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News From The Global Automotive Aftermarket Symposium



Automotive Experts Discuss

'Surviving in a World of Change' at GAAS 2007

Automotive aftermarket leaders heard from peers and industry experts about **"Survival in a Changing Aftermarket"** at the 2007 Global Automotive Aftermarket Symposium (GAAS), held on May 8 and May 9 at the Hyatt Regency O'Hare, Chicago, Ill.

William A. Strauss, senior economist and economic advisor, Federal Reserve Bank of Chicago, opened the Symposium with a presentation titled, **"Survival in a Global Economy...Winners and Losers."** In addition to providing an overview of the factors affecting the U.S. economy, he noted, "The light vehicle market is anticipated to be very similar to the last several years. Sales should be around the mid-16 million unit mark with challenges remaining for the more fuel-inefficient models."

Nancy Fein, vice president of customer services, Lexus, discussed **"What Can We Learn about Service from Lexus?"** In her address she urged attendees to look outside the automotive industry for ways to innovate the customer experience. "By exceeding customer expectations from the beginning," she stated, "you will create a competitive advantage, customer loyalty and engaged associates."

Bob Lutz, vice chairman, global product development, General Motors



Kelly McDonald, McDonald Marketing discussed effective Latino marketing

Inside this issue:

Automotive Experts Discuss 'Surviving in a World of Change' at GAAS 2007	1
Symposium Grants Aid To 154 Students in 2007	1
Dayco Products and NAPA Auto Parts Receive Polk Award	2
GAAS 2007 Recap From The Stage—Notable Quotes to Remember	2
Mort Schwartz Award	2
A Pictorial Review of the 2007 Symposium in Chicago	3

(Continued on page 4)

Symposium Grants Aid To 154 Students in 2007

The Global Automotive Aftermarket Symposium (GAAS) Scholarship Committee has announced the awarding of scholarships to 154 students in 2007. The \$1,000 scholarships represent 142 students in the U.S., and 12 in Canada. The announcement was made during the 2007 Symposium at the Hyatt Regency O'Hare near Chicago.



GAAS Scholarship Committee Chair Pete Kornafel announces the 2007 scholarship winners.

"I was very pleased with the over 350 applications we received, and the quality of scholarship applicants," said Pete Kornafel, chair, GAAS Scholarship Committee. "The GAAS Scholarship Committee of more than 20 volunteers did a masterful job of reviewing all those applications and selecting this year's recipients."

Kornafel notes that this year's selection process included a new collaborative effort with the Breslow Foundation and with APSA, the wholesaler association headquartered in Texas that represents nine southwestern states. "We were able to pool all applications from these groups allowing APSA, Breslow Foundation, and GAAS to each make their own selections by reviewing applicants who met their unique requirements and criteria," explained Kornafel. The awards included GAAS Scholarships funded by donations from the University of the Aftermarket Foundation, ASC Industries, and R.L. Polk & Company.

"This year's pooling of resources opens the door for

(Continued on page 3)

Dayco Products and NAPA Auto Parts Receive Polk Award

R. L. Polk & Co. presented Dayco Products LLC and NAPA Auto Parts with the 2007 Polk Inventory Efficiency Awards during the 2007 Symposium in Chicago.

The Polk Inventory Efficiency Award recognizes and rewards outstanding after-market companies for process improvements relative to inventory efficiency. In the Manufacturer category, Dayco Products, LLC, based in Tulsa, Okla. was recognized for its achievements in implementing data and technology standards across its entire enterprise resulting in



Larry Samuelson of NAPA Auto Parts (center), accepts the retailer/distributor category award from industry association and Polk officials.

significant reductions in inventory and vastly improved fill rates. The award was accepted by Dennis Welvaert, president of Dayco's North American Aftermarket Division.

In the Retailer / Distributor category, Atlanta-based NAPA Auto Parts received the honors for creating a best-in-class inventory classification system aimed at making daily stock adjustments in company stores that led to substantial increases in top-line revenues and provided an exceptional return on investment. Larry Samuelson, president of U.S. Automotive Parts Group accepted the award on the company's behalf.

"Both NAPA and Dayco demonstrate an outstanding commitment to improving their inventory efficiency," said Mike Gingell, vice president of Strategic Markets at Polk. "Their efforts not only impact their companies, but everyone in the distribution channel down to the end user. Congratulations to both companies for their achievements."

The awards were presented by Kathleen Schmatz, president and CEO of the Automotive Aftermarket Industry Association

(AAIA), Steve Handschuh, president and COO of the Automotive Aftermarket Suppliers Association (AASA) and Stephen Polk, chairman, president and CEO of R. L. Polk & Co.

