



AUTOMOTIVE
RECYCLERS
OF MICHIGAN

Big News from the
State of Michigan
Stakeholder Meeting
See page 7

YARDTALK

Issue 1

The Official Publication of the Automotive Recyclers of Michigan

Fall 2019

The President's Message

Hello all, I would like to start by introducing myself to those of you I have not yet met. I am Jayson Doren from Morris Rose Auto Parts in Kalamazoo and I am *privileged* to be the newest president of this amazing organi-



Jayson Doren

zation! A huge thank you to Ross Lewicki for the fantastic job he has done over the past two years, as well as Barb

Utter (without her we would be lost!) and our fantastic board of directors along with all the past presidents for trusting me to help guide the Automotive Recyclers of Michigan for the next two years. Finally, thank you to my amazing wife and two children for supporting me in yet another adventure!

Unlike many of you I did not grow up in this industry, I have however been working in the automotive industry for the past 23 years in many different facets. I got my start at Quality Farm and Fleet (now known as Tractor supply) in

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Save the Date!

12th Annual ARM Road Show & Business Networking Conference

April 23-26, 2020



Great Wolf Lodge, Traverse City, MI

- Informative Seminars & Workshops
- Vendor Demonstrations • New Technology Introductions
- Exciting Tours & Specialized Training
- Great Food + Fun Family Activities!



For more information contact the ARM office at:

810-695-6760 or e-mail: arm@mi.automotiverecyclers.org

Look What's New at Car-Part.com!



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100 enhancements in 2019 including enhanced quoting and core processing!
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CrashLink

Redesigned with CPI+, OE Interchange, ACES
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lookup and optional labor hours



MyPartsApp

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Works with new Apple and Android
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Trading Partners

Enhancements perform CPI+ searches from
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Optional CPI+ application within Trading Partners and
One Click CrashLink Integration (CrashLink required)



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2018-2019 Executive Director Annual Report

Hi Everyone. Welcome to your 2019 Annual Meeting. I am happy to stand before you as your Executive Director and report that we have just completed another successful year. We have not only ended our fiscal year within the parameters of our budget, but we ended with a surplus of revenue without withdrawing monies



Barb Utter

from our reserve funds, thanks to the outstanding leadership and team effort by this Board of Directors. It was because of their commitment, the great success of our Road Show & Business Networking Conference and our fundraising efforts

that we were able to achieve these accomplishments.

While we continue to see and experience so many rapid changes, not only in our industry, but in the overall trend that association memberships as a whole seem to be dwindling, I am proud to report to you that your association remains strong. Our membership remains constant. Through the team efforts of our leadership, we have been able to continue to provide our members with services and training they need to meet the challenges we face in the global marketplace. As you read through the annual committee reports, I feel confident that you will see what extraordinary results your leaders have accomplished on your behalf.

We continue to work closely with our state agencies. During this past year, the MDOS initiated a stakeholders group of automotive related associations and ARM is a participating member. The Agency has done an outstanding job of bringing us all together and educating us on the latest programs, changes and updates that are occurring within their departments, particularly their new CARS online program. Their resources and the dialogue that has occurred have

been invaluable for us to keep all of you informed of the many changes and we are grateful to be a participant. I would like to personally thank Ross, Kim and Slater for their time of attending with me. ARM continues to be an active member of our International Association ARA. Slater is an active member of both the Governmental Affairs committee and the Technical Advisory committee. Ross is a participant in their new young leadership program, Chris is an active participant in the new mentoring program and I continue to be an active member of the Affiliate Chapters committee.

Through these involvements we are better able to keep you informed not only about the happenings around the country, but around the world. We are also so fortunate to have our strong representation in Lansing through our legal counsel of David Gregory and Kelly Cawthorne and to have Dave Kendzierski of Stormtech, Inc as our Program Manager of our MiCar program. With them on our team, we are able to provide, educate and protect you from the many issues that face your businesses and our industry.

