

THE HORN



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2014 AACT CONVENTION: Charleston, SC

The Automotive Aftermarket Association of the Carolinas and Tennessee (AAACT) is pleased to announce that this year's annual convention will be held at the Marriott, in Charleston, South Carolina, September 18-21, 2014. The weekend will be filled with education and fun. Convention Chair Sandy Crews, Jacksonville, N.C., will release final details in the next issue of "The Horn". Please join us and experience the fine dining and excellent shopping in the Charleston area. Let's make this one of our best conventions yet!!

MANAGEMENT NOTES

Three Keys to Success in Sales, Business and Life

Key #1: Be Likeable and Get Along With Other People.

Everyone knows that if people are going to buy from you, assuming it is a substantial investment or the buying cycle is longer than ten minutes, the buyer needs to like you, but Key #1 goes way beyond that.

Key #1 shows up when you are looked up to, not just by family, friends, peers, and subordinates, but also even by those who out-rank you on the chain of command. It shows up when everyone respects you, even those that do not respect themselves. It shows up when you get along with the person no one else can and they get along with you. It shows up when people talk behind your back about what a nice person you are. The room is a better place when you are in it and darker when you're gone. Your ability to be respected, liked, and get along permeates gender, race, class, generation, and personality type. You do not see any of that and people feel it. You intuitively treat people the way they want to be treated, show them respect, and make sure they know they matter. You do not just get along in sales situations, or with your crowd, you get along all the time with everyone, from the young child, to the laborer, to the CEO. You let others be right, let them be important, you let them have the spotlight if they want it. You are not a pushover, you know there are battles to fight, and yet, you recognize that most things in life are simply a matter of taste or opinion and not life and death. Key #1 is embodied in the consummate "nice person" who genuinely likes other people and really cares about them. This person realizes that other people come before the sale, or anything else for that matter. They also understand at the deepest recesses of their being that life really is all about relationships and that our happiness or sadness depends upon the quality of those relationships.

Key #2: The Ability to Sell.

To get anywhere in life, you need to be able to sell yourself and your ideas. All people, from children to adults, need to learn to sell effectively. Every important accomplishment in life will involve working with and influencing other people. The ability to sell goes far beyond being great at selling a product or service. It also involves your ability to sell your ideas to coworkers, to get them to willingly work hard for you and with you. In your personal life the ability to sell means you are able to effectively sell your ideas at the Town Hall meeting or at the Parent Teacher conference. It is the ability to sell ideas to your neighbors, business owners whose stores you frequent, and in general, all the people you run into during the day. It means an open and full relationship with your significant other in which your and their needs are met. It means having more influence over your children than their friends do. It means gaining an understanding with parents, siblings, and other family members. In short, the ability to sell is the ability to effectively connect, communicate and positively influence others on all levels. To clearly articulate and educate such that others see and adopt your viewpoint. It means effectively selling yourself, not just as a salesperson, but also as a mate, parent, friend, member of the community, and member of society.

Key #3: Motivation.

Motivation is more than just being fired up and ready to go. Motivation includes all the mental weaponry necessary to bring a high level of performance at all times. Motivation means you keep going when times are tough and you do not rest on your laurels when times are good. Though motivation is important when you are comfortable and things are going well, it is more important when times are tough because nothing is more difficult than enduring the hardships of life. Motivation means suffering the slings and arrows, damning the torpedoes and moving forward despite seemingly impossible obstacles, and still working harder than everyone else. It means regaining a positive attitude after being human for a moment. It means never giving up on your dream until your very last breath. This is true motivation and with it, nothing will stop you from achieving anything you want.

How to Conduct a Better Job Interview: The Art of Asking the Right Questions

By Robert Half International

When you're preparing to interview job candidates, imagine you're an investigative reporter and consider the facts you'll need to uncover to draw accurate conclusions. This will help you turn a "routine" hiring procedure into a fruitful and informative one.

It's helpful to think of the job interview as an exercise in asking the right questions. When preparing to interview candidates, try to move beyond the stock questions that will yield only formulaic, standard answers. Here are some suggestions for designing the kinds of questions that will prompt candid answers.