In addition to receiving the Polk Inventory Efficiency Award, both companies received the honor of having a \$1,000 donation given in their name by Polk to the GAAS Scholarship fund which assists students who are looking to begin their career in the automotive after-market. ♦



Denny Welvaert (center) of Dayco's North American Aftermarket Division accepts the manufacturer award.

GAAS 2007 Recap From The Stage—Notable Quotes to Remember

Here are a few of the many highlights from the 2007 Symposium from the panelists and presenters who appeared on stage at the Hyatt Regency O'Hare in Chicago.

"The key to be successful in this market is going to be the education of the people who are actually the front end or in the trenches talking to the end consumer, and it's not going to be the business in the future to just hand out a part and exchange it. It's going to be the whole diagnosis, and if you can position yourself as a competent player in your markets, in your local markets, in your regional markets or wherever, the question of price or the question of the product's origin is going to be a secondary one because what the customer buys is the solution. He wants the car to run properly..."

- Wolfgang Winzer, Siemens VDO

"Well, the OEMs are in the driver's seat for a number of reasons. One, we've already talked about, and that's the push for the lower cost, lower priced parts. As many of

the very best aftermarket companies have shifted from a focus of making parts better to making parts cheaper, the difference, whether it's perceived or real, has changed the OEM parts position. This, combined with the technical advancements on newer vehicles and longer warranties, preventive maintenance, all has helped the OEMs influence and image."

- Rusty Bishop, Federated Auto Parts

"The average repair shop is opened by a mechanic, who knows how to fix cars, and they really don't even understand it's a business. Once you begin to get some training and start to implement some business practices, then you start to see the return come back, and as you get better and better at that, you get more and more excited about learning how to do things better; how to sell diagnostic time; how to interact with the customer; how to market your shop and get a better clientele; and once you get started, you really want to go, but the problem is so few repair shop owners ever get started. That's what we have to focus ourselves on is getting these guys interested in starting."

- George Witt, George Witt Service Inc.

"Latinos will pay for passion. Time after time after time in focus groups, no matter what the item is -- it could be \$5,000 rims for vehicles; it could be a new vehicle; it could be a tricked-out truck, whatever it is -- we hear a verbatim like: 'If we like something we buy it no matter how much it costs.' They will find a way."

- Kelly McDonald, McDonald Marketing

Mort Schwartz Award



Bill Kersten (left), accepts the Mort Schwartz Education Award on behalf of NATEF from AAIA president & CEO Kathleen Schmatz during the 2007 Symposium.

A Pictorial Review of the 2007 Symposium in Chicago



Symposium Grants Aid To 154 Students in 2007 (cont.)

(Continued from page 1)

www.automotivescholarships.com to become a website where a student can be considered for several automotive scholarships by submitting just one application,” said Kornafel. “This is a great new service for students, and improves their opportunity to get financial help for training to enter our industry. I hope other organizations who provide scholarships for the aftermarket will consider joining this new flexible and collaborative effort.”

To be eligible for a GAAS scholarship, applicants must be enrolled full-time in a college-level program or an ASE/NATEF (National Automotive

Technician Education Foundation) certified automotive technical program. Graduate programs and part-time undergraduate programs do not qualify.

The GAAS scholarship also is unique in that recipients who graduate from their program and show proof of employment as a technician in the automotive aftermarket for at least six months after graduation can receive a second matching grant

GAAS Scholarship applications for 2008 will be available online at www.automotivescholarships.com beginning in September, 2007. The deadline for submitting 2008 scholarship applications is Monday, March 31, 2008.

The annual investment to help develop future aftermarket industry leaders is primarily funded through proceeds from the annual Global Automotive Aftermarket Symposium. This two-day program brings together numerous industry executives and examines the issues and trends affecting the automotive aftermarket industry and influencing its future.

Additional scholarship funding comes from industry contributions from individuals, companies and foundations. Contributions can be made to the GAAS Scholarship Fund, c/o Susan Medick at AAIA, at 301-654-6664, or susan.medick@aftermarket.org . ♦

Automotive Experts Discuss 'Surviving in a World of Change' (cont.)

(Continued from page 1)

gave a luncheon presentation where he discussed fuel efficiency and safety technology. He commented, "There is no one solution to ending the nation's dependence on oil, but we at GM advocate for energy diversity, including diesel, hybrid and fuel cell technology."

