



ATTENDEES

DAB MEMBERS:

DENVER ZONE

District 1-Denver	Dave Dunn	GO Subaru West
District 3-Salt Lake City	Kirk Schneider	Nate Wade Subaru

PORTLAND ZONE

District 2-Seattle / Alaska	Jennifer Moran	Carter Subaru
District 1-Portland	Rich Anderson	Dick Hannah Subaru

SAN FRANCISCO ZONE

District 3-Sacramento / N. Nevada	Bryant McCarver	Shingle Springs Subaru
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LOS ANGELES ZONE

District 2-LA Inland Empire	April Somers	Timmons Subaru
District 4-Arizona	Mark Exposito Regional Chairman	Camelback Subaru

WST REPRESENTATIVES:

Tony Graziano.....	Vice-President, Subaru Western Region
Bill Almquist.....	Regional Process Manager
Gary Huckle.....	Regional Parts and Service Manager
Brian Kotenko.....	Regional Marketing Manager
Anna Hanley.....	Senior Administrative Professional
Jim Pernas	Zone Director, Portland
Steve Drew.....	Zone Director, San Francisco
Mike Campbell.....	Zone Director, Los Angeles
Jerode Padilla.....	Zone Dealer Marketing Manager, Denver

CARMICHAEL LYNCH REPRESENTATIVES:

Shawn Marsenich	Region Representative (Denver-Portland)
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SMF REPRESENTATIVES:

Mike Hatchett	Region Representative (Denver)
Ed Dotter	Region Representative (Portland)

I. MEETING COMMENCEMENT

7:30 am: Tony Graziano opened the meeting with a welcome to all and presentations with Regional updates, including notification to the board that the DAB term elections will be held by year end, were given by Tony and the Western Region Marketing team.

II. RESOLUTIONS

8:45 am: The meeting was turned over to Mark Exposito, Regional DAB Chairman. The following resolutions were made based on the district recommendations and discussion points (also noted):

PRODUCT:

1. DAB is concerned with the launch of the rear-wheel joint venture vehicle, the BRZ, on two issues; its rear-wheel drive is not consistent with Subaru DNA (AWD) and the possibility of losing the 5 star safety rating. The Board recognizes the vehicle will be launched next year however recommends Subaru consider it a separate "brand" (i.e. what Scion is to Toyota). Individual dealers would be required to make small modification(s) to showroom to qualify to sell the vehicle.
2. DAB recommends Subaru continue the development of a "true" 7-passenger vehicle that competes in both size and value in that segment.
3. DAB recommends adding rear A/C controls in the Outback.
4. DAB recommends that, when ordering the top selling exterior colors of all models, an option be added to choose the interior color; specifically, for the colors white and silver. Limiting the option to these colors would avoid adding an excessive amount of model codes.

DISTRIBUTION:

5. DAB would like to thank the Distribution department for its continued efficiency with expediting vehicles over the last several months. With an increase in all manufacturers' production and anticipated deliveries, DAB requests confirmation that Subaru has secured the necessary carriers to provide uninterrupted shipments through Quarter 4 and beyond.

MARKETING / INCENTIVES:

6. Dealers request more information on the "Three Strike" MAAP policy. At a minimum, dealers ask for a follow up from NSI to the dealer who alerted NSI of possible non-adherence to MAPP policy.

REGION RESPONSE: Since the Strike Policy started, only 18 WER dealers (21 infractions) have been reported to NSI. Since then only eight dealers (two this year) have received a strike. No one has ever been suspended from SAF or received a second strike. SOA is considering an appropriate method of communicating with dealers who identify non-adherence to MAPP guidelines.

SOA RESPONSE: This question has been raised previously, and SOA put specific rules in place to protect the reporting dealer, the dealer with the potential violation, and SOA. The rule, as it appears in the SAF manual, is as follows:

"The SAF Support Center will send a notice of receipt back to the reporting dealer, indicating that it was received. This notification to the reporting dealer is the only communication regarding the audit that will be sent to the reporting dealer. All further communication regarding the audit findings will only be shared with the dealer being audited."

When a dealer submits an infraction for another dealer, the following is emailed back to the reporting dealer:

"Dear Name,

Your submission to the Subaru Advertising Fund Auditing program has been received and will be processed by the Subaru Support Center promptly..."

