



The way I see it...

BY PAUL KINDINGER

Looking back – looking ahead

I can predict with a great deal of certainty, 2010 will be a year of change – good change!

THIS is the time of year when businesses are planning for the year ahead. One factor in looking ahead is taking a look at results versus goals for the year just about to end. I think most manufacturers and dealers agree that 2009 was a very interesting and challenging year.

Many prognosticators last year expected construction and OPE markets to start improving by the third or fourth quarter of 2009. Unfortunately, things have not improved to any measurable degree. In fact, some manufacturers reported financial failures among their dealers where they had not experienced similar results in prior years. Despite an uptick in the stock market, the stimulus package has not panned out nor delivered the results as promised. Housing has not shown any significant improvement either.

Similarly, many dealers serving large property owners/sundowners/weekender markets were plagued by some of the same factors and experienced lackluster results as well. Many had to rely on their parts and service departments to pull them through the tough economy.

Agriculture markets were also less impressive in 2009 compared with the previous couple of years. However, most dealers tell us, it was still a “good” year. Large horsepower tractors and combines held up their end of the bargain while row crop and smaller horsepower models struggled through most of the year.

So... looking back paints a less than stellar performance for most dealers, but it was probably an OK year. Why? Because many of our dealer-members are diversified and serve multiple market segments. This form of diversification is a means of offsetting down markets versus putting all of your eggs in to one basket. In fact, many members are now branching out into new markets such as powersports, wind-energy and other market segments where they can further spread their overhead and risk.

What about looking ahead?

While no one knows with any degree of

certainty what the future will bring, we will have more to say about 2010 expectations in our January “Outlook” issue. However, judging from what many dealers have personally shared with me, we can expect slightly improved results for OPE, lifestyle and construction markets if the job outlook improves. If the job outlook remains bleak ... get ready for some belt tightening and political changes! On the other hand, expect agriculture to decline slightly compared with 2009. But let's not lose sight of the fact that 2008 was a record year, 2009 was not quite as good, and 2010 will still be respectable when viewed from that perspective. Dealers in markets where there were poor crops in 2009, like the southeast, as well as those with hogs and dairy will probably have a tougher time convincing producers to let loose of their money.

Having said all of that, there is a method to my madness and reasons for talking about planning ahead. That reason is to tease you a little! Why? Because here at NAEDA we have done some planning of our own. All I can say right now is to keep your eyes and ears open for some exciting changes that are coming soon. Changes that will help you do a better job of keeping up to date on trends and developments in the various market segments you serve. Changes that will allow you to keep up to date on developments affecting our industry and your profitability.

Even if the economy is not performing as a well-oiled machine in 2010, we want you to be. That's exactly why we took a look back before we looked ahead. I can predict with a great deal of certainty, 2010 will be a year of change – good change ... and that's the way I see it. ■

Happy Holidays everyone!

PAUL KINDINGER is president/CEO of the North American Equipment Dealers Association. The association provides educational, legal, legislative, and financial services to approximately 5,000 retail agricultural, construction and outdoor power equipment dealers in the United States and Canada.