“
**Coming together
is a beginning,
staying together
is progress, and
working together
is success.**

— Henry Ford

”

We are also so fortunate to be able to continue to have such an outstanding group of strong leaders who so generously year after year give of their time, their talents and their unending support to our Association. It is such a pleasure for Kathy and I to work with this outstanding group of individuals. To our current Board of Directors, thank you so much for all that you do for ARM. And today I am excited that we will soon be electing some new members to our ARM Team. While Ross will soon be passing the gavel on to Jayson, he knows that Past Presidents never fade away. They are my constant. They are who I turn to for advice. And they are the leaders who have brought us to where we are and will continue to be there for guidance as we continue to move forward. Our heritage has always

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OFFICERS

President

Jayson Doren, Morris Rose Auto Parts

1st Vice-President

Gordon Middleton, Middleton Auto Parts

2nd Vice-President

Daniel Gray, Doug's Auto Recyclers

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Slater Shroyer, Shroyer Auto Parts

Immediate Past President

Ross Lewicki, Highway Auto Parts

Executive Director

Barbara Utter

2019-20 BOARD OF DIRECTORS

Brian Bartels, LKQ West Michigan

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Christopher Roberge, Oil City Auto Parts

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2019-20 ARM COMMITTEE CHAIRPERSONS

Legislative

Chair - Ted Dusseau

Co-Chair - Slater Shroyer

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Co-Chair - Glenn Neuner

Meetings/Conventions

Chair - Jayson Doren

Co-Chair - Ron Elenbaas

Fundraising/Scholarship

Chair - Gary Hooper

Co-Chair - Brian Bartels

MICAR

Chair - Daniel Gray

Co-Chair - Jayson Doren

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

January 8, 2020

ARA Legislative Summit

Nashville Airport Marriott
Nashville, TN

April 16-18, 2020

URG Training Conference

Hyatt Regency
St. Louis at the Arch
St. Louis, MO

April 23-26, 2020

ARM Road Show & Business Networking Conference

Great Wolf Lodge
Traverse City, MI

June 22, 2020

20th Annual ARM Memorial Scholarship Golf Outing

Links of Novi
Novi, MI

Thank You for Your Unwavering Commitment

I want to personally thank Ross for his outstanding leadership and commitment to ARM. He has had a very busy two years. Shortly after he accepted the gavel he became a father of a darling little guy named Ryder. So with sleepless nights, he managed numerous businesses, lead an association, became part of a young leaders program, became super husband and dad and that's just what I know about him, and yet during the entire time of his presidency, he never seemed to get rattled over anything. No matter what I asked of him, he was agreeable and he would step in at a minutes notice and take control of the situation like he had been doing it forever.



As I thought about the last few of years, I was constantly drawn back to when Highway Auto Parts hosted our 8th annual Road Show & Business Networking Conference and we worked so closely together for the first time. Ross had only been on the Board for a couple of years so we didn't have a lot of history but he was always impressive and

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From the Desk of Your Executive Director

Continued from page 3

been strong. Our founders lead by example. They provided us a solid base of values and ethics with which to continue to move forward as professional recyclers. Together, as a unified group of recyclers, we can and do make a difference. It is an honor to serve as your Executive Director and always my extreme pleasure to be able to report to you that the Automotive Recyclers of Michigan has completed another very successful year. Thank you for your support and your involvement and I look forward to another very successful year ahead with Jayson as our President. As Henry Ford stated, "Coming together is a beginning, staying together is progress, and working together is success." 🚗

Recycle! Recycle! Recycle!

Scrap Report

Foundry Steel.....	\$120.00 gt
Clean Auto Cast	\$190.00 gt
Unclean Motor Blocks	\$130.00 gt
Auto Bodies	\$80.00 nt
Batteries22 lb.
Copper/Brass Radiators	1.21 lb.
Aluminum (clean).....	.23 lb.
Whole Aluminum Transmissions08 lb.

Thanks to Brett Schneider at Padnos Iron & Metal, Holland, Michigan

Prices current as of press time. Prices are subject to change and may vary according to volume and location.

Dismantling & Recycling

**Exclusive, national program:
Now featuring two "A" rated carriers**

Our specialized program covers over 2,000 yards nationally. Contact us to discuss why clients have taken advantage of our affordable insurance solutions for over 30 years.

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President's Message

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1990 changing tires and fixing lawn mowers. From there I spent several years managing different retail repair facilities and even selling cars for a few years. I came to Morris Rose in October of 2009 as a salesperson. I am blessed to have been able to work with the amazing Rose family for the past 10 years! They have shown me the playbook on how to treat people while running a successful business and for that I will be forever thankful.

My goals for the next two years are quite simple. Grow involvement from all current members along with future members (strength in numbers) We want to hear from all of you! Everyone of us has valuable thoughts and ideas that they either know will work or could potentially help others from seasoned owners/managers to the people new to our industry.