The rules and guidelines surrounding the anonymous nature of the submissions are in place for three reasons. First, to protect the submitting dealer. The submitting dealer must have the confidence that their submission will be received and that the dealer they are reporting will not find out who "turned them in." Second, to protect the dealer that has the potential infraction or violation. We need to investigate to see if there is, in fact, a violation. In many instances the dealer being turned in has not violated any rules. Third, it protects SOA and our decision on whether or not to strike the dealer. These decisions are made after careful consideration of all of the elements involved. Once the submission is made, it becomes an SOA issue to deal with, and does not need to involve the dealer who turned them in.

7. DAB requests consideration of a “pre-lease” to help support building sales momentum for the '12 Impreza. Lease should be aggressive, particularly with the sedan in an effort to improve conquest opportunities in that competitive segment.
REGION RESPONSE: SOA agrees that this is a good idea and is working to getting a lease available for sold orders; more info to follow as it becomes available.

DISCUSSION POINTS:

Many dealers have voiced their concern regarding their September objective relative to on-ground and total vehicle availability. The Board trusts that shipments will exceed expectations in order to provide dealers with an opportunity to reach objective.

DIGITAL MARKETING:

The Dealer Advisory Board did not have any items for resolution under this topic.

DISCUSSION POINTS:

The DAB discussed SAF and questions arose regarding using it out of the Dealers area of responsibility (AOR); it was asked that the rules be better defined. Region to follow up.

SUBARU MOTOR FINANCE:

*The Dealer Advisory Board did not have any items for resolution under this topic. Reference **Marketing/Incentives** for Impreza Lease resolution.*

DISCUSSION POINTS:

The possibility of Subaru/SMF offering Lease training was discussed; adding it as a required course through Foundations was suggested. Region/SMF to follow up.

CUSTOMER LOYALTY:

8. The DAB would like to request that SOA address the issue of specific required and scored items that have been holding dealers back from Stellar Care qualification (e.g. Facility / Tech Training / Dealer Follow-up / MSR). Official arbitration was requested prior to end of year to determine qualification.
REGION RESPONSE: The Stellar Care Award Program is an elite award only for those dealers who meet all of the Stellar Care Award Criteria as it is stated in the rules of the program found on the OLP / Stellar Care portion of Subarunet.

DISCUSSION POINTS:

An update on electronic (email) surveys was discussed; clarification was requested on whether an opt-in/opt-out would be available for customers to choose the method the survey would be delivered to them. Region to follow up. The region did confirm to the Board that the length of the survey would be reduced to 2 pages by January 1, 2012 by eliminating and consolidating questions.

REGION RESPONSE: The Purchase Survey will be emailed out immediately upon the RDR being submitted in Subarunet at the discretion of the dealer and the Service Survey will be emailed immediately upon the Warranty claim being submitted and approved by SOA. The customers “opt out” of the email is not responding within 5 days and then a paper survey will be mailed to the customer address as it was input by the dealer.

TRAINING:

9. The DAB would like to request that a complete restructuring of Subaru Technical Training be considered. A few examples of efforts that need to be made are more specialized training, adding training modules, reducing the cost of tech training, and increasing on-line classes, specifically the New Model Update Training, to eliminate the frequent and unnecessary cost of travel.

SERVICE:

The Dealer Advisory Board did not have any items for resolution under this topic.

DISCUSSION POINTS:

There was concern raised from dealers in high altitude areas regarding the issue of the interior notification lights unnecessarily coming on all at once. They are aware that SOA is working on resolving the issue but would like to ask that SOA assist in contacting the affected customers, after the initial notification by the store, to lend to the credibility of the dealer. Region to follow up.

PARTS:

The Dealer Advisory Board did not have any items for resolution under this topic.

DISCUSSION POINTS:

There was an update given from the region regarding a discussion point from the June DAB minutes on increasing the flexibility of the Parts and Service Marketing Funds: PSMF can now be used for Technician airfare, in addition to hotel stays.

SUBARU ADDED SECURITY / CERTIFIED PRE-OWNED:

The Dealer Advisory Board did not have any items for resolution under this topic.

DISCUSSION POINTS:

There was an issue raised regarding the inability of dealers to buy CPO (rental cars) at auction. It was stated that it seemed SOA was marking cars as non-sale due to the fact that they are not bringing in as much money as they could be at auction. Region to follow up.

MISCELLANEOUS:

The Dealer Advisory Board did not have any items for resolution under this topic.

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The meeting then adjourned at 1:45 pm. The NDAB meeting will be held on **October 11th and 12th** in Cherry Hill, NJ. Regional and National DAB term elections will be held over the course of the next two months and the Western Region will hold their next meeting in early 2012. Please contact any member of the Western Region Dealer Advisory Board to voice your thoughts and opinions on these resolutions and any other matters affecting your Subaru business.

Thank you!