

“Strength Undefeatable”

**Remarks by
2008 NADA Chairman Annette Sykora
to the
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Do you remember when we were together around this time last year?

Do you remember what was our biggest issue?

Can you believe it was CAFE? Corporate Average Fuel Economy.

Those were the days.

This year's been anything but normal.

Each October, the NADA chairman speaks to the automotive press in Detroit...

And in a normal year, the chairman's duties begin to wind down a bit, and that allows us to begin planning for the next year.

But we've all just experienced something quite different.

As it turned out, the Detroit speech happened to come along at the same time as the worst credit crisis in memory...and CAFE slipped down the priority list.

Don't misunderstand me... CAFE will continue to be an important issue.

But by the end of 2008, it had been run over by a much bigger priority – our very survival.

Last year will surely go down as a watershed year for our industry and for each one of us...from \$4-a-gallon gas prices and the dramatic shift in consumer demand to the “pins-and-needles” anticipation of securing the bridge loans for the domestic automakers, we all saw and experienced things that were beyond our imagination.

For me the last quarter of the year demonstrated the importance of having a strong trade association that supports us by having....

Open dialogue with our manufacturers...

Representation to our lawmakers...

Education and business services...

And as for lawmakers and for many in the media, the last quarter also shows how valuable it is to have a trade association through which we can tell the dealer story.

Last year I shared with you the advice I was given by my father and grandfather... that we can take an active part in our business or we can be subject to it.

We asked you to get involved.

You did and you made the difference!

Whether it was the call you made, the letter you wrote to your Congressman or local newspaper editor...maybe it was the speech you gave to your civic organization or simply the chat you had in the coffee shop.

It was our collective efforts that brought us to this point.

As I stand here today, I have many of the same questions that you do:

How are we going to make it through this?

When will we see the recovery?

What will we be selling...and who will we be buying it from?

What is our future?

The events from this past fall have made us all ask questions.

I testified to the House Financial Services Committee in November, and I sat through the testimony of the Detroit Three CEOs and the UAW president and I listened to the questions the committee asked.

Exactly how much money do you need?

Why don't you just file for bankruptcy?

And, of course, why did you fly here on your corporate jet?

I felt frustrated—even exasperated—by some of their questions.

I know many of you felt the same.

And to make matters worse, while I was sitting there, I received a text message from my husband saying he had spoken with Buck Barton from the GMC dealership just down the street from our Ford store.

Buck told Pat the curtailments on his floorplanning were going to be too much for him to continue business.

When it came my turn to testify, I was honored and proud to tell our story.

I knew how important it was for them to understand the entire economic impact of our industry.

Barton Pontiac/GMC closed December first.

Some of you know that you can't explain how depressing it is to drive past an abandoned dealership every day, how it leaves you with an empty feeling.

As I drive past, I think about the effects of that lost business—about the people who used to work there, about the lost tax revenue to our community, and even the morale of my own employees.

All of this causes me to continue to ask:

What's happening to the business I grew up in?

Ultimately, my faith in our industry has never been stronger.

This is due in no small part to the interactions I've been able to have with dealers all across the country this past year.

With multiple opportunities to talk about the economic impact that dealers have on our communities, we've strengthened NADA's position as the number-one source for information about our industry.

We're all facing considerable challenges.

More than ever before, we need to continue to tell our story.

To the media...to the lawmakers, we've explained that it's our investments that allow manufacturers to distribute their products efficiently...

It's our investments that provide the service facilities for America's fleet of cars and trucks.

I have no doubt the franchised dealer network will continue to be the most cost efficient, dependable way of distributing vehicles.

You simply cannot replace the value we add to our communities with our local investments, and our contributions to charitable and community causes.

And the tax revenue we generate for our communities that supports the infrastructure and the education of our kids is substantial.

Janet Claborn, the economic development manager in Muleshoe, Texas can tell you what it means to her city and why she is desperate to find someone to take over a recently closed Ford dealership.

So when a manufacturer targets a specific number of dealers to cut, that disturbs me.

But that feeling is far worse when it's a member of Congress or a cabinet secretary—or anyone who is not informed about our business, about our investments, about the services that we provide the manufacturers, about the risks that we take every day.

Of course, no undertaking comes with a guarantee... that's the nature of any business.

To stay in business dealers have to make good business decisions, often tough business decisions.

So...

What's the right number of dealers?

Why do we keep asking that question?

The question is irrelevant.

You have the answers, you know your customers and you know your market.

And you know what it takes for continual improvement in every area of your business.

That is why you are here.

Here to learn, to network, to improve and grow.

You are here to make a difference.

You are here to be active in our industry.

Daily, monthly and quarterly numbers are the yardsticks of our business, but numbers themselves never tell the whole story.

When we say 900 dealers went out of business this past year, the number 900 doesn't describe the pain.

Some dealers mortgaged their own homes to try to stay in business and still had to close.

We have some big dates looming...

February 17...when GM and Chrysler submit reports on the progress they've made on their viability plans...

And March 31...when the "car czar" will assess those plans—and with that assessment—potentially determine the direction of the entire industry.

The hardest thing about all of this is living with uncertainty.

The discomfort of uncertainty forces us to act...

We need credit fully restored for our customers.

We need banks and captive finance companies to expand floorplan access to dealers.

We need to restore confidence in our industry.

Government has a role to play and we did receive a big boost of support this past December. And just this past week, NADA, NAMAD and the Small Business Administration launched a loan guarantee program for dealers and we are working to expand dealer eligibility.

It is because of NADA's interactions with the White House and Treasury and the Federal Reserve that mechanisms have been put in place to help increase liquidity in the frozen credit markets.

And we are taking an active role with the new administration concerning the stimulus package.

We're interested in encouraging more activity on our show room floors.

NADA will continue to work diligently on your behalf.

When I pass the gavel on Monday, I'm looking forward to returning to my dealerships and I'm looking forward to working 12, maybe 15 hours a day, because this is a great business.

It's dynamic.

It is always exciting.

We have a lot to be thankful for.

We live in a great country.

We have challenges that make us improve and grow.

And we have on our lots the highest-quality and most fuel-efficient vehicles we've ever had.

We just need to do everything in our power to help restore consumer confidence.

We can...we're optimistic—and we are resilient.

On one especially chaotic day last fall—it may have been the day I found out I was going to testify—I reached for a little box on my desk.

It's my "Quote Box."

I use it sometimes for inspiration.

I pulled out a quote from Helen Keller.

Let me share it with you...

She said: "To keep our faces toward change and behave like free spirits in the presence of fate is strength undefeatable."

"To keep our faces toward change and behave like free spirits in the presence of fate is strength undefeatable."

I was so moved by what she said that I taped it to a card and still carry it with me every day.

When you think about it...that's what dealers are all about.

That's what NADA is all about.

We are "free spirits in the presence of fate."

It's our friendships.

It's our association with one another.

It's a story that only we can tell.

My faith and the prayers you have prayed for me and our industry have sustained me through these difficult times.

You are my “strength undefeatable”.

And I thank you.

I am honored by the trust that you’ve placed in me this year.

It’s been my privilege to serve as your chairman.

Thank you.

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