CONGRATULATIONS

To parents Betsy and Slater Shroyer and grandparents Anne and Bob Shroyer of Shroyer Auto Parts in Lansing on the birth of their son and grandson Wyeth Zeven, born October 4, 2019.

To parents Whitney and Bob Fox and grandparents Katrinka and Joe Fox of Fox Auto Parts in Belleville on the birth of their son and grandson Bennett Jay, born October 19, 2019.

CONDOLENCES

ARM sends our deepest sympathy to the entire Schram Family on the recent loss of their father and grandfather, Harold R. Schram, Jr of Schram Auto & Truck Parts. Harold passed away November 14th on his 91st birthday. He was one of ARM's founding members and a past president of our national association, Automotive Recyclers Association (ARA). Harold was not only a supporter of our association and industry, but he was also a great friend to so many of us. Please keep the Schram Family in your thoughts and prayers during this difficult time.

Continue increasing our presence in Lansing as well as regionally with all our local representatives, city governments, police and fire departments, etc. The more they understand who and what we are as an industry the better chance we have of gaining their support. Invite them in, support their causes, gain their trust and friendship. In doing so I've found that by building these relationships these groups can turn into some of the best local marketing for your business.

Utilize the resources that we have, Barb, myself, the board, MICAR program, Storm Water Compliance with Dave Kendzierski, build an open line of communication with your local (EGLE/DEQ) rep, ask for their help if needed (with Dave's permission of course).

Most of you know that we are fortunate to have one of the best state associations in the country! I honestly want nothing more than to continue to help ARM thrive and in doing so, help all our members do the same!

You can start by registering for the 12th Annual Road Show & Business Networking Conference, April 23-26 at the Great Wolf Lodge in Traverse City, Michigan. We are working diligently to bring you some fantastic speakers/ motivators along with a great group of vendors! With so many of our members grooming younger family members to help run their family business in the future it seems only fitting to have this year's event centered around family! So, bring your spouses, kids even grandma and grandpa to enjoy this awesome facility and include them in the world that we all live in day in and day out!!!

In closing, I would like to thank all of you again for allowing me to help lead this amazing organization. Please feel free reach out to me with any questions, comments or concerns. 🚗

Sincerely,

Jayson Doren

Recycle, it's your future.





“ROE – Recycled Original Equipment” Trademark Approved and In Use

As you will have recently noticed, the trademark “ROE – Recycled Original Equipment” was approved by the U.S. Patent and Trademark Office and has been in use, as required by law, in ARA’s web, print and convention literature and signage.

The entire process for ARA from submitting the “mark” to the USPTO to approval takes over 6 months. Once reviewed and examined by the Office, the pending mark is published providing an opportunity for the public to oppose its registration. No opposition was voiced for either “ROE” or “ROE – Recycled Original Equipment”.

New Damage Codes for Rear and Front Bumper

ARA wants to make sure all members are aware of the new damage codes for rear and front bumpers, published this year by the Educational Foundation. You can find the Codes on the ARA website, under the Resources tab.

ARA at SEMA

ARA was represented at SEMA and AAPEX this past week by Chad Counselman, Scott Robertson, Shan McMillon, Jonathan Morrow, Sandy Blalock, and Vince Edivan. The ARA Team had meetings with 22 organizations that ranged from industry vendors to like-minded associations. We shared ideas with vendors on how to better serve our industry.

We found vendors that need to be serving our industry and invited them to exhibit at the ARA

Convention in Reno. During one of the meetings, we learned that the OEMs are planning to launch legislation that could adversely affect the automotive recycling industry in 20 states in 2020.

We also met with a very well-funded association that has agreed to fight the OEMs legislation alongside ARA in 2020. We met with a ride-share company and have started discussions with them in an effort to provide their drivers with parts from our industry. We have also been invited to help IAA improve their buyer experience by participating on an advisory council.

In summary, the trip was well worth it – both in information gained and in information shared.

Another “Cash for Clunkers” Proposal Introduced in U.S. Senate

The U.S. Senate Minority Leader, Senator Chuck Schumer (D-NY) recently proposed instituting a “Cash for Clunkers” proposal that would allegedly incentivize Americans to buy “cleaner cars”. The plan, entitled the Clean Cars For America Climate Initiative is estimated to cost \$454 billion over 10 years and would provide \$3,000 or more in rebates to individual buyers to switch from internal combustion engines. The aim is to transition approximately 63 million vehicles – equal to about 25% of U.S. cars – for the purpose of reducing carbon emissions.

