaws are followed. Dealer participation and discussion is richer and more value-added when guided by a trained facilitator.

Professional DAA managers write succinct and legally-compliant meeting minutes. Professionally kept minute books are a great resource for new directors and members wanting to catch up on Board decisions over time. Professionally kept minute books are an important historical reference as well, so lessons learned are remembered, and mistakes are not repeated.

DON'T WASTE ANOTHER MINUTE ON

INEFFICIENT DAA MEETINGS!

Like the diligent work of dealers to adapt operations at their stores, your DAA should utilize professional management to become more effective.

Garrett Associates has served for decades as the professional DAA manager for many of the most successful DAA groups in the country, including (but not limited to):

- So Cal Honda (closed the Toyota market share gap by 70% over the last 10 years)
.....
- Nor Cal Honda (over 200K of media rebates earned in our first year of auditing)
.....
- Western Washington Honda (completed full transition in less than 30 days)
.....
- San Diego Honda (too soon to see our impact on market share)



- So Cal Acura (created custom financial tracking reports for multiple sub-groups)
.....
- Nor Cal Acura (managed an agency review process that helped the DAA grow)
.....
- Puget Sound Acura (handled backed up tax filing issues within the first 60 days)

At Garrett Associates, we provide an all-in-one solution that will take your DAA to the next level.

We will keep your accounting clean and save you money by auditing all invoices. We will handle all your DAA's administrative needs, so you can save valuable time. We will focus your meetings on the essential issues that will yield the biggest impact for your DAA's investment. We will motivate your agency to give your account its best people and attention. We will lobby your corporate partner to support your DAA.

We will help you win in the competition for market share.



GARRETT
ASSOCIATES

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