Dennis DesRosiers, DesRosiers Automotive Consultants, presented "**It's a New Ballgame: Which Team Is Winning the Service and Repair Battle?**" In discussing the war taking place for consumer's aftermarket dollars, said "the biggest threat to the traditional aftermarket today is the growth of import name-plate vehicles and the power of their dealer body."

In "**From 2 Wheels to 4 Wheels at Break Neck Speed...What's Ahead from the Next Generation of Customers,**" Cynthia Cohen, founder and president, Strategic Mindshare discussed the buying preferences and spending habits of tweens, the consumer group she named the "Speeders."

John Nielsen, national director, Approved Auto Repair network, AAA, opened the GAAS program on May 9 with his presentation, "**Meeting the Needs of Today's Vehicle Owners.**" Citing AAA's extensive consumer research and focus groups, he emphasized open and honest communication as the key to building successful customer relationships.

Kelly McDonald, president, McDonald Marketing urged attendees in her presentation, "**Relating, Not Translating: How to Market to U.S. Latinos,**" to "learn about the Latino market today and get the competitive edge for tomorrow."

Jay Burkhart, vice president of global marketing, Federal-Mogul, updated GAAS attendees on the "**Be Car Care Aware**" program by discussing the program management, consumer publicity, the "Car Care Guide" and the next steps for the program.



Richard Shiozaki of DENSO Sales California during one of the panel discussions on globalization.

The two-day program also included panel discussions:

- Dave Caracci, chairman, University of the Aftermarket Foundation, moderated a panel discussion of "**It's A Global Aftermarket After All: A Multinational Perspective.**" Panelists were: David Coolidge, president, Automotive Aftermarket Division Robert Bosch Corporation and Executive Vice President - North America, of the Global Automotive Aftermarket Division of the Bosch Group; Richard Shiozaki, senior vice president, DENSO Sales California; Ricardo Vidal, partner, Grupo Omigrón, S.A. de C.V. Labour Consultants Group; and Wolfgang Winzer, vice president, Siemens VDO.
- Steve Handschuh, president and COO of the Automotive Aftermarket Suppliers Association (AASA), led a panel titled, "**Do You Know Where You're Going To?**" Panelists included: Rusty Bishop, president, Federated Auto Parts; Larry Magee, CEO and president, BFS Retail & Commercial Operations LLC; Peter Morse, president, Morse Automotive; and Dave Mueller, executive vice president, merchandising and marketing, Advance Auto Parts.
- Ron Pyle, president, Automotive Service Association, moderated the panel discussion, "**Changing the Culture in Aftermarket Training: Perspec-**

ive of the Independent Repairer."

Panelists were: Douglass Kirchdorfer, AAM, DowningStreet Garage; Victor Tarasik, Vic's Precision Automotive; Bill Tyson, Bill Tyson's Auto Repair; and George Witt, AAM, George Witt Service Inc.

- Keith Pretty, president and CEO, Northwood University led a panel that discussed "**Technology Standards for a Flat, Fast and Efficient Aftermarket.**" Panelists were: Andreas Assmann, vice president information management/consulting, TecDoc Informations System GmbH; Jim Gerber, AP Exhaust Products; and Nick Porrini, president, Technologie Inc.
- The University of the Aftermarket Leadership 2.0 Team Competition presented two teams' ideas for "**How to Survive in the Changing Aftermarket.**" Team G2 members were: Jeff Blocher, Affinia Group; Aaron Fisk, APH Warehouse; Don McEntee, SKF; and Michael Schwab, NGK. Team QUADRIVIUM members were: Bryan Funke, R.L. Polk; Gerald Kottke, Delphi; Dan Rader, CARQUEST; David Redeker, Federal-Mogul; Tim Sturdevant, S.A.E. Warehouse

GAAS sponsor R.L. Polk & Co. presented its Aftermarket Inventory Efficiency Awards for excellence in two categories: Retailer/Distributor and Manufacturer. In the Retailer/Distributor category, NAPA was recognized for its achievements. In the Manufacturer category, Dayco received the honors. (see related story on page 3)

The GAAS program is a joint professional education effort ASAAA, AAIA, AASA, AIA of Canada, APRA, ASA, AWDA, MAP, MEMA, SEMA, TIA and University of the Aftermarket.

GAAS 2008 will be held Tuesday and Wednesday, **May 20-21**, at the Hyatt Regency O'Hare, Chicago, Ill. ♦

Global Automotive Aftermarket Symposium

7101 Wisconsin Ave., Suite 1300

Bethesda, MD 20814-3415

Phone: 301-654-6664 • Fax: 301-654-3299 • Web: www.globalsymposium.org

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