The proposal would be focused on trading gas-powered vehicles that are at least 8 years old or older and in good driving condition for electric, hydrogen fuel cell or hybrid plug-in vehicles. According to the plan, the trade-in vehicles would be scrapped but not a lot of details are yet available. The proposal’s fact sheet states the following:

- To receive a voucher, consumers would first pre-certify their gas-powered trade in vehicle through a Department of Transportation (DOT) website to certify their vehicle is eligible to trade-in under the program, and to also look up the voucher value for

Continued on page 10



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***In with the old.
Out with the new.***

Recycling — it's all about sustainability. By reusing steel from end-of-life cars, appliances, machinery, bridges, and buildings, we conserve the earth's resources for future generations. OmniSource collects and processes steel scrap, much of which is supplied to Steel Dynamics to be melted and converted into new steel. Working as one, SDI and OmniSource take in the old ... to create the new.

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JONESVILLE

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the vehicle they would like to purchase under the program. Their trade-in vehicle must be at least 8 years old and in good driving condition.

- Once a consumer receives DOT certification, that person would take their vehicle to a dealer or any other registered business that will properly dispose of the vehicle, and will receive a voucher once the vehicle is turned in.
- A consumer then takes that voucher to a registered dealer to receive a point-of-sale discount for the purchase of an eligible plug-in electric vehicle. Dealers would be reimbursed by the Department of Transportation at the time of sale. Each consumer would only be eligible for one voucher, and each vehicle can only be sold at a discount one time under the program."

In addition, Schumer's proposal also would provide \$45 million in a grant program for more electric vehicle charging stations. Automakers would receive incentives to enhance zero emission production facilities. Environmental and labor groups have endorsed the proposal.

In opposition was an Op-Ed in the *New York Times* by Senator John Barrasso (R-WY) in which he writes:

"[Schumer] wants to get every gas-powered car off the road and to resurrect President Barack Obama's disastrous "cash for clunkers" program.

That program wasted \$3 billion of taxpayer money giving subsidies to people who bought newer vehicles. Even environmentalists admitted that it had "slim if any environmental benefits."

Mr. Schumer's "new" plan is 100 times more expensive. He wants to spend \$392 billion of taxpayer money to subsidize cars only wealthy Americans can afford. The median price for electric vehicles is roughly \$20,000 more than the median price of gas-powered cars.


Sold as stimulus, the first program was actually a drag on the economy. While the effect on taxpayers was significant, the effect on the air was minimal."

ARA Endorses G.J. Sullivan as Preferred Insurance Carrier for Membership

As announced during the 76th Annual Convention and Exposition, ARA is pleased to share that G.J. Sullivan is now the preferred insurance carrier for the Association. G.J. Sullivan offers a wide range of insurance products and solutions for the automotive recycling industry and has over 25 years of experience in underwriting for the automotive recycling industry – both full and self-service operations – as well as the scrap recycling industry.

"ARA is looking forward to working with G.J. Sullivan as they bring strong insurance programs to the table for our industry," said Executive Director, Sandy Blalock. "Our relationship will be more than an insurer for our industry as they will be deeply involved in collaborating in our educational platform on ARA University."

As part of the agreement with ARA, the insurance company will be providing educational resources for ARA members through the ARA University's online learning platform. For more information, please contact Sue Scurti, Senior Vice President, at sscurti@wwfi.com or 714-221-9570 or ARA staff at staff@ar-a.org.
Articles reprinted with permission from ARA 🚗



**Need information? Have a question?
Send us a note!**

You can reach the ARM office via e-mail.

Our address is: arm@mi.automotiverecyclers.org

Thank You for Your Unwavering Commitment

Continued from page 4

had a way of concisely identifying an issue and then suggesting a realistic, doable solution. Then I began spending time with him and with many of his employees during our planning visits and it was an amazing experience. Not only were all of his employees very helpful, but they were genuinely happy and pleased that I gave "them" and I emphasize "them" the opportunity to host the Road Show. And this wasn't just a few employees, this was all of them. The commitment and pride they had for their job is certainly a direct reflection to Ross' leadership. They also told me over and over that Ross never asked them to do anything that he wouldn't also do himself. He was an active, hands-on member of the team and they had a great deal of respect for him. And that is the kind of leader he has been for ARM. Watching him and some of our other Board members roll up their sleeves and dig right in to make it happen is why we are such a strong and effective team. Thank you so much Ross for always being there for ARM. You are

soon to become a member of the very prestigious ARM Past Presidents Club, an group of very special, outstanding leaders who continue to be the glue that keeps us moving forward, example being some of those past presidents who attended our annual meeting: Kim Gray, co-chair of the MICAR committee and Ron Elenbaas, Slater Shroyer and Gary Hooper who are once again members of our Board of Directors, just to name a few of the many who continue to be actively involved with ARM. So while you are smiling that smile of relief that your official two-year term as President is soon over, just remember that Past Presidents of ARM do not get to fade away. We will always need you and depend on you. So on behalf of our entire membership, thank you so much for your outstanding leadership and welcome to your soon to be new ARM title of Past President and to your membership into a highly respected and greatly appreciated group of the greatest leaders and professional recyclers anyone could ever have, the Past Presidents of the Automotive Recyclers of Michigan. 🚗

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The Rules Have Changed

Did you miss the ARM Michigan dealer training at our annual meeting in Lansing with the SOS? Think you know all you need know to about Michigan dealer regulations? Can you answer the following questions?

1. **Can you legally use a dealer plate on a vehicle with a scrap or salvage title?**
No.
2. **May two dealerships occupy the same address and or location?**
No, two dealers may not occupy the same address or location except for dealers with suite locations that differ from one another at the same location. All other regulations must be followed independently for each license at each suite location.
3. **Does your customer have four days to return from a test drive on a dealer plate?**
No, 72 hours.
4. **May a dealer plate be used on vehicles not owned by the dealership?**
No

5. **May I drive a vehicle with a dealer plate to the secretary of state to process deals?**
No.
6. **How many years must you retain records at the licensed location?**
5 years
7. **Must a dealer formally disclose to the purchaser and keep a record of a salvage title?**
Yes, this must be kept in your deal jacket.
8. **Are you required to keep a hard copy of your police book?**
No, if electronic records are kept you or an employee must be able to provide a hard copy to the requesting agency anytime during listed business hours.
9. **In what order should your police book be kept?**
In date of purchase order.
10. **May a dealer display for sale a vehicle without a properly assigned title?**
No, they must be separated and clearly marked as not for sale. "Floor plan" dealers are exempt from this requirement.
11. **Does the "three-day rule" apply for returning vehicles?**
No, all paperwork must be filed with the state if your customer takes delivery of the vehicle.
12. **May a class B vehicle dealer sell vehicles on consignment?**
No.
13. **Can white out be used to correct errors on an RD-108?**
No, A thin line must be drawn through the incorrect information and the correct information should be added above or below the corrected information.
14. **Where is the best place to find dealer licensing information?**
 - a. www.michigan.gov/dealermanual
 - b. BLRD@michigan.gov
 - c. Licensing@michigan.gov 

File A Complaint on Unlicensed Vehicle Dealers

***ARM Will File the
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arm@mi.automotiverecyclers.org**

or

810-695-6760

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)

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?

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padnos.com

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“Don’t Yank These Bags”

{ DEPLOYED }

By Katie Stark and Paul D’Adamo

After 22 months of saying #yankthatbag, we finally have a reason to say, “Don’t Yank These Bags”. Of course, we are referring to Deployed Airbags. Maybe you haven’t heard? Shortly after we released our YAPP (Yard Airbag App) for removing Takata airbags from vehicles, we pursued the idea of using our YAPP to process *deployed* airbags. The YAPP allows us to collect enough pictures to verify that a *deployed* airbag was associated with a vehicle. Those photos can then be presented as a “package” to the Automakers as enough evidence for NHTSA to remove it from the Takata recall list. All of this without removing the airbags, hence the phrase “Don’t Yank These Bags”.


As the exclusive contractor for the Automakers, RAS takes its responsibilities very seriously. We ask all Recyclers to follow the strict parameters of the YAPP. Always take good quality photos as specified in the YAPP. Photos must be taken at the vehicle. Warning: photos of your vehicles from your computer screen do

not constitute valid photos! Deductions and rejections will apply for yards that don’t adhere to the YAPP requirements. Also, RAS has an auditing team that reviews each VIN submitted through the YAPP to verify photos and their associated geo-location.

At most, you will take four photos, as in the example of a vehicle with two valid airbags that happen to be deployed. The first photo is of the complete dash (including the steering column). The second photo is of the VIN plate on the door jamb. The last two photos include individual photos of the driver and passenger airbags. The last step is Add to Cart. Need I remind you “Don’t Yank These Bags”.

Full Service-Dismantling operations have the most to gain since approximately 70% of the vehicles purchased at auction have at least one airbag that has been deployed. The additional labor for an Inventory Technician to snap the photos is minimal. Whether you are full-serve, self-serve, scrap-processor, shredder, or any other variation of auto recycler, RAS is giving you another way of squeezing additional revenue from your vehicle inventory.

Effective 11/8/19, the following automakers are participating in the Deployed Program: Ford/Lincoln/Mercury, Mitsubishi, Toyota/Lexus/Scion, Nissan/Infiniti. We are currently working on Mazda, Honda, Subaru, Jaguar/Land Rover, GM, and Mercedes. Either way, we want you to process ANY and ALL *deployed* airbags for valid VIN’s through the YAPP. Most of the remaining automakers have indicated that they will retroactively pay recyclers the \$15 for any of the *deployed* airbags.

For more information on how to capture Bounty for “DEPLOYED” airbags, call Paul the Recall Guy at 401-458-9080 or email pdadamo@coresupply.com. 

Advertising Opportunity

Prime advertising space is now available for purchase in *YardTalk*.

INSIDE BACK COVER 4-COLOR FULL PAGE AD

For rates or more information, please contact the ARM office at 800-831-2519 or email: arm@mi.automotiverecyclers.org

NOW AVAILABLE ON OUR WEBSITE FOR MEMBERS ONLY

ARM Safety Compliance Manual with fill-in forms



The Members Only ARM Safety Program is FREE to all members. The ARM Safety Compliance Manual will help you meet the MIOSHA record keeping and reporting requirements.

ARM Do-It-Yourself Storm Water Compliance with sample documents



All ARM members now have access to a set of Sample Compliance Documents that will help you prepare the required permit compliance documents that must be submitted to the Department of Environment, Great Lakes, and Energy (EGLE) - formerly the Department of Environmental Quality (DEQ).

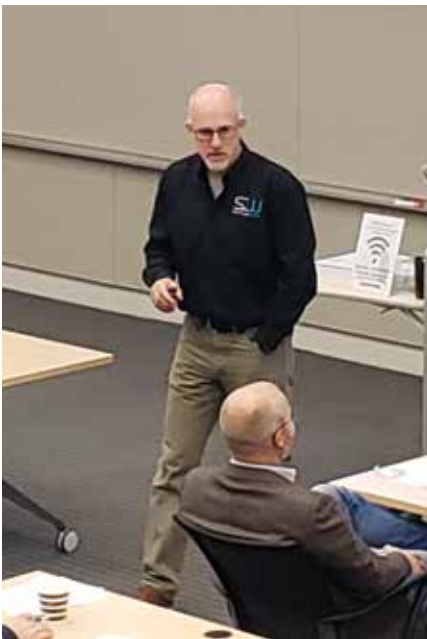
How to Access the Members Only Section of the ARM website:

- www.automotiverecyclers.org
- Request a log-In
- Once your membership status is verified by the ARM office, you will have access to all Members Only Content.



If you have any questions, please contact the ARM office at 810-695-6760
or arm@mi.automotiverecyclers.org

2019 ARM Annual Meeting



2019 ARM Annual Meeting



2018-2019 ARM Annual Committee Reports

LEGISLATIVE COMMITTEE:

Chair: Ted Dusseau **Co-Chair:** Jason Fisher

Kelley Cawthorne: David Gregory

Committee Members: Slater Shroyer, Ross Lewicki, Brad Rose, Gary Hooper

Lansing Update/Annual Report:

By David Gregory of Kelley Cawthorne

Legislation: No News Is Good News Part II

Similar to last year, 2019 has been a quiet year for legislation of interest to the automotive recycling industry. In the spring the Legislature passed Auto No-Fault Reform which allows so-called "P.I.P. choice" for personal injury claims. The law should have little impact on claims for auto damage, however.

The Legislature has also failed to pass a long term road funding plan as has been debated since Governor Gretchen Whitmer took office in January. There is some chance that the issue could be taken up in the remaining three (3) months of 2019. However, if nothing passes this year, it is very unlikely anything will pass in 2020 which is an election year.

The Budget Mess In Lansing

The ongoing budget battle between our Democratic governor and our Republican-controlled Legislature have completely dominated the political environment in Lansing. In early October the governor line item vetoed just under \$1 Billion in proposed spending sent to her by the Legislature.

The governor also took the virtually unprecedented move of transferring an additional \$650 Million in spending measures between programs using the State Administrative Board. This extreme measure has only been used once previously and on a much smaller scale.

What prompted this reaction from the governor? The Legislature previously sent her a budget just days before the end of the fiscal year in which the governor had no role in negotiating. Republicans allege the governor "walked away" from the table. The governor counters that there were no negotiations, only "ultimatums."

No matter whom you believe, it's clear that a lack of a consensus on how to deal with road funding is behind the current stalemate. The governor still believes in her 45 cent per gallon gas tax increase to fulfill her campaign pledge to "fix the damn roads." Legislative Republicans, on the other hand, are more willing to divert general funds to shore up road funding and to consider other alternatives such as removing the sales tax on gas and adding a replacement gas tax to fill the revenue gap created by such a move.

In the weeks since the veto the governor and the Legislature have been unable to negotiate a supplemental appropriations bill which would restore many of the major cuts and undo the transfers. The only remaining sticking point is the Legislature's insistence that the governor give up some of her transfer authority via a statutory change which she is unwilling to do.

In other words, the traffic jam on road funding continues. Moreover, the battle is diverting the Legislature's attention away from other policy issues which will likely continue through the end of 2019.

2020 Election

The 2020 election is a little more than a year away and Michigan is again a battleground state in the race for the Presidency. President Trump won Michigan and it's 16 electoral votes in 2016 by a little more than 10,000 votes. He was the first GOP Presidential candidate to carry Michigan since George Bush in 1988.

President Trump will likely have to carry at least two (2) of the three (3) Great Midwestern states which put him over the top in 2016: Michigan, Wisconsin, and Pennsylvania. Many observers believe Trump is likely to lose Michigan and will focus more resources on Wisconsin and Pennsylvania.

The other major 2020 election is the race for control of the Michigan House of Representatives. Republicans have controlled the House since 2011 and currently have a 58-52 advantage over Democrats.

Even if Trump loses the statewide race in Michigan

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he remains popular in Macomb County and rural areas such as northern Michigan which should help Republican candidates in those seats. A key battleground is suburban Oakland County which has shifted towards Democrats in the last several elections.

Look for Democrats to make an all-out push to capture Michigan for their Presidential nominee and to re-take the Michigan House.

MEMBER SERVICES COMMITTEE:

(Combined membership/membership services, website, newsletter, and MICAR/ARMCO committees)

Chair: Gordon Middleton **Co-Chair:** Glenn Neuner

Committee Members: John Sadocha, Jeff Schalm, Slater Shroyer, Kenny Whipple, Daniel Gray

ARM Office: Kathy Cooper

Membership:

We began our 2018-2019 fiscal year with 76 Direct members and 30 Associate members. We had seven (7) new Direct members and five (5) new Associate members.

Direct:

Cats Auto Salvage – new owner and name change

Charlie's A-Z, LLC

Fender Benders – name change

Scholz Auto & Truck Parts – new owner

U.S. Auto-Sterling Heights

U.S. Auto-Wayne – new owner and name change

Weller Auto Parts-Kalamazoo

Associate:

EZ-Suite (EZ-Route)

GLR Advanced Recycling

Junk Car Medics

Payless Pallets, Inc.

United Catalyst Corporation

Six (6) Direct members and two (2) Associate members chose not to renew their ARM membership for various reasons that include closing their business or due to the economy.

Direct:

Acre Auto Parts – sold

American Dismantlers

Cat's Parts Mart Auto Salvage – sold, new name and owner, Cats Auto Salvage

Grayling Auto Parts – new name, Fender Benders

Marek Auto Parts – out of business

Scrapbusters – sold, new name and owner,

U.S. Auto-Wayne

Associate:

ACE/MCI Commodities

Motown Battery – out of business

At the close of the 2018-2019 fiscal year, we currently have 77 Direct members and 33 Associate members.

2018-2019 Membership Benefits:

ARM is committed to providing our members with services, programs, information and assistance to help them promote their professional recycling business and our industry. It is our continual goal to help them meet and maintain the standards and many compliances required of them, provide them with information on the latest industry happenings, make available cost saving benefits and services to assist them in their everyday operations, offer affordable employee training, and to always provide support and information to help them compete in today's global marketplace.

Among the many benefits offered to our members is our member's only MICAR, MICAR Plus, Safety and Storm Water Compliance programs, our environmental specialist Dave Kendziorski, our legal and lobby consultants overseen by David Gregory of Kelley Cawthorne, who are our voice in Lansing, our ARM PAC, our Scholarship program for dependents of members employees, our quarterly newsletter *YardTalk* as well as our members only e-newsletter and our Annual Road Show & Business Networking Conference to name a few. And because of our affiliation with our International Association, ARA, we are also able to offer all ARM members the opportunity to participate in many cost saving benefits of exclusive discounts provided by national vendors. Included in these discounts is the EVO B2B Group, a credit card processing company that provides cutting edge electronic payment processing services.

This year Dave Kendziorski, MICAR Program Manager, felt it was in the best interest of our members for him to provide them with additional Storm Water resources

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to help meet the unreasonable expectations of the MDEQ Staff, so he wrote an entire Storm Water Program that is almost totally a complete fill-in-the blanks format and it is available on our Members Only section of our website. While it will be time-consuming, it is very doable and Dave and the ARM office are available to assist our members and we will continue to offer our members support and Storm Water training where necessary.

We also offered the membership the opportunity to participate in an extensive one-day training specifically designed for Safe Handling of Electric and Hybrid Vehicle Dismantlers presented by Andy Latham of Salvage Wire Ltd. This training for vehicle recyclers was accredited by WAMITAB (Waste Management Industry Training and Advisory Board). All participants were tested at the end of the training and those achieving the required standard received a WAMITAB certificate for their training records. This training was held on two separate dates and separate locations for the convenience of the members and their employees. Andy will also be presenting a condensed version of this much needed training program to the attendees at our annual meeting.

It is the goal of this committee to continue to focus on our many member services and on educating stakeholders as to the need and contributions of our professional recycling industry.

Website:

Kathy Cooper, ARM office

- Kathy continues to keep our website updated. We hope to begin selling ads as soon as we have our disclaimer in place, at \$50 per month for the two spaces on the top of our home page and for \$25 a month for an additional 10 ads that will scroll along the bottom of the page.
- Our ARM Safety Program is now available in our Members Only section as a fill-in document for the members' convenience.
- Our ARM Members' Only Do-It-Yourself Storm Water Compliance information and documents are also available on the website.
- Our web master was granted permission to contact

the membership with a proposal to build and maintain new websites for them at a discounted price with the understanding that they would then maintain the ARM website at no cost.

NEWSLETTER:

Chair: Slater Shroyer

Committee Member: Daniel Gray, Jayson Doren

YardTalk, our quarterly publication, provides our members and other licensed auto recyclers in the State of Michigan with relevant industry information. A variety of sources contribute articles and information for each issue that range from management practices to state agency requirements. Our printed newsletter has a circulation of over 400. The Board continues to set an annual net income goal of \$7,000, and this year we almost reached that amount.

We continue to send email updates on a regular basis from the ARM office to all current direct and associate members. These notices publicize our programs, activities, benefits, deadlines, and happenings in Lansing and around the industry. The emailed updates have been well received by our members as they have said they like the simple, concise format that allows them to see at a glance what is currently happening in ARM.

MIARC ANNUAL REPORT

Chair: Daniel Gray

- The MIARC Board is a chat room that was provided by Car-Part.com for the members of the automotive recyclers of Michigan. It is an online platform that allows members to actively buy and sell parts, chat with fellow ARM members, post pertinent industry related information, and ask questions in a public or private session. You can chat publicly with the membership or privately with other ARM members. There is no limit on the number of users at each facility. MIARC is an easy to use, fast way to find those small and hard to find parts to complete the sale, plus it provides additional revenue for the association. It is a great way to connect with other ARM members around the state and a valuable resource for upcoming events.
- MIARC continues to be a good financial resource

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for ARM as Car-part.com has generously donated all monthly fees collected from ARM members of the MIARC chat room directly to ARM. Thank you to Car-part.com.

- We would like to ensure the viability of MIARC by continuing to recruit new members and increase the usage by existing members. An easy way to promote the use of MIARC by current members is to make sure the MIARC chat room is bookmarked within the Car-Part.com messenger for salespeople, inventory staff, and even managers. Bookmarking MIARC within Car-part.com messenger will force the board to automatically open when the messenger is started in the morning. We encourage all members to participate on the MIARC board. It is not only user friendly, but it supports your association.

MEETINGS/CONVENTIONS COMMITTEE:

Co-Chair: Jayson Doren **Co-Chair:** Ross Lewicki

Executive Director: Barb Utter

Road Show Committee: Sarah Schram-Pilcher, Gordon Middleton, Jason Fisher, Glenn Neuner, Ron Elenbaas, Brian Bartels, