



AUTOMOTIVE  
RECYCLERS  
OF MICHIGAN

2018 ARM Golf Outing  
Highlights begin  
on page 20

# YARDTALK

Issue 4

The Official Publication of the Automotive Recyclers of Michigan

Summer 2018

## The President's Message

**W**ith the summer coming to an end and a new year just around the corner it is a good time to think about what our future holds. While it's all too easy to keep our heads down and grind away day to day, we



**Ross Lewicki**

must lift our gaze from time to time and try to determine where we are going.

It is no secret that our industry is at a turning point. With the rapid rise of alternative materials, artificial intelligence, and accident avoidance technology our future as an industry will hardly resemble what we have come to know in the past or as it is today. In addition to our changing product line we also have to consider the possibility of more regulations, more competition from the OE's, more influence from the insurance companies, and a changing market of vehicle owners.

Some of you have already seen these things coming and have started making changes to

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## Your Invitation to Participate:

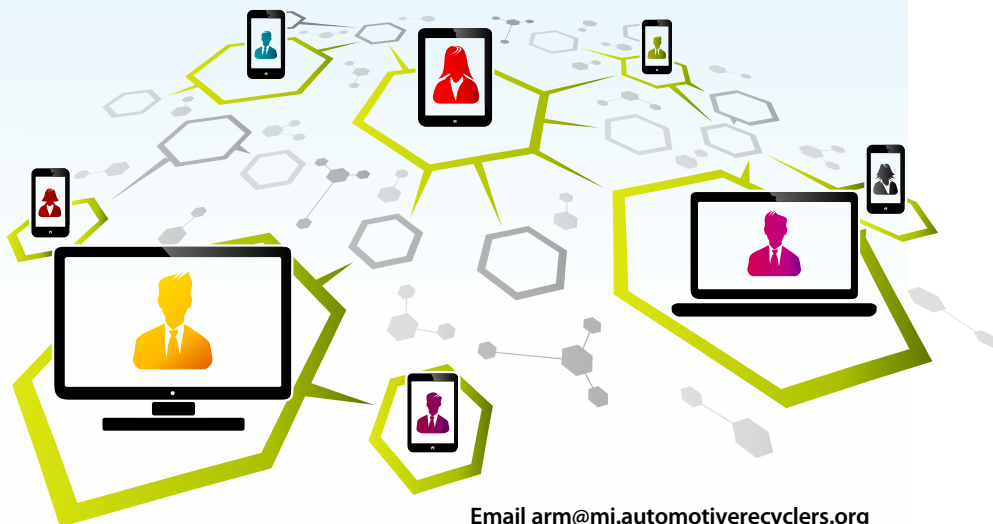
### 2018 ARM Annual Meeting

**T**his year's Annual Meeting will be held on Tuesday, October 23, 2018 at 4:00 PM.

It will be held by teleconference.

The ARM Annual Meeting is where your Board of Directors will present a budget and review committee reports. We will also be electing officers. Anyone who wishes to participate is welcome to join. You will need an access code from the ARM office in order to join this meeting. To sign up, please email [arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org) and ask to be added to the list. You can also call the ARM office at 800-831-2519.

Materials including the agenda, ballots, proposed budget and committee reports will all be emailed to participants prior to the call.



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## Let Me Guess... STRESS?

**A**s I write this article I have just returned from a fabulous land and sea dream vacation to the British Isles. I knew when I left that I would have to hit the ground running when I returned as it was the end of our fiscal year, budgets were due, we had a newsletter deadline, plans needed to be completed for our Annual Meeting, we needed to confirm the location



**Barb Utter**

for our 2019 Road Show, the list goes on and on. I also know that I should be totally relaxed and stress free since my brain has been on vacation mode. However, if the truth be known, I still have sea legs, my brain has still not engaged into thinking mode, I'm exhausted from jet lag and all the fun I had, and I'm totally stressed to the max. With all that being said, I truly did miss you all and am glad to be back and yes, it was well worth all the stress I'm experiencing.

Before I try to think of something profound to share with you, I want to give a very special thanks to Kathy and the Board for "keeping business as usual." They were awesome and I am most grateful to all of them for making it possible for me to feel comfortable enough to leave the office for that length of time knowing I wouldn't be able to reach them unless it was an emergency. And those of you who know me well, you know that was not an easy thing for me to do, but I survived and so did our association. It just proves that a truly strong team can accomplish anything they put their mind too and a strong team we have.

Now to my stress. By the time you receive this newsletter, hopefully most of my list of "to-do's" will be completed, I will have met my deadlines, all of you will have responded to notices you received from the office and we will begin our new fiscal year with a full "team of members" working together to accomplish all the changes and challenges that lay ahead of us.

I am beginning to understand what "writers block" means as profound thoughts continue to escape me, but fortunately a friend just emailed me the following and I thought it was fitting to share. I have no idea

who the author is, but whoever he or she is, I think they nailed it, at least from my perspective today.

### **A Great Lesson on Stress:**

"A young lady confidently walked around the room with a raised glass of water while leading a seminar and explaining stress management to her audience. Everyone knew she was going to ask the ultimate question, "half empty or half full?" She fooled them all. "How heavy is this glass of water?" she inquired with a smile. Answers ranged from 8 oz. to 20 oz. She replied, "The absolute weight doesn't matter. It depends on how long I hold it. If I hold it for a minute, that's not a problem. If I hold it for an hour, I'll have an ache in my right arm. If I hold it for a day, you'll have to call an ambulance. In each case it's the same weight, but the longer I hold it, the heavier it becomes."

She continued, "And that's the way it is with stress. If we carry our burdens all the time, sooner or later, as the burden becomes increasingly heavy, we won't be able to carry on. As with the glass of water, you have to put it down for a while and rest before holding it again. When we're refreshed we can carry on with the burden-holding stress longer and better each time practiced."

So, as early in the evening as you can, put all your burdens down. Don't carry them through the evening and into the night. Pick them up again tomorrow if you must."

Hopefully this little story gives you some food for thought. I have thanked my friend for sending me the email, not only because it gave me pause to put things back into perspective, but it helped me reach my newsletter deadline since profound thoughts still elude me.

I hope each and every one of you were able to put down your burdens and stresses and take the time to enjoy some fun, leisure activities with your family and friends, whether it was here in our beautiful Michigan or elsewhere. Even if we return exhausted, a change of pace is the perfect remedy to feel refreshed and renewed. We have many changes and challenges

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**YARDTALK** is published quarterly.

Statements of fact and opinions are the responsibility of the author alone and do not necessarily imply any opinion on the part of the officers, director, or members of ARM.

Please address articles or letters for publication to:

##### **ARM Office**

7550 S. Saginaw  
Suite 9  
Grand Blanc, MI  
48439

## **Calendar of Upcoming Events**

October 23, 2018

### **Automotive Recyclers of MI Annual Meeting**

4:00 p.m. Teleconference Call

Contact ARM Office for Dial-In information

November 1-3, 2018

### **ARA 75<sup>th</sup> Annual Convention & Expo**

Walt Disney Dolphin Resort

Orlando, FL

April 11-13, 2019

### **URG Training Conference**

Hyatt Regency Grand Cypress Resort

Orlando, FL

April 25-27, 2019

### **ARM Road Show & Business Networking Conference**

Worldwide Equipment Sales, LLC

Livonia, MI

June 17, 2019

### **ARM 19<sup>th</sup> Annual Kent Utter, Jr. Memorial Scholarship Golf Outing**

Links of Novi

Novi, MI



# **Announcement**

On April 12, 2018, MIOsha published the revised Agency Instruction for eyewash/shower equipment. This instruction addresses the fundamental need for suitable facilities to quickly remove or dilute injurious, corrosive, or potentially infectious materials from the eyes or body in the event of contact. Page 2 of the instruction highlights the six significant changes made to the instruction. Due to the number of significant changes to the enforcement policy, MIOsha will delay enforcement of this new policy until **October 1, 2018**.

MIOsha developed a Fact Sheet for eyewash/shower equipment to educate employers and employees on the latest revisions to the enforcement policy.

