

01/20/26

Good morning, ladies and gentlemen of the committee. My name is TJ Schaefer, I am the President of Friend & Friend in Ellsworth, ME. Friend & Friend is a full line Honda, Kawasaki, Polaris & Yamaha dealer. I am here today in support of LD 2104 and to talk about the demands of the different manufacturers with respect to facilities.

Recently Honda removed our holdback monies on 2026 vehicles and implemented a "Quality Sales Bonus" in its place. One requirement of the new program was replacing our exterior Honda signs with the same sign in a different color. The cost of this replacement was close to 10k.

Polaris has what they call the Polaris Retail Experience. This program is tied to dealer performance, and inventory compliance as well as similar and other categories.

We've recently dedicated 1500 sq feet of our dealership to the "Polaris Retail Experience" or PRE. This PRE involves a 60" Interactive touchscreen tv, 2 slat type walls for displaying accessories, a tire rack and 3 hype hubs. These hype hubs are run online & display Polaris incentives and vehicle options. The hype hubs alone were roughly 9k of the hefty 38-40k PRE cost. Of that cost Polaris charged 7k for installation & design. The installation consisted of 1 person from Polaris, the Polaris District Manager and 2 of our own employees for 6 hours. It appears this is a major profit center for Polaris. All of this to gain 100 points towards a Polaris Rewards program (had we dedicated 2000 sq feet we would have earned 150 points).

Not only did this imposed purchase negatively impact our profit margin, but those funds could have been spent more effectively in other areas. Employee training, for example, could have yielded greater return on investment. I have yet to see one customer interact with the PRE displays and we've seen no increase in Polaris sales since installation.

The PRE is projected to be current for up to 7 years, at which point we could be in the same position with new display requirements. If we had opted out of the PRE installation it would have resulted in a loss of those 100 points, which would have adversely affected our profit margin.

These are just a couple of examples; each manufacturer has similar programs. Sometimes programs are modified midstream, often creating more or different obligations. Not buying into these programs comes with a cost of lost incentives ultimately affecting our profits, but participating can be just as costly.

Thank you for your time.