



# TH<sub>3</sub>RD THURSDAYS



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Rex is a Principal at HBK CPA's and Consultants and leads the HBK Dealership Solutions Group. He began practicing as a CPA in 1984 and has spent over 20 years focusing on serving dealers and their dealerships. Since 1987, Rex has focused his practice entirely on dealers and their dealerships. Rex's specialty areas include valuations of dealerships; merger and acquisition including negotiating financing and due diligence; litigation support services; forensic accounting; economic, operational and management consulting; estate planning; research and planning taxation; general business and financial consulting; and dealership accounting, operations and management. He gained dealer industry experience as the CFO of a multi-line dealer group for three years and later as the GM and CFO of a different dealership group. Rex graduated from the University of Indianapolis in 1984 with a Bachelor of Arts degree in accounting and business administration and an Associate of Science degree in computer technology. Over the years he has authored several publications and has spoken nationally at numerous seminars and conferences throughout the U.S. on a variety of topics relating to dealerships. Rex is a current member of the American Institute of Certified Public Accountants, Indiana CPA Society and National Association of Certified Valuation Analysts. He is past-president of the CPA Auto Dealer Consultants Association and currently leads the Dealership Industry Group of the BDO Alliance. Rex served many years as Chairman of the Board of Directors of Volunteers of America of Indiana.

**SPECIAL EDITION**

HBK Dealership Solutions Group  
Third Thursday Webinar Series

# The Coronavirus Crisis: Practical Suggestions for Dealership Operations

April 16th

**SPECIAL EDITION**

HBK Dealership Solutions Group

Third Thursday Webinar Series

# The Coronavirus Crisis: Tax Impact of the CARES Act On Dealers and Their Dealerships

April 23rd

**Topic Subject to Change**





## Dealership Hot Topics



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Jordan Baierl is a Manager with the HBK Dealership Solutions group, who specializes in tax, advisory and other consulting services for dealer clients across the country. Jordan works out of the firm's Pittsburgh, PA office, but enjoys traveling to various geographical markets to serve dealers. Jordan is a graduate of Virginia Polytechnic Institute and State University (commonly known as Virginia Tech) in Blacksburg, VA, where he received both a BS and Master's in Accounting. Jordan began his career as an Audit Associate, where he assisted with the completion of financial statement audits for both privately-owned and publicly traded companies in the manufacturing and government contracting industries.

Jordan also worked as an Accounting Manager with Baierl Automotive. After Baierl Automotive sold to Lithia Motors, in addition to his other duties Jordan assisted the general manager with forecasting, benchmarking and reviewing store performance during weekly and monthly store meetings.

Jordan has worked on a wide variety of client solutions with HBK, including but not limited to tax planning and preparation, financial statement preparation and review, store performance and control reviews, expense and margin benchmarking, buy/sell support and assistance with manufacturer dealer candidate applications. Jordan is passionate about the dealership industry and loves working together with people to solve complex problems.

Jordan successfully completed the National Automobile Dealers Association (NADA) Dealer Academy Training Program, a year-long, intensive program focusing on each dealership department, as well as leadership and financial success.

Prepare for the lawsuits that will follow this crisis

The extended leave acts could trigger lawsuits.

OSHA claims are a real possibility as well







## Be aware of Economic Nexus during this time.

More dealers doing more with customers who never go to the dealership.

NJ has announced a *temporary* waiver relative to telecommuting.

Economists, including Former Fed Chief Bernanke, see a recession coming...a bad year ahead...no quick recovery

How will (potentially) single-digit oil impact the economy...your industry...your customers...your business?  
(Or do you believe this issue has been resolved in the last week?)

How will jobless claims and increased unemployment impact the economy...your industry...your customers...your business?

How will factory closures impact the economy...your industry...your customers...your business?

## Addressing Cash Flow Needs During this Crisis

Cash Flow Budgets and Forecasts are CRITICAL

- 12 month forecast
- 13 week forecast



Call your lenders

Call your local economic development agency

Restructure your payroll

Call your vendors

Call your customers

Evaluate your expenditures

Convert assets into cash

Look for any relief measures enacted by your state





Real estate

Life insurance loans

Lines of credit

Retirement plans

Restructure owner compensation

Low interest/no interest credit cards

Factor your receivables



Review your BIC coverage

Contact your P&C carrier

Look at your employee classifications for work compensation rates

Take advantage of your floorplan lender's deferral and other programs



## Do NOT Use These Tactics

Not remitting payroll taxes

Not remitting sales taxes

Not remitting retirement plan contributions



## How to Get Your Dealership Through the Coronavirus Crisis.

Develop a plan

Assess your situation

Conduct a SWOT analysis

Brainstorm

Evaluate your ideas

Develop objectives

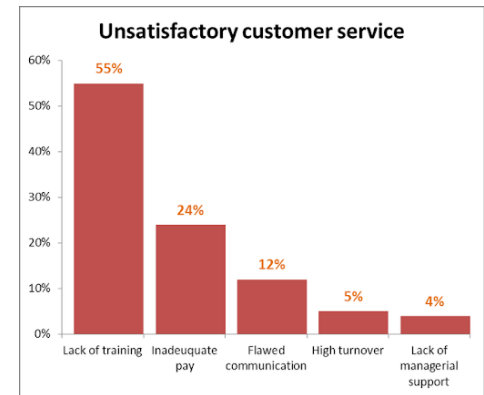
Reassess





## How to Get Your Dealership Through the Coronavirus Crisis.

Assign responsibility  
Focus on the 20%  
Cut expenses that don't yield a return  
Ensure you have the right people  
Stay on the offensive  
Be empathetic with your customers



## How to Get Your Dealership Through the Coronavirus Crisis.

Analyze the data:

- Review your financial condition

- Evaluate options

- Prepare forecasts

- Stress test the models

- Mitigate risk

- Assess financing and capital

- Explore strategic alternatives



## How to Get Your Dealership Through the Coronavirus Crisis.

Keep your employees in the loop.

Review and optimize your customer touchpoints (website, BDC, etc.)

Connect with your customers

Things are seemingly changing daily



## How to Get Your Dealership Through the Coronavirus Crisis.

Lay-offs and terminations

- Depends on the state

- Depends on the industries you serve

If you need to reduce hours is it better to close a couple of days each week or to close early each day?

Are retention bonuses appropriate?

Revise your pay plans for what will be the new normal.



## How to Get Your Dealership Through the Coronavirus Crisis.

Has your bank account really been reconciled?  
Is it done daily?

Let's review your P&C policy  
BIC claim  
Premium reductions



Review your health insurance coverage and premium

## How to Get Your Dealership Through the Coronavirus Crisis.

Cyber-security and regulatory compliance

Communicate with your vendors and reduce expenses

DMS fees and unused applications

Appeal your real estate tax assessment

## How to Get Your Dealership Through the Coronavirus Crisis.

Lender deferral programs

Vendor advances

Review your PORC and over-remit programs





## You Have Questions?

**SPECIAL EDITION**

- We want to answer YOUR specific questions in live webinar next Thursday.
- Send your questions to [vramun@hbkcpa.com](mailto:vramun@hbkcpa.com)



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