1. **Do your research.** Review each candidate's background and experience with an eye for red flags such as gaps in work history, odd job titles or achievements that sound too good to be true. These are the areas of concern you'll want to explore in the interview.
2. **Don't be ruled by the list.** Of course it's important to prepare a list of questions to ensure that you cover the same topics with all candidates. But don't become so chained to the list that you never go off script.
3. **Fill in the blanks.** At times, you will need to respond to a candidate's answers with a follow up question that draws out more detail. For example, if a candidate states that she developed an algorithm that reduced the time it takes to produce a key report by three days, you'll want to follow up by asking additional questions.
4. **Ditch off-the-shelf questions.** "What are your strengths and weaknesses?" and "Where do you see yourself in five years?" are predictable, shopworn questions that will elicit canned answers. You often can get more useful information with an unconventional line of inquiry. For example, present a hypothetical situation that requires him/her to reason through a real-life problem. This will give you a chance to evaluate his/her resourcefulness and ability to think on his/her feet. If the individual struggles, seems tentative or offers an inadequate solution, you've likely uncovered a weakness the applicant might never have revealed if questioned directly.
5. **Probe for specifics.** While you don't want to interrogate the candidate, you will need to explore uncomfortable subjects on his/her resume', such as a layoff or an unexplained gap in employment. It's

likely the candidate will give very short, general answers in such cases. It will be up to you to gently but firmly probe for more information; for example, "Tell me more about the events that led to your decision to leave that position," or, "What did you do during those 10 months between jobs?" Ask for examples. If the applicant makes a general statement (e.g., "I'm detail-oriented"), ask for concrete examples that back up his/her claim. You can also obtain the same type of information by asking him/her for examples of occasions when he/she was under a tight deadline, juggling an especially heavy workload, supervising a work team, dealing with upper management, interacting with clients or any other situations that are relevant to performance of the available position.

6. Push past resistance and double-talk. Occasionally, you'll ask a question a candidate does not want to answer. He/she may give an evasive, vague or rambling response that isn't quite forthcoming. Don't settle for this; instead, say, "I'm not sure I understood what you meant, and I want to be sure I do. Could you explain a little more?" If the candidate still stonewalls, make note of it and move on. Later, you can try to get more information from his/her references.

How Much Employee Turnover Really Costs You

The costs may be hidden, but they are still there. That alone should motivate you to treat your staff well.

You will hear people talk about the high cost of turnover, but when you try to press for the actual costs, they do not really know. It seems like a mysterious thing that people talk about.

In addition, it is true – the costs are largely hidden. It does not hit your profit and loss statement. It is not something in the budget. There are some hard costs, like the cost to post a position on a job board, or for specialized positions, the cost of a headhunter. However, even if you recruit strictly through word of mouth and employee referrals, there are costs to losing an employee. Here are the things you are paying for:

***Lowered Productivity.** The person who left was doing something, right? In addition, who is doing that job now that the position is vacant? No one? That has lost productivity right there. What if you just farm out the tasks to other people? Chances are, the most important tasks will get done, but other things will fall by the wayside.

***Overworked Remaining Staff.** Can you measure this in dollars? If your employees are exempt, their paychecks remain the same, so how is this a cost? Well, as they are stretched thin, their quality of work goes down as does their satisfaction and engagement. Which means that they are more and more likely to start looking for a new job and leave. In addition, the longer they stay in their overworked roles, the harder it will be for you to regain their goodwill even after you have filled the vacancy.

***Lost Knowledge.** A ton of people can do what your former employee did, but they do not have the specific knowledge he/she had. It is not just about putting numbers in a spreadsheet, writing code, or selling a product. It is about knowing the people, the traditions, the location of relevant information, what the boss likes and a million other things that come from working for a company for a long period of time. All that goes away when someone quits. In addition, sometimes it is more than just general company knowledge. How many of your employees have their jobs documented well enough that someone could figure it out with their documentation? Do you have people cross-trained? Does one person have control of the passwords?

***Training Costs.** Paid training costs are obvious. If you have to pay \$5,000 for a seminar to teach your new employee your complex internal computer systems, that is a cost noted on a spreadsheet. However, when there are no training classes to attend, there are still costs. Someone has to sit there and show him/her what to do. Someone has to double check work until the employee has proven himself/herself. In addition, that all takes the "trainer" away from his/her regular job. Which means you are paying two people to do one job. Costly.

***Interviewing Costs.** If you have to pay travel expenses, that is costly. But if all your candidates are local, you still have to take the time to go through resumes, talk with numerous people, do formal interviews, talk with colleagues, and figure out who is the best employee.

***Recruiters.** I am not talking headhunter fees (which are absolutely worth it for some positions), but rather the employee who has to find the candidates. In some businesses, you have HR or recruiting staff that takes care of this. They all are paid. In addition, for smaller businesses, this task usually falls directly on the shoulders of the hiring manager – you know the one who is extra busy because he/she is down one person? That costs too. What do all these costs add up to? Well how much? Estimates run as high as 150% of annual salary. Much less for lower level positions, but still significant enough to make retention a high priority for your

business. This does not mean you should not fire problem employees. You should – because they are not being productive and they encourage your good employees to quit. However, you should first try to counsel and coach and correct. In addition, you should consider your pay scales for your good employees and give raises and bonuses when appropriate because it will cost you more to lose that good employee than the \$5,000 raise you refused to give.

***Turnover Is Expensive.** Sometimes it cannot be avoided, but when it can, you should avoid it by doing the right things for your employees.

LEGAL/LEGISLATIVE

U.S. Treasury Issues Rulemaking Delaying ACA Implementation for Certain Classes of Small Businesses

On February 10, 2014, the Department of the Treasury issued a rulemaking that gives employers with 50-99 full-time workers “transition relief” until 2016 before the Affordable Care Act’s (ACA) employer mandate begins. However, these businesses will have to subscribe to the reporting requirements in the ACA in 2015. One significant condition that must be met to qualify for transition relief is a self-certification that the business has not laid off any employees to come under the 100 employee level. Other provisions in the latest rulemaking include:

- ◆ Employers can determine whether they had at least 100 full-time or full-time equivalent employees in the previous year by reference to a period of at least six consecutive months, instead of a full year.
- ◆ Non-calendar year plans: Employers with plan years that do not start on January 1 will be able to begin compliance with employer responsibility at the start of their plan years in 2015 rather than on January 1, 2015, and the conditions for this relief are expanded to include more plan sponsors.
- ◆ Dependent coverage: The policy that employers offer to their full-time employees’ dependents will not apply in 2015 to employers that are taking steps to arrange such coverage to begin in 2016.
- ◆ On a one-time basis, in 2014 preparing for 2015, plans may use a measurement period of six months even with respect to a stability period – the time during which an employee with variable hours must be offered coverage – of up to 12 months.
- ◆ As these limited transition rules take effect, Treasury will consider whether it is necessary to further extend any of them beyond 2015.

The U.S. Treasury Fact Sheet on the rulemaking can be viewed here:

<http://www.treasury.gov/press-center/press-releases/Documents/Fact%20Sheet%20021014.pdf>.

(Source: Capital Report: February 24, 2014)

EPA to Propose Eliminating Use of 134a in Vehicles and Consumer Products

The U.S. Environmental Protection Agency (EPA) announced on Tuesday, February 4, 2014 that they will soon issue a proposed rule that would eliminate the use of 134a as a refrigerant in new motor vehicles and as an aerosol in many consumer products. The action will be taken under the Significant New Alternatives Program (SNAP), which was established under the 1990 Clean Air Act Amendments to evaluate the human health and environmental impact of substitutes for ozone-depleting substances that have been phased out of production. The agency is taking this action as part of the President Climate Action Plan, which aims to develop an “all-of-the-above” strategy for reducing emissions of greenhouse gases in the U.S.

According to the agency, a proposed rule will be issued this summer to withdraw approval for 134a for use in new motor vehicles and as an aerosol in consumer products. EPA pointed to the availability of substitutes for 134a in both motor vehicles and consumer products including 1234yf which was approved under SNAP for use on vehicles. EPA did clarify that the upcoming action will not impact the use of 134a in servicing of motor vehicles already on the road. As part of the announcement, EPA did not specify a timeline for ending use of 134a, but stated that such action would be determined based on each specified use case.

(Source: Capital Report: February 10, 2014)

EPA Seeking Input on Hazardous Waste Regulation Impact on Parts Retailers and Changes to Access to Confidential Business Information

Two recent public requests for information have brought the Resource Conservation and Recovery Act (RCRA) back into the spotlight for aftermarket businesses. RCRA was originally enacted in 1976 and governs the generation and disposal of solid and hazardous waste from certain sources.

The first notice, released by the Environmental Protection Agency (EPA) on February 14, seeks to obtain comment on the impact of RCRA on the retail sector. The "Notice of Data Availability" (NODA) announces the publication of information collected by EPA on the management of hazardous waste by retail establishments, along with questions and issues raised by retailers on implementing RCRA waste control establishments, along with questions and issues raised by retailers on implementing RCRA waste control measures. EPA is asking for the public to review and provide comments on the data and retailer questions.

Affected businesses in the aftermarket listed specifically by EPA include, "motor vehicle parts dealers" and "gas stations", but could extend to any aftermarket business with a retail section, such as repair shops with a retail floor or displays.

EPA is looking for suggestions on issues faced by retailers and solutions for simpler implementation of the RCRA hazardous waste management standards.

All aftermarket businesses are encouraged to review the federal register notice for more details and all aftermarket retail operations are strongly urged to review the NODA and provide comments to the EPA on the RCRA hazardous waste standards.

To view the full notice, along with links to the NODA, visit:
<http://www.gpo.gov/fdsys/pkg/FR-2014-01-14/pdf/2014-02930.pdf>.

The second notice pertaining to RCRA was released by EPA on February 10, offering any affected businesses the opportunity to assert Confidential Business Information (CBI) claims on applicable data submitted to the RCRA database before the agency responds to a Freedom of Information Act (FOIA) request. "Affected businesses" are those that submitted data to the database and previously asserted CBI claims at the time of submission. If a company did not claim any CBI originally, it cannot subsequently claim protection now.

The FOIA asks for data collected by EPA on hazardous waste from/to the United States, the export of cathode ray tubes (CRTs) and spent lead acid batteries (SLABs) from the United States, and the export and import of RCRA universal waste from/to the United States.

If you are an affected company, please review the full public notice from EPA and follow the process laid out for proper response. That notice is available here: <http://www.gpo.gov/fdsys/pkg/FR-2014-2-10/2014-02832.pdf>.

Source: Capital Report: February 24, 2014)

Congressman Sanford Meets with South Carolina Auto Care Industry Business Owners

On January 17, 2014, Representative Mark Sanford, R-S.C., met with repair shop owners and state aftermarket association executives in Summerville, SC to learn about the issues facing the auto care industry at the local level, stating that he would help deliver those positions to policymakers in Washington, D.C. The meeting was part of an ongoing effort by AAIA to connect local service and repair businesses with their elected officials.

Rick Towne, owner of 10 NAPA licensed retail locations in the Charleston, SC area, hosted the event. Sanford held an in-depth discussion with attendees on several issues including health care, the impending transportation bill, the Marketplace Fairness Act and tax reform. Also attending the meeting was David Ard, vice president, general manager, Gerald's Tires and Brakes, Inc.; Denny Bounds, manager of the Summerville, SC NAPA store; Randy Lisk, executive vice president, Automotive Aftermarket Association of the Carolinas and Tennessee; and Sheila Andrews, manager, government affairs, AAIA.

The AAIA government affairs staff is eager to assist members interested in hosting an elected official at their place of business with planning, communications or other resources. Contact David Pinkham in the AAIA government affairs department at 301-654-6664 or email david.pinkham@aftermarket.org if you are interested or have any questions.

INDUSTRY NEWS

2014 Global Automotive Aftermarket Symposium

Chicago, Ill. – March 13, 2014 – The registration brochure for the 2014 Global Automotive Aftermarket Symposium (GAAS), “Connected,” is now available at the organization’s website at www.globalsymposium.org. GAAS 2014 will take place May 20-21 at the Hyatt Regency O’Hare in Rosemont, Ill.

“We have worked hard on this year’s agenda to assemble a lineup of speakers and panelists that appeals to many segments of the aftermarket,” said GAAS chairman Dennis Welvaert. “One issue in particular, telematics, is important to everyone in the supply chain from repair shop owners to manufacturers. Telematics will be the subject of an insightful 75-minute presentation by four industry leading authorities on the subject.”

The featured session, “Telematics and the Connected Car – How Does the Aftermarket Respond?,” will be facilitated by Mike Buzzard, vice president of marketing and sales strategies for Uni-Select USA. The four presenters are Fred Blumer, CEO, Vehcon, Inc.; Jim Dykstra, president, Aftermarket Telematics Technologies, LLC and CEO, Dykstra’s Auto Service; Charlie Gorman, executive manager and COO, Equipment and Tool Institute (ETI), and Malcolm Sissmore, North America sales director for telematics, diagnostic tools, service data and training and country director for Canada, Delphi Product & Services Solutions (DPSS).

Fashioned after the “TED Talks” model, the four experts in diagnostics and telematics will provide a rapid fire presentation sharing their expertise followed by a brief conversation among presenters.

“The Connected Car changes the rules of the game and the aftermarket must ensure that consumers continue to have freedom to choose with whom their vehicle communicates,” explained Welvaert.

A copy of the current agenda, speaker bios and registration forms are all available at the GAAS website, www.globalsymposium.org. The annual two-day Global Automotive Aftermarket Symposium, now in its 19th year, brings together industry leaders and experts to examine the issues and trends affecting the worldwide automotive aftermarket and influencing its future.

Each year the net proceeds of GAAS are invested in the organization’s scholarship fund to help students get their automotive aftermarket career started. Additional scholarship funding comes from industry contributions from individuals, companies and foundations. To date, GAAS has awarded scholarships to more than 1,800 students representing \$1.8 million in aid. The deadline to apply for the 2014 GAAS Scholarship program is March 31, 2014. Visit www.automotivescholarships.com for more information. For more information on GAAS 2014, visit www.globalsymposium.org or phone 301-654-6664. You can also connect with GAAS through Facebook, YouTube, LinkedIn, and Twitter.

AAACT NEWS

New AACT Website

AAACT and Net Driven® have worked together to give AACT a new website www.aaactonline.com. We are proud to announce the unveiling of our new and improved website (aaactonline.com)! Our site is now live. The site was developed by Net Driven®. They have worked closely with AACT to create a website that will provide a newer and dynamic experience for all members. Learn more about Net Driven® at www.netdriven.com. Contact: Valerie Burke, Director of Marketing, (877) 860-2005, Ext. 299.

~ **Randy Lisk, Executive Vice-President**