Here is a link to the Fact Sheet: [https://www.michigan.gov/documents/lara/lara\\_miosha\\_cet0199\\_628110\\_7.pdf](https://www.michigan.gov/documents/lara/lara_miosha_cet0199_628110_7.pdf)

If you have any questions, please reach out to MIOsha's Consultation Education and Training Division at 517-284-7720.



## Scrap Report

Foundry Steel.....	\$235.00 gt
Auto Cast (clean).....	\$290.00 gt
Motor Blocks (uncleaned).....	\$200.00 gt
Flattened Bodies (picked-up) ....	\$155.00 nt
Batteries .....	.24 lb.
Radiators .....	1.39 lb.
Aluminum (clean).....	.35 lb.
Whole Aluminum Transmissions .....	.15 lb.

Thanks to Bob Bennett at Padnos Iron & Metal,  
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Prices current as of press time. Prices are subject to change  
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## From the Desk of Your Executive Director

*Continued from page 3*

ahead of us as we begin a new fiscal year, but as always, I know we will be up to the challenge because we truly are stronger and at our best when we stand together.

The following are something to smile about, a lot to ponder upon, but all with a gem of positive thoughts for you.

1. Accept the fact that some days you're the pigeon and some days you're the statue.
2. Always keep your words soft and sweet, just in case you have to eat them.
3. Always read stuff that will make you look good if you die in the middle of it.
4. Drive carefully—it's not only cars that can be recalled by their Maker.
5. If you can't be kind, at least have the decency to be vague.
6. If you lend someone \$20 and never see that person again, it was probably worth it.
7. It may be that your sole purpose in life is simply to serve as a warning to others.
8. Never buy a car you can't push.
9. Never put both feet in your mouth at the same time, because then you won't have a leg to stand on.
10. Nobody cares if you can't dance well. Just get up and dance.
11. Since it's the early worm that gets eaten by the bird, sleep late.
12. The second mouse gets the cheese.
13. When everything's coming your way, you're in the wrong lane.
14. Birthdays are good for you. The more you have the longer you live.
15. Some mistakes are too much fun to only make once.
16. We can learn a lot from a box of crayons. Some are sharp, some are pretty and some are dull. Some have weird names and all are different colors, but they all have to live in the same box.
17. A truly happy person is one who can enjoy the scenery on a detour.
18. Have an awesome day and know that someone has thought about you today.
19. Be the kind of person that when your feet hit the floor each morning the devil says, "oh crap, she's up!"
20. And most importantly, "save the earth, it's the only planet with chocolate!!" 🚗

Love and Hugs,  
Barb

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## Share the Pain

By Dave Kendziorski  
Stormtech Inc.

Currently, industries, construction sites, and large municipalities require storm water permits. For years, environmental groups have been arguing that other types of land uses – commercial sites, shopping malls, office buildings, large parking lots, and institutional facilities (government buildings, churches, hospitals, etc.) – should also require storm water permits. The groups argue that the municipal permits do not adequately address the water issues related to these large facilities. Some of you may share that view. We all want a level playing field.

On August 9, 2018 the U.S. District Court for the Central District of California gave environmental groups a significant win in their bid to force U.S. EPA to expand the list of entities regulated under the Clean Water Act. The case, *Los Angeles Waterkeeper v. Pruitt*, No. 2:17-cv-03453, was one of several cases concerning EPA's authority to require storm water permits for sources of

storm water that are not currently regulated. If the order withstands likely appeals, U.S. EPA will be forced to either prohibit storm water discharges, or issue permits for discharges of storm water from commercial, institutional, and office facilities.

If the order holds and becomes the law of the land, U.S. EPA would instruct DEQ to issue these new storm water permits in Michigan. 🚗

**Need information?  
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The advertisement features a yellow truck with a white cargo area. On the side of the truck, there is a large graphic of a person in a yellow rain suit. The cargo area is filled with various supplies, including a spill kit, a first aid kit, a fire extinguisher, and various tools and materials. The truck is driving on a road with a yellow dashed line. The background shows a blue sky with clouds and a red biplane flying in the distance.



## The President's Message

*Continued from page 1*

suit your market. Others I'm sure feel as though these changes won't affect your business for some years to come. The truth is, whether your focus is on late model insurance repair work or on an older product line geared towards retail and garages, these changes are already affecting you. Increased use of plastics means less money for our scrap. Has your cost gone down at the salvage pools? AI and accident avoidance technology means less accidents and fender benders. How heavily is your business geared towards collision parts versus mechanical and electrical parts? OE's are price matching. How much is that used tail light really

worth? Millennials are less likely to own a vehicle than any generation before them. Who will our customers be in five years? If you haven't begun to think about these questions it is time. These issues along with the recent global trade issues (I don't even want to get into tariffs) are reshaping our industry for better or worse. My belief is that with progressive thinking owners and employees we can make sure it is for the better. But it won't happen if we keep our heads down. We must lift our heads, look around us, and work together. I for one can't wait to see what our industry will look like in the mid 2020's.

In order to deal with these changes and evolve as an industry, it is essential that we stick together and fight for what is in our best interest. Your active participation and financial support of the Automotive Recyclers of Michigan is the best way to ensure that our industry will thrive in the future. Our strength comes from our members. We must continue to grow and work together. 🚗

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## Let's Talk Recalls . . . Corporate Responsibility & YOU

By Katie Stark and Paul D'Adamo  
Rebuilders Automotive Supply

**W**e have written extensively about the importance of Auto Recyclers recognizing their Corporate Responsibility regarding recalls. As small business owners, we often feel like we are immune to the outside world due to our size with thoughts like "We'll skirt this" or "If we ignore it, it will go away." That couldn't be further from the truth.

We are in the midst of the largest automotive safety recall in history. Period. It begs the question: What am I supposed to do? I'm just a small business owner with a million things to do and not enough time to do most of them.

This article is directed at all parties within the Auto Recycling supply chain. Recyclers of all types and sizes: self-serve, full-serve, scrap yards, and shredders. Data solution companies: Yard management system providers, value-add software developers, VIN data warehouses. What hooks can you incorporate in your programs to help recyclers identify recalls at point of MVR (motor vehicle VIN record) entry? Look to software vendors who provide a multitude of products to make auto recyclers more efficient and allowing them to squeeze that last buck out of their inventory.

Recalls are not going away. This directly impacts your business, your employees, and the general driving public. Our Corporate Fiduciary Responsibility dictates that we take any liability threat seriously and work diligently to eliminate that risk. This article will address the defective Takata airbag threat. Millions of defective inflators were installed in vehicles as early as 2001 and extend through 2016. Good news, no one is exempt. We are ALL in this together. Let's pull together as an industry and take action.

We own the "End-of-Life" segment of the automotive

life cycle. We dismantle vehicles. We remove parts. We shred. We recycle the most recyclable product on the planet. You are not being asked to do something out of your wheel house. Yes, there might be a few steps to validate the VIN and properly box the airbags. It is a Federal Recall after all. One of the reasons why we love this industry is that recyclers are survivors and entrepreneurs. We live in a world of volatility. Scrap is up, platinum is down. Cash might be tight, but we continue to buy more inventory to replenish our daily appetite for adventure and to drive business forward through the good and the bad times. We find ways to make lemonade from the literal lemons that we buy day in and day out.

Back to the airbags. This is personal. There is a good chance that you, your family, friends, neighbors, or customers have a defective airbag in their vehicle. That means there is a statistical probability that someone you know will be hurt, maimed, or killed by a defective Takata airbag. Yea, I get a little queasy thinking about it. Doing nothing is not an option.

It is safe to assume that you are either (1) not removing airbags, (2) halfheartedly removing them, or (3) fully engaged and scanning every VIN as it enters your property. What bucket are you in? RAS has developed several tools to help any recycler, regardless of size or type, manage their inventory so you can eliminate risk and maximize the bounty value of the airbags. RAS is the exclusive buyback partner of 20 Automakers across North America. Bounty recall pricing is fixed, so you won't suffer from price volatility as with scrap, cores, and catalytic converters. We have a RAS Recall Team ready and willing to help you on your journey to full compliance and monthly cash flow. Our goal is nothing short of 100% recovery with your assistance. Let's #yankthatbag #autorecyclersunite 🚗





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### Sandy Blalock Hired as Executive Director of ARA



ARA is pleased to announce that Sandy Blalock has been named the Association's new Executive Director. Sandy has been serving as interim CEO for the past six weeks, working closely with ARA leadership and staff during the transition.

"Over the past several weeks, it has been our priority to find the individual best suited to lead ARA given the many challenges facing the professional automotive recycling industry," said ARA President David Gold. "During this period of transition, Sandy has proven herself to be a stable, unifying presence. She has moved quickly to implement efficiencies within ARA's operational structure and continues to be a tireless advocate for ARA members and all recyclers. The ARA Board of Directors is confident that we have chosen the right leader to protect and promote the future of ARA and member businesses. I am delighted that she has accepted the position of Executive Director. What she brings to the table in terms of experience in the industry as a yard owner, Past President of ARA, and state association executive is a combination that is truly one-of-a-kind."

Sandy's tenure as Executive Director is effective immediately following unanimous approval from the ARA Board of Directors. A professional automotive recycler since 1993, Blalock joined the ARA Executive Committee in 2005 and previously served as President of ARA in 2007. She has served in a number of executive positions at the state level.

"I am excited to take on this new opportunity and continue to serve the industry that has already given me so much," said Blalock. "I am committed to moving ARA forward in a collaborative, cohesive manner and to working with all stakeholders. I hope to see everyone at our 75<sup>th</sup> Annual Convention later this year!"

### InfoTrac Offers Special Member Rate for Emergency Response Hotline Service

Since 1989, the federal government has mandated that any company shipping to or within the United States must have emergency-response procedures.

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For more in-depth information, visit [www.infotrac.com](http://www.infotrac.com).

### ARA and Auto Care Association Send Letter to the Federal Trade Commission

ARA sent a joint letter to the Federal Trade Commission (FTC) with the Auto Care Association regarding concerns for General Motors recent bumpers/fascia's repair guidelines. The June GM statement states that the company does not approve of the use of aftermarket, reconditioned, or salvage bumpers/fascia's on GM vehicles equipped with ADAS. The joint letter requests that the FTC review this position which "is intentionally misleading to consumers, making blanket statements that attempt to scare consumers into purchasing new GM replacement products while ignoring the fact that there are many high-quality aftermarket, salvaged or reconditioned parts on the market that meet or exceed original equipment specifications".

Both ARA and the Auto Care Association have a history of reaching out to the FTC with concerns for either misleading OEM marketing practices or warranty statement violations. In this instance the associations joined together to point out the growing concerns that the OEMs are "stepping up their attacks on the use of aftermarket and recycled OEM parts." The letter urges the FTC to review the GM statement and "take action to halt the company's anti-consumer and anti-competitive attacks".

### EPA Clarifies Regulatory Status of Airbags

In a significant and positive action, the U.S. Environmental Protection Agency (EPA) recently clarified the status of airbags stating that airbags remaining installed in vehicles are exempt from hazardous waste



regulations. The EPA issued a memorandum on July 19, 2018 entitled "Regulatory Status of Automotive Airbag Inflators and Fully Assembled Airbag Modules". This document clarifies how non-deployed airbags in a vehicle are exempt from the Resource Conservation and Recovery Act (RCRA) which designates hazardous waste. They are considered part of the vehicle and exempt scrap metal. The key conclusions of the document state:

- "Unused (Never Installed) Airbag Modules and Airbag Inflators are not Solid Wastes when Legitimately Reclaimed"
- "Used Airbag Modules and Airbag Inflators that can be Legitimately Reused are not Solid Wastes"
- "Used Airbag Modules and Airbag Inflators (both Takata and Non-Takata) still Installed in Vehicles that are Being Recycled as Exempt Scrap Metal are also Scrap Metal"
- "Used Airbag Modules Removed from Vehicles

that can Safely Undergo Electronic Deployment can be Recycled as Exempt Scrap Metal"

- "Used Airbag Inflators that Cannot be Reused are Spent Materials that Cannot be Recycled as Exempt Scrap Metal when Exhibiting the Hazardous Waste Characteristic of Ignitability and/or Reactivity"

*Continued on page 14*

### FUTURE RECYCLER

We are excited to send our congratulations to our newest recycler, Elliott Claude Shroyer, and his family. Elliott was welcomed into this world on July 13, 2018 by his parents Lauren and Blake Shroyer and his grandparents Ann and Bob Shroyer of Shroyer Auto Parts in Lansing, MI. 🚗

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### Professional Automotive Recycler Marty Hollingshead to Join Executive Committee of ARA

ARA is pleased to announce that the Nominating Committee has selected Marty Hollingshead, President of Northlake Auto Recyclers in Hammond, Indiana as its nominee for Association Secretary for 2018-2019. Hollingshead brings decades of experience in the industry to the Association's Executive Committee. He will be formally confirmed by the ARA Board of Directors during the ARA's 75<sup>th</sup> Annual Convention and Exposition held October 31-November 3 in Orlando, Florida.

Hollingshead has been in the professional automotive recycling industry for 45 years, including 34 years as President/Owner of Northlake Auto Recyclers, one of the industry's leading facilities. Hollingshead prides himself on taking a hands-on approach in the business, employing the use of checks and balances for quality control to ensure customers only receive the highest quality parts.

Northlake was one of the first automotive recycling facilities in the state of Indiana to receive from the Indiana Department of Environmental Management the Indiana Clean Yard – Gold Level Certification in 2009. Northlake was certified as one of the Indiana Certified Automotive Recycler Exemplary Standards (INCARES) program's inaugural medalists and was the highest scoring facility in Indiana in 2014, 2015, 2016, 2017, and tied for first place in 2018. Northlake was also the recipient of the 2016 ARA Certified Automotive Recycler of the Year award, having been nominated by his peers in the industry.


"ARA is excited to welcome Marty to the Executive Committee," said RD Hopper, chairman of ARA's Nominating Committee. "His commitment to excellence and dedication to serving the professional automotive recycling industry and all of ARA's members, big and small, will be a great benefit to our Association."

### EPA Accepting Comments on "Waters of the United States" Rule

ARA has reviewed and agreed with comments by the Federal Storm Water Association (FSWA) to the Environmental Protection Agency (EPA) regarding the proposal to repeal the Clean Water Rule, also known as "waters of the U.S." (WOTUS). Under the wide-ranging and extremely controversial Clean Water Rule initiated by the last Administration, the definition of "navigable waterway" would be unclear and so expansive as to include seasonal and negligible water found on properties across the country such as ditches.

The FSWA contends that "The expanded definition of WOTUS that is included in the Clean Water Rule could result in stringent restrictions on discharges to those features, could affect FSWA members' ability to use those features or other parts of their properties for water management purposes, and could affect the members' ability to properly maintain those features." The FSWA supports repeal of the Clean Water Rule, reinstatement of previous definitions and suggests basic principles to consider prior to development of a new rule.

ARA has worked with the FSWA for many years and supports its efforts to counter overly intrusive governmental water management positions.

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## File A Complaint on Unlicensed Vehicle Dealers

***ARM Will File the  
Complaint for you!***

Contact Barb at  
[arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org)

or

**810-695-6760 or 800-831-2519**

or

**Follow the link below and complete the  
Reporting an Unlicensed Dealer Form**



[http://www.michigan.gov/documents/  
curbstoner\\_form\\_65906\\_7.pdf](http://www.michigan.gov/documents/curbstoner_form_65906_7.pdf)



# A World Without Auto Recyclers

By Marty Hollingshead

**A**s a fellow Auto Recycler facing more and more barriers put before us, the constant state of change that is upon us with the challenges that we all face from the OEM's as well as the Insurance Industry, and the negative perception that our industry has in general, I have been thinking about the current state as well as the future of our industry. This got me thinking, what would the world really be like without Auto Recyclers? I started to think about how things would be if we all never existed, just like in the movie "It's a Wonderful Life." What would happen to all "Total Loss" and "End of Life" vehicles now? Would they be recycled? Would parts be harvested and available to repair vehicles in a cost-effective manner for those who can't afford to purchase new?

Would the fluids and refrigerants from these vehicles be recovered, and recycled, or just dumped on the ground and released into the air like back in the old days? High value commodities would most likely be recovered, but what would become of the rest of the vehicle? Who would process them now, or would they just clutter and pollute the landscape? What would become of the long-term, living wage jobs that would now be lost? What will become of the employees, and their families that lost these good-paying jobs? Would they be better off if we never existed?

**What would happen if the OEM's had to process these "Total loss" and "End of Life" vehicles that they manufactured?**

What would happen if they were now responsible for the proper processing and recycling of these vehicles? Didn't Ford Motor Company try this a few years back with Greenleaf? This did not work too well, did it? Furthermore, would they be able to do as good of a job as we do now? Would they be better or worse off, also? If you look to Europe, yes, some of the OEM's are responsible for this process, but they do this with smaller amounts of vehicles, in different countries with different cultures with different rules.

**Now, let's look at how this would affect the Insurance and Repair Industries.**

Currently, we provide the Insurance Industry as well as the Auto Repair Industry with cost-effective alternatives to repair vehicles that would otherwise become Total Losses. We also purchase Total Loss vehicles from the Insurance Industry in a competitive auction environment, which results in maximum salvage returns for the Insurers. More and more vehicles would now be Total Losses due to the lack of these recycled parts' availability, right? Wouldn't this have a negative financial effect on the Insurers and also result in higher premiums for the consumers?

What would become of the Salvage Auctions now without these Total Loss and End of Life vehicles to sell? This would also have a negative effect on the Insurance Industry, because now they are probably no longer getting paid for these Total Loss vehicles, which means they will have \$0 for a Salvage return.

Folks, the reality of it is this: We are the hardest-working industry in the Automotive Sector. We are forced to do the most with having the least to work with. We recycle these End of Life and Total Loss vehicles. We protect the environment by properly de-polluting these vehicles. We are selling "Green" recycled OEM parts. We are reducing the carbon footprint. We are saving non-renewable resources that would otherwise be used to manufacture these parts. We harvest and sell genuine OEM recycled parts. In spite of all the good we do, we have all the challenges of unfair competition, unfair information denial by the OEM's, as well as the negative perception of our industry.

For whatever reason, the OEM's have targeted us as their biggest threat. In reality, we have the smallest market share. As I have said before, we are not their competitor; the aftermarket and reman from others are. We should be looked upon for what and who we really are. To the OEM's, we are their viable partners. We are not their competition. We are not Junkyards, we are Recycled OEM. We are a needed industry, and we are relevant. We are committed to our employees, their families, our customers, our community, and the environment. We work hard. We deserve what we merit, and that is respect.

*Continued on page 34*

# Managing Returns as Part of the Customer Experience

Alex Bechstein  
Director of Market Development  
EZ-Suite

Understanding your customers experience though a sale is a significant part of any business. We as consumers have become so accustomed to a planned customer experience that we only notice when we have a bad one.

We all hopefully have a defined process for a conventional sale but what about when a part does get returned?

Here is the thing, whether you like it or not returns are a part of your sales process and overall customer experience and should be treated with as much or more care than the traditional sale. Improperly handling returns can have more of a negative effect on your customers experience than a good one with your yard. It is said that a customer is 2 times more likely to tell someone about a bad experience they had with a company than a good experience. With EZ-Suites involvement with the major parts distribution networks in the US, we hear too often that yards are just sending parts back to their vendors without explanation. We as an industry need to focus on treating other yards as if they were our best customers because in many cases they are.

Over the last 2 years we have worked to rebuild and enhance our software, EZ-Runner, for major transportation networks. We did this because we wanted to help put in place a defined process to help yards manage returns within those networks. Our new Return Authorization and Parts Grading features enable a yard to obtain the information they need to improve their internal processes. After all, our customer experience is derived from our internal processes. We now have provided the recycler with the tools they need to

thoroughly document each return. A few of the options the buying yard can select in the system are return reason, photos, and the ability to deny a return for lack of documentation.

One scenario for EZ-Runner. If you receive a part from a yard that is defective and holds no core value, traditionally you would just send it back to that yard and be billed for the shipping accordingly. How does that add value to you or the selling yard? That part was pulled, QC'ed, packaged, invoiced, shipped, unpackaged and delivered. Then the entire process had to happen in reverse. FOR A BAD PART. Sounds crazy right? When you take full advantage of EZ-Runner's Return Authorization feature that part could have been documented for review and "credited do not return". With this process, you don't receive a part back without so much as a note, having to make phone calls to determine why the part was returned, and eventually dispose of the part.

Proper use of the new EZ-Runner Software will also provide the yard with data through monthly reports on quality. For every part that is graded/returned we can provide metrics on percentages of returns due to a variety of reasons provided by your customer. EZ-Runner is helping you identify your customer experience problems for you to continuously improve.

Mapping out your customer experience and refining your process to add value to your internal and external customer is the key to the success of the auto recycling industry. I have always found the experiential world fascinating because once you recognize the lengths companies are going to add value, you can't see it any other way. I would recommend anyone to read the book *The Disney Way: Harnessing the Management Secrets of Disney in Your Company*. Disney has set the bar for creating experiences for their customers. I will end this with a challenge to any yard to evaluate what their customer experience is and to not forget that returns and how you handle them are a part of that experience. 🚗

**Protect Our Earth** *Recycle!*



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Created by a salvage yard for salvage yards!**

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FOR IMMEDIATE RELEASE

Contact:  
JC Chastain  
JC@Car-Part.com  
859-344-1925

### **Checkmate Top Management System for Car-Part.com Recyclers**

FORT WRIGHT, Kentucky, July 25, 2018 - Car-Part.com is happy to announce that Checkmate is the #1 management system on Car-Part.com, with more recyclers in its recycled parts marketplace running Checkmate than any other management system. Checkmate is designed to maximize recyclers' sales on Car-Part.com (the #1 recycled parts marketplace).

The Checkmate inventory management system helps auto recyclers manage their businesses, buy profitable vehicles, maintain inventory, and sell parts efficiently. Checkmate's end-to-end workflow provides tools to buy, inventory, price, sell parts, manage production, track business information with dashboards and reports, and sell parts in online marketplaces such as Car-Part.com and eBay. Checkmate integrates with other software solutions by Car-Part.com such as Partmate and Photomate, which allow recyclers to inventory and manage parts and images with tablets and smartphones. These features and more have contributed to Checkmate's popularity with auto recyclers who sell parts on Car-Part.com, with more auto recyclers than ever relying on Checkmate to run their businesses.

"Car-Part and their Checkmate yard management software has been one of the best business decisions we've made," says Elgin Frye of Viking Used Auto Parts in California. "We're able to inventory and list to eBay twice as much thanks to their intuitive and easy to use software. Their customer service is exceptionally responsive and always friendly...We couldn't be happier with making the switch! We would recommend it to anyone, especially if you list items on eBay."

Car-Part.com purchased the Checkmate inventory management system in October of 2003 and has systematically redesigned and enhanced Checkmate for the past 15 years while keeping Checkmate's many great innovations. Car-Part.com has built popular Checkmate add-on products to simplify recyclers' workflows (including Bidmate and Order Trakker), enhanced interchange with Car-Part Interchange Plus, and formed peer Recycler Executive Roundtable groups for Checkmate users. In 2016, Checkmate Sales Pro was unveiled, featuring a brand-new graphical interface and a completely redesigned sales workflow optimized for both single and multi-part sales. 2,000 recyclers use Checkmate as their management system, making it the top inventory management system on Car-Part.com. Car-Part Exchange offers recyclers more exchange yards than other exchange services.

"With Checkmate, we have better internet sales, great customer service, and a company that's willing to change to make it better for recyclers - and all at a cheaper price!" says Dale Gregg of Strange Auto Parts in Tennessee.

Car-Part.com is the leading recycled parts marketplace and currently serves 185 million parts from 4,400 parts providers throughout North America. Online marketplaces by Car-Part.com (including Integrated Car Part Pro, the marketplace designed for professional repairers and insurance adjusters, and Trading Partners, the marketplace designed for recyclers) power over \$5 billion in part searches per month. Car-Part.com is currently displaying 150 million images per month in its marketplaces, and its mobile apps and websites power \$1 billion in part searches per month.

Jeff Schroder, CEO of Car-Part.com says, "I am deeply humbled by recyclers' support for both the Checkmate management system and the Car-Part.com marketplaces, and I am very proud of the hard work our Checkmate and Car-Part.com teams have put forth serving our customers."

# State of Michigan Vehicle Dealer Training

The Michigan Department of State is offering full-day training in Lansing to assist all classes of licensed vehicle dealers and their staff on the basic requirements of the Michigan Vehicle Code. There are no course registration fees.

- **Pre-registration is required.** Registration is first come, first served at [www.Michigan.gov/SOS](http://www.Michigan.gov/SOS). Use this link to get to the self-registration page.
  - If a course date does not appear in the drop-down menu, it means the class is full. Please register for another date, or check back at a later date for openings.
  - Picture ID is required for entry into the building where training is held.

- **Who should attend?**

- Any class A, B, C, D, E, F, G, R, or W dealership may attend full-day trainings.
- Dealership owners, managers, sales and office staff.

- **What will be covered?**

- Michigan.gov/sos and other state Web sites
- Vehicle Trade-In Credit
- 2017 Vehicle Registration Fees
- TR-210/TR-209 Secured Interest Change on Title Process
- Dealership Records
- Dealer Plate Usage
- Your Questions

## Training Dates, Times and Locations:

Date:	Day:	Hours:	Location:
October 18, 2018	Thursday	10 am to 4 pm	Operations Center, Lansing
November 13, 2018	Tuesday	10 am to 4 pm	Operations Center, Lansing
December 3, 2018	Monday	10 am to 4 pm	Operations Center, Lansing

In the online registration module, if a course does not appear in the drop-down menu, it means the class is full. Please register for another date, or check back at a later date for openings.

For questions or assistance with registration, contact the Business Regulation Section at 517-335-1799.

We do take periodic breaks and a lunch. There is an on-site cafeteria and nearby fast-food.

Operations Center, 7285 Parsons Drive, Dimondale 48821

# 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing

## Golf Outing Highlights

By Barb Utter

**T**he 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing is now completed and in the books for another year and it always makes me so proud to be able to report that once again it was a great success. As always, David and Mike go above and beyond my wildest hopes to see that this event surpasses all others and that we raise the much needed funds to support the outstanding students that apply for our scholarships. In my mind, this scholarship program is one of our most important membership benefits as it directly impacts our employees and their dependents. If we can help these young people in any way reach their dreams, then we have contributed to a better future for all of us as these kids have such passion for their chosen fields of endeavor and so want to make the world a better place for all of us. They are our future and I am so grateful to all of you who support and participate in this program for making it possible.

***Many thanks go out to David Creedon & Mike Sinta for another great golf outing—18 years and counting!***

### 2018 Tournament Winners:

**1st Place – Brady's Bunch** (Jim Brady, Kevin Kolb, Peter Pougnet, Jodie Sprague)

**2nd Place – Winchester Investments** (Dave Creedon, Mike Sinta, Steve Myers, Joe Johnson)

**3rd Place – Kent Utter Family #1** (Chris Utter, Tom Smith, Mike Utter, Thomas Utter)

### 2018 Contest Winners:

**Closest to the Pin (Men)** – Chris Schumacher, Complete Scrap

**Closest to the Pin (Women)** – Debbie Schram, Schram Auto & Truck Parts

**Longest Drive (Men)** – Peter Pougnet, Brady's Bunch

**Longest Drive (Women)** – Wendy Grierson, Ferrous Processing & Trading #1

**Putting Contest** – Chris Diehl

**Skins – Complete Scrap** (Chris Schumacher, Todd Schumacher, Kerry Foley, Brian Denty)

**Brady's Bunch** (Jim Brady, Kevin Kolb, Peter Pougnet, Jodie Sprague)

**Winchester Investments** (David Creedon, Mike Sinta, Steve Myers, Joe Johnson) 🚗



The Utter family thanks everyone for their participation and support of the annual golf outing



# 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing





# 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing



# 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing

## Golf Teams

### Winchester Investments

Dave Creedon  
Mike Sinta  
Steve Myers  
Joe Johnson

### Schram Auto Parts #1

Tom Schram  
Bob Schram  
Jeremy Craton  
Tony Murell

### Fox Auto Parts/Morris Rose Auto Parts

Bill Fox  
Bob Fox  
Mark Rose  
Jayson Doren

### Schram Auto Parts #2

Jackie Schram  
Sarah Pilcher  
Debbie Schram  
Brittany Schram

### Car-Part.com/Bloody Mary Boys

Bob Johnson  
Daniel Gray  
Luke Gamm  
Logan Gamm

### Petes/Howe Auto/Padnos

Jimi McMahon  
Audrey Vogel  
Brian Wascher  
Bob Bennett

### Ferrous Processing & Trading #1

Danny Wild  
Bob Johnson  
Nick Milantoni  
Wendy Grierson

### Ferrous Processing & Trading #2

Tyler Grech  
Rob Wise  
Tom Rex  
Ryan Lewicki

### Kent Utter Family #1

Chris Utter  
Tom Smith  
Mike Utter  
Thomas Utter

### Kent Utter Family #2

Kent Utter  
Sam Utter  
Sandy Sprague  
Brooks Smith

### Brady's Bunch

Jim Brady  
Kevin Kolb  
Peter Pougnet  
Jodie Sprague

### Parts Galore

Joshua Miller  
Chris Vasquez  
Bobbie Currie

### All Catalytic Convertors

Tim Feliciano  
Jake Feliciano  
Rob VanWormer  
Kadin Feliciano

### OmniSource

Dan McDonald  
Brian Knoll  
Bob Shroyer  
Toby Perry

### Complete Scrap

Chris Schumacher  
Todd Schumacher  
Kerry Foley  
Brian Denty

### Commercial Forms Recycler Supply

Brian Collins  
Brian Campbell  
Brandon Collins  
Derek Kuri

### Highway Auto Parts

Ross Lewicki  
Mark Bassett  
Ryan Hopkins  
Aidan Haase

### Hooper Auto Recycling

Gary Hooper  
Garrick Hooper  
Mark Martins  
Rob Staudacher





## 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing

### Golf Sponsors

#### DIAMOND

Autocatalyst Recycling  
Kalamazoo Metal Recyclers, Inc.  
Holbrook Auto Parts

#### PLATINUM

All Catalytic Converters  
Fox Auto Parts  
Legend Smelting and Recycling  
McNichols Scrap Iron & Metal  
OmniSource  
Weller Auto Parts

#### GOLD

Car-Part.com  
Doug's Auto Recyclers  
Kelley Cawthorne  
Middleton Auto Parts

#### SILVER

American & Import Auto Parts  
Marek Auto Parts  
Carolynn & Bob Ranftle

#### HOLE SPONSORS

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Cooks, Heights, & Travers Auto Parts  
Copart  
Dusseau Auto Parts  
Earl's Battery Service  
East Bay Auto Parts  
Ferrous Processing & Trading  
G & T Auto & Truck Parts  
Gatsby's Food & Spirits  
Highway Auto Parts

Howe Auto Sales  
J & R Truck Parts  
Michael Sprague & Family  
Neuner's Automotive Recyclers  
Padnos  
Premier Auto & Truck Parts, Inc.  
Rebuilders Auto Supply  
Red Metals Recycling, Inc.  
Rick & Karen Sherrin  
Schram Auto Parts  
Scrap Busters Auto & Truck Parts  
Shroyer Auto Parts  
Taylor Auto Salvage  
The Kent Utter Family  
The Kolb Company  
U.S. Auto Sterling Heights  
Young Insurance Agency

**Have you ever sat around and griped about the rules and regulations that face our industry?**

**Do you say to yourself "I wish there was something I could do" or wish you had a say in what changes are made or what new Bills are passed?**

**Here is your chance to be heard!**

# ARM PAC

Send your **non-corporate** check (**personal or LLC checks only**) made payable to **ARM PAC** at 7550 S. Saginaw, Suite 9, Grand Blanc, MI 48439

***Together we are making a difference!!***

# 18<sup>th</sup> Annual Kent Utter Jr. Memorial Scholarship Golf Outing



# Keeping Employees is as Important as Finding Them

By Slater Shroyer

**B**y most accounts, Adam is a hard worker. He shows up every day and seems to have something to prove to the world. This can-do attitude is what drove him to take on one of the dirty jobs that no one wanted to do. He was loading a trailer full of junk tires and was on a mission to beat the previous record for getting it filled.

He was well on his way to blowing the old record out of the water when he stopped to take a break. That's when his boss, Brian, saw him and started yelling at him to get back to work because he wasn't paying him to stand around. Brian didn't look at Adam's progress or consider how much time he'd been sweating at his job. In the boss's eyes, the kids in this generation were all pretty much lazy and worthless.

About a half hour later, Adam went to Brian's office complaining that he didn't feel well and asked to leave early. Brian wasn't surprised that the lazy kid wanted time off and let him go. He also wasn't surprised when Adam didn't show up the next day, or the day after that. After all, since he believed the younger generation didn't want to work, his presumptions appeared to be justified.

Brian's beliefs echo a common complaint and one that has plagued managers for years. In a recent article for Cornerstone OnDemand, Ira S. Wolfe pointed out that the negative terms managers used to describe millennials: privileged, narcissistic, spoiled, entitled, unreliable, etc were identical to the terms *Life magazine* used to describe Baby Boomers in its cover story in 1968! Similar terms were used by *Time magazine* in a 1990 cover story describing Generation Xers. Frustration with younger generations certainly isn't a new phenomenon, but it is perhaps notable that the people heaping out criticism were probably the target of it themselves at some point.

As for the belief that workers are lazy, there are several statistics that point to a different conclusion. According to Glassdoor.com, in 2017 American workers forfeited

nearly 50% of their paid vacation and nearly 10% took no vacation days at all. The primary reason for not taking time off was a fear of falling behind. Millennials are more likely than other age groups to shame vacation-takers. According to a survey Project: Time Off worked on with Alamo Rent-A-Car, 42% of responding workers under age 35 admitted to making fun of

colleagues who took vacation and roughly 4 in 10 of them said they weren't kidding about it. *The New York Post* recently published a survey from National Today.com that paints an even deeper picture: Americans work longer hours than the majority of other countries. Americans logged more than 137 hours per year than Japanese workers, more than 260 more than the UK and more than 500 more than their French counterparts.

Adam was frustrated and felt unappreciated when he went to see Carl, Brian's competitor. Carl offered a job that paid less money, but he offered to train Adam with the goal of moving into a better position. Adam took the job hoping that his work might be appreciated, and his case is hardly isolated. A survey from Qualtrics and Accel Partners found that 67% of millennials would take at least a 3% pay cut to work at a company that offers good mentorship opportunities. Thirty percent of respondents said they would take a 6-12% pay cut. Conversely, that same survey found that 90% of millennials would choose to stay at their job for 10 years as long as they received annual raises and **upward career mobility.**

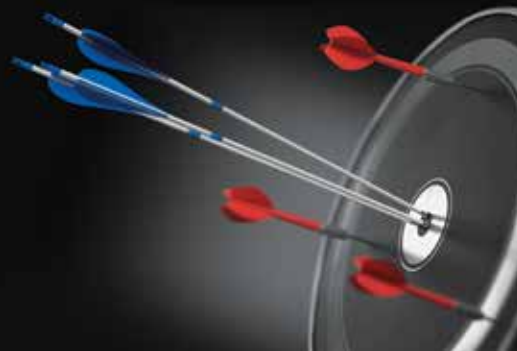
Brian might have fallen victim to the belief that a weekly paycheck is appreciation enough for doing a job. While he might also believe that his employee was unmotivated or too sensitive, Brian might have benefitted from understanding why most people leave their jobs. A recent Gallup study revealed that 89% of employers believe that the primary reason workers leave their company is for more money. The reality is that **only 12% of workers claim to have left for more money!** That same study showed that **75% of workers**

*Continued on page 29*





# Pricing: Hitting a Moving Target



By Marty Hollingshead

**K**eeping prices current and competitive is the most important, and the most time-consuming, and for some, one of the most neglected areas. How often do you go through your entire inventory, review, and update your pricing? What factors or parameters do you use?

## Let's look at a couple of typical examples:

**Recycler A** reprices his inventory according to age (days in stock). He tries to have the cheapest price, changes a lot of part types en masse, because after all, this is the fastest, isn't it? He wants to get through this task as quickly as possible and expects good results.

**Recycler B** looks at his inventory and uses other factors in his decision-making, such as: quotes vs sales, quantity on hand, part condition, days in stock, and average selling price. He will also do parts searches to see what others are selling the same part for, using an "apples for apples" approach. He will also use, if he has available, tools and analytics to identify trending. Trending, when properly applied, is the most reliable and powerful guide in managing your inventory for both purchasing and sales. This will tell us what individual parts are starting to trend upward in demand and also what parts are trending downward (what is hot, and what is not).

As we continue to move forward into an electronic (E-commerce) environment, it will be crucial to have good images and descriptions, and to have prices current and competitive. Failing to do this will result in lost opportunity that will probably be unknown or be unable to be tracked or measured.

**So, what can our Yard Management Systems do to help us?**

For starters, we must make sure that we supply them with accurate data, (remember: garbage in, garbage out). We also need to fully understand how our YMS works and discuss some ideas on how it can be improved in not only keeping prices current, but other functionality as well.

- 1. Better Workflow:** The need for having the customer's VIN number as a mandatory part of the order process. When a customer calls the OEM's for a part request, the first thing they do is ask them for the VIN number, don't they? While they do this because they have the Build Info, (which we currently don't have), but wouldn't this same process with getting the VIN number and decoding it enable us to verify the year, make, and model? Wouldn't this lessen errors in ordering and significantly improve our return ratios? After all, now you would know for sure the Year, Make, and Model of the customer's vehicle part request. While this may seem like more work for your salespeople, this extra time that you would spend up front would save you a lot in the end.
- 2. New Inventory Workflow:** The need for a more streamlined, simpler, and efficient manner to image and inventory your vehicles in detail with the ability to see existing inventory for the same interchange numbers while you are inventorying the vehicle.
- 3. Better Repricing Utility:** A better and easier way to keep prices current and competitive.
- 4. Improvement to analytics (Business Intelligence):** Having the ability to forecast and identify trends and chart tendencies so we can stay ahead of the curve and make business decisions in a proactive instead of reactive manner.
- 5. Better integration with other platforms:** We need the ability for smooth integration into parts procurement and estimating platforms from others

*Continued on page 34*

# The ARA (Peer to Peer) Mentoring Program

By Marty Hollingshead

There have been a lot of changes recently with ARA, our National Association. ARA and its leadership are focused on how to better serve its members, and the biggest need as I see it is in training and education. ARA is reinventing itself, and more importantly, each and every Recycler in this industry must participate, contribute, and support this organization at this crucial time for us. ARA and our State Associations represent us. While they do their best to protect our interests as an industry, for them to be more effective, they need each and every Recycler's support, participation, and commitment to address and help overcome problems facing our industry both now and in the future.

**There is a need for mentoring in the industry to make all Recyclers better operators.**

For its 75<sup>th</sup> Annual Convention & Exposition in November, ARA is putting together a panel composed of some of the industry's leading Recyclers to advise and coach all Recyclers, big and small, full and self-service, and be available to help any Recyclers that may be struggling or may simply be looking for answers and tips on how to be better operators. I think successful

operators have an obligation to help others in our industry to improve their own businesses, with the ultimate goal of making the industry more consistent. This program will focus on the 3 P's, (People, Product, and Process.)

- 1: People:** How to attract, hire, train, and retain good employees. The importance of building a good team. Employees are a company's greatest asset.
- 2: Product:** Purchasing the right vehicles to supply the customers in your market. Using data from your YMS to help you make informed business decisions to fill those needs.
- 3: Process:** How to properly inventory, dismantle, storage, proper preparation, quality control, as well as proper handling, packaging shipping and transportation.
- 4: Customer service:** How to better serve and fill the needs of your customers. The importance of providing a great customer experience. Customer retention, and the benefits of how good reviews can drive new customers to you.

The mentoring program will focus on the big picture (getting back to the basics), with an emphasis on proper fundamentals. Do things right the first time. Don't take the easy way out. While there are some quick fixes, over time big accomplishments can be made when done properly in small steps.

Change can be difficult and overwhelming at times. The best approach is to first realize the need for change, then to accept and embrace it.

**This industry is undergoing a constant state of change.** In any industry, those that can learn, adapt, and apply change, will not only survive, but prosper and become better operators.

Like the old Chinese saying goes, "*May you live in interesting times.*" It's not all doom and gloom, folks. Challenges can be opportunity in disguise, it's all about how you look at it.

**We all have a stake in our industry's future. ARA is our voice and our advocate. Let's get behind them and make our voice heard!**

Let's use these great resources we have to make our industry great again! 🚗

## 5 Reasons to Advertise in YardTalk

- 1)** Highly regarded as an industry-leading professionally produced publication.
- 2)** Competitive rates.
- 3)** Circulation reaches over 400 recyclers in Michigan, and many other affiliate state associations.
- 4)** Great communication tool and source of valuable industry-related information, products and services.
- 5)** Newsletter content focused on issues pertinent to Michigan recyclers.

If you'd like to place an ad, or inquire about rates or information, please call the ARM Office at (800) 831-2519 or email: [arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org)

## Keeping Employees is as Important as Finding Them

*Continued from page 26*

**who left their jobs quit because of their boss—not the position itself.**

This loss of personnel is a costly issue. According to Marcel Schwantes of Inc.com, the cost to replace an entry-level employee is 30-50% of their annual salary. Replacing midlevel employees is worse as it averages 150% of their salary and high-level employees can cost up to 400% of their annual salary to replace. These costs are more than simply the price of advertising for help and training new recruits. There are also hidden costs from decreased productivity due to the loss of knowledge and the time it takes for a new hire to become functionally efficient.

There are several suggestions for finding or creating more productive employees. Studies abound that extoll the virtues of flexible work hours, standing desks, and employee wellness programs. General Electric and Adobe made headlines by replacing annual performance reviews with continuous feedback programs. Perhaps the first step we should take is learning to recognize and show appreciation for motivated employees. To quote the best-selling author, Dale

Carnegie, "People work for money—but go the extra mile for praise, recognition and rewards."

Generation Z is beginning to enter the workforce and it won't be long before the millennials start complaining about how they are lazy and entitled. This is clearly a challenge that previous generations have faced for ages:

**"The children now love luxury. They have bad manners, contempt for authority; they show disrespect for elders and love to chatter in place of exercise." —Socrates**

Clearly some people have figured out how to lead new generations forward or civilization would have collapsed years ago. That said, if we're all looking for ambitious people, what are you doing to find and motivate your staff?

ARM would love to hear about the most effective practice you or your company uses to find, motivate or coach employees. Send your stories to [arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org). 🚗

# 2018 ARM ANNUAL MEETING

**This year's Annual Meeting will be a Teleconference.**

**Tuesday, October 23, 2018 at 4:00 p.m.**

**Please let the ARM office know if you would like to be a part of this meeting and we will send you the information you need to access the call once it is available.**

**810-695-6760**

**800-831-2519**

**810-695-6762 fax**

**[arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org)**

**[arm2@mi.automotiverecyclers.org](mailto:arm2@mi.automotiverecyclers.org)**





# Getting the Most from Your Converters with A Process You Can Trust:

## Keeping it Simple May Not Be So Easy with the Cats of the Future

By Becky Berube

Two years ago, we were part of an auto catalyst technology seminar, held in Atlanta, GA, with 104 delegates and where 18 presentations were given by industry leaders in the field of automotive exhaust catalyst. One of the greatest take-aways from that seminar was a presentation by Peter Duncan, General Manager of Market Research for Johnson Matthey, on the future complexities of auto cat systems and what it will mean for recycling.

What I want to share with you in this article, is an overview of how exhaust systems and converter loadings are changing. If you are selling by the piece, there is more room than ever for shades of gray when it comes to pricing. We encourage our customers to sell converters on assay, or the precious metal content within the converter, which eliminates the grading subjectivity.

### Loadings and Trends

Basically, the tighter the emission standards, the higher the PGM (platinum group metal) loadings or cat value. The United States is predominantly gasoline engine vehicles; whereas, Europe is predominantly diesel engine vehicles. More than 90 percent of catalytic converter applications are made of a ceramic monolithic substrate, or honeycomb material; the remainder are metallic monolith substrates, commonly called foils or wires. The problem is no longer being able to identify and price ceramic and metallic converters, but rather something different.

Where the new recycling challenge emerges is the complexity of the exhaust system architectures for both gasoline and diesel engine vehicles. The new components may all look like cats, but they do not all have value; processing some of these components with others can even ruin a load.

Gasoline engines emit lower soot than diesel engines under typical driving conditions. Most gasoline engine vehicles contain a combination of traditional ceramic three-way catalyst (TWC). However, gasoline particulate

filters (GPFs) are being added to these systems. Diesel systems can have up to 4 components to handle emissions: the diesel oxidation catalyst (DOC), a diesel particulate filter (DPF), a lean NOx trap (LNT), and some type of selective catalytic reduction catalyst (SCR) or selective catalytic reduction filter (SCRF).

All the above-mentioned components, which resemble catalytic converters, have various amounts of PGMs, some, like SCRs and SCRFs are PGM-free. See the diagrams below and on the top left of page 31.

### Possible Exhaust System Architectures

There are a number of possible system architectures in which elements may be close-coupled or underfloor.

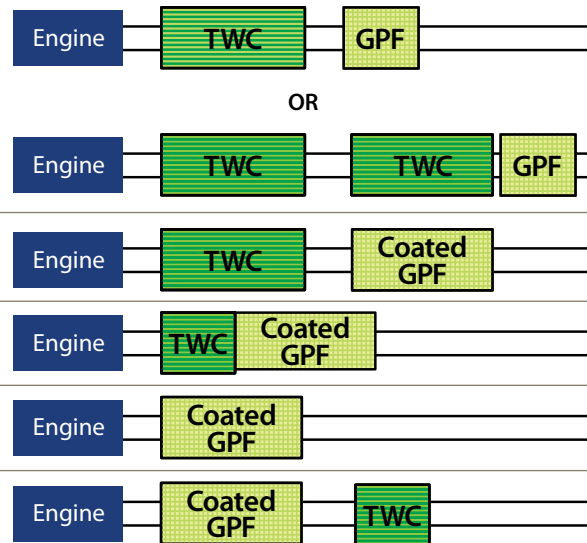


Diagram courtesy of: The Association for Emissions Control by Catalyst (<https://www.aecc.eu/wp-content/uploads/2017/11/2017-AECC-technical-summary-on-GPF-final.pdf>)

In terms of PGM loadings, the DOCs, diesel oxidation catalysts are like regular gasoline catalysts, having even higher loadings. DPFs, diesel particulate filters, have some value, generally low. DPFs can have one of two bases: aluminum titanate (ATI) or silicon carbide (SiC). Silicon carbide-based DPFs must be processed sepa-

## Europe: Euro 6 Diesel Technology Options

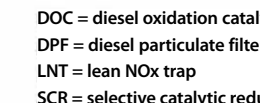
No NOx aftertreatment



'LNT-containing'



'SCR-containing'



DOC = diesel oxidation catalyst

DPF = diesel particulate filter

LNT = lean NOx trap

SCR = selective catalytic reduction catalyst

SCRf = selective catalytic reduction filter

ASC = ammonia slip catalyst

Diagram courtesy of Peter Duncan, General Manager, Market Research, of Johnson Matthey, IPMI 2016

rately at higher temperatures with oxidation to avoid combustion. This represents higher recycling costs and when comingled can lead to lower metal yields. SCRs and SCRf, selective catalytic reduction catalysts and filters are PGM free, having zero value. LNTs, Lean NOx traps have some value, albeit low.

Whether you are buying or selling converters by the piece, these complex exhaust system architectures are beginning to pose a problem in identifying, grading, and pricing. This to say, buyer and seller beware.

### Future Powertrains and PGMs

You may be wondering about future powertrains and how they may affect the demand and use of PGMs. In general, these powertrains are unlikely to completely replace the internal combustion engine (ICE) market but will for the most part contain similar or higher PGM loadings. Gasoline turbo direct injection (GTDI) engines have better fuel efficiency but higher hydrocarbon and particulate emissions; these will result in higher PGM use. Lean burn gasoline (LBG) engines also have better fuel efficiency but higher NOx emissions requiring LNTs and thus more PGM use. Battery electric vehicles (BEV) require no PGMs. Hybrid electric vehicles (HEV) with their "cold start" will require 10-15% more PGMs. Finally, fuel cell electric vehicles (FCEV) which are platinum heavy will also increase PGM use.

Many people ask us, what will we do when catalytic converters are no longer circulating in the market? Our thought, based on market research, is that alternative powertrains are unlikely to replace the internal combustion engine any time soon. And, even if they did, we will just recycle the PGM-bearing components in the new powertrains.

In converter recycling, the best recyclers are partnering with companies that educate. At our company, we believe selling on assay with refining terms is the best way to recycle scrap catalytic converters. Learning the way assay and refining works and how to avoid unethical trading practices takes time, but if done properly with a reliable recycling partner, yields much greater value.

Get the most from your converters with a process you can trust. For questions or copies of this article or previous articles, go to [www.unitedcatalystcorporation.com](http://www.unitedcatalystcorporation.com). 🚗



**Do Your Part!**  
**Recycle!**



# Past ARM Scholarship Recipient Update

By Kenny Whipple

If you've ever wondered how past ARM Scholarship recipients were doing, I've got an update for you on one of them. I got to accompany past winner and my daughter McKenna Whipple to Tanzania, Africa for three weeks in May. She had also won a scholarship from her high school called the "Build a Better World" scholarship in which she had to submit an essay on where she'd travel and what she'd use the money for. In one of her classes at school, they had been shown a CBS 60 Minutes special on "The Rift Valley Children's Village" and she knew that's what she wanted to do.



The Rift Valley Children's Village was started 15 years ago by an American woman named India Howell. Since the inception, she and her local business partner, Peter Mmassy have legally adopted 97 orphaned kids. They rely on short and long term volunteers to help run the day to day operations. This is where McKenna wanted to help teach and being under 21 years old, she needed a chaperone, so I got to tag along.

We spent three weeks at the village which was in a remote area of Tanzania. After almost twenty hours on three different flights, a four hour drive on a paved road and a 45 minute trek down a glorified two track in an off road vehicle, we arrived. It was an immediate culture shock for me as my previous "out of the Country" experience was limited to Canada. But McKenna loved it from the start.



The days were long, starting at 5:30am and often finishing at 9pm. We helped with breakfast, walked the older kids to school, taught the younger kids at the village, helped supervise free time and planned activities for the kids. McKenna thrived in this atmosphere and would come up with lesson plans for both of us. She fit right in as a "big sister" to the teenage girls and teacher to the younger kids.

After three weeks, friendships were formed with other volunteers and bonds formed with the kids. There were lots of tears as we left and McKenna promised to come back. It was an amazing trip, once in a lifetime. I loved being able to spend time with my daughter and watch her doing what she loves, teaching and working with kids. She's currently attending College, working towards a teaching degree and the Kent Utter Jr. Memorial Scholarship has helped out with some of those costs.









For anyone interested in learning more about the Rift Valley Children's Village, or for information about possibly helping out with donations, their website is: [tanzanianchildrensfund.org](http://tanzanianchildrensfund.org) 🚗



# Membership is **POWER**



When you join ARM, you'll become part of an association that is stable and viable in this ever-changing time in our industry. We are committed to providing you with the services, benefits, information and support necessary to help you meet and maintain the standards you and your customers have come to expect and demand as you compete in today's global markets. We believe the following benefits strengthen the value of your Direct membership.

-  **ARM Storm Water Compliance Program**—This *Members Only* program will assist members in qualifying for the new permit option that will save money and reduce the risk of noncompliance.
-  **ARM Safety Program**—The safety program helps members comply with the safety regulations that are administered by MIOSHA.
-  **MICAR Program**—Michigan Certified Automotive Recycler.
-  **MICAR Plus Program**—Michigan Certified Automotive Recycler Plus.
-  **Kelley Cawthorne Consulting**—Legal and Government Relations Counsel to ARM protecting your interests in Lansing.
-  **ARM PAC**—ARM Political Action Committee.
-  **MIARC**—Electronic parts finding tool for ARM Direct Members.
-  **Kent Utter Jr. Memorial Scholarship Fund**—Providing financial assistance for college and secondary education to ARM Direct Member's employees for over 10 years.
-  **YardTalk Newsletter**—Official Publication of the Automotive Recyclers of Michigan.
-  **Annual Road Show & Business Networking Conference**—Hosted each year by a different ARM member at their facility.
-  **ARA Savings 4 Members Program**—This buying group leverages the collective buying power of 2.1 million member businesses.
-  **Sterling Payment Technologies Credit Card Processing Discounts**—Sterling B2B Group has partnered with ARA and State Affiliates, including ARM, to offer discounted rates on credit card processing.

***Renew your membership today!*** Membership packets for current members were sent out in early August. Contact the ARM office at 800-831-2519 or [arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org) if you did not receive yours. ***New Members*** can contact the ARM office for an application or fill one out from our website [www.automotiverecyclers.org](http://www.automotiverecyclers.org) and return it along with your licenses to the ARM office with payment in full of \$495 to 7550 S. Saginaw, Suite 9, Grand Blanc, MI 48439 to be considered for membership.

# Save the Date!

## 11th Annual ARM Road Show & Business Networking Conference

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On location at **Worldwide Equipment Sales, LLC**  
in Livonia, MI

### April 25-27, 2019

For more information contact  
Barb Utter at the ARM office:  
**800-831-2519** or e-mail:  
[arm@mi.automotiverecyclers.org](mailto:arm@mi.automotiverecyclers.org)



### A World Without Auto Recyclers

*Continued from page 15*

The problem as I see it is, we are fragmented and not organized as an industry. The solution is, to unite and come together as one. The question before all of us is, do you want to be part of the problem or the solution?

**We need to take control of our destiny and we all need to come together to shape the future for our industry.**

We need to unite as an industry. We need to tell our story. We need to tell the world who we are and what we really do. We need to do it with one, unified voice. We need to support and participate in our National and State Associations.

We can no longer afford not to.

**Support your State and National Associations!**  
**Support ARA!** 🚗

### F.Y.I.

The deadline for the next issue of the Automotive Recyclers of Michigan *YardTalk* newsletter is November 9, 2018. If you would like to place an advertisement or submit an article, please call the ARM office at 800-831-2519.

### Pricing: Hitting a Moving Target

*Continued from page 27*

that would enable all recyclers to have equal opportunity regardless of what YMS they have. We also would need transparency, so we can see how these platforms are really performing for us. This will give us the ability to decide where we should focus our efforts.

*If I said it once, I'll say it a thousand times:* **We are all in this together!** The success of our YMS providers and all other third-party suppliers, as well as the Salvage Auctions, are dependent on the continued success and health of all Recyclers. Remember, your YMS as well as these other platforms, are the toolbox from which you work. We all need to work with these providers and give them our individual input, as well as any new ideas on how to make these systems better.

**Support your State and National Associations!**  
**Support ARA!** 🚗

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- **De-can, mill, and sample converters with their equipment?**
- **Use an onsite lab?**
- **Complete an assay at their facility?**
- **Let you choose between assay or whole unit?**

**Have you ever wondered  
how an assay works?**

**Ask us how**

45

**Rh**

Rhodium

46

**Pd**

Palladium

78

**Pt**

Platinum

PERIODIC TABLE

**LOCATIONS**

Headquarters Hebron Ohio

**BUYING CENTERS**

**Newark Ohio**

**Liberty Hill Texas**

**Ypsilanti Michigan**

**Spring Valley California**

**Edinburgh Indiana**

**Santa Fe Springs California**

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**The Process**



**Contact: Dan Miller - 815-641-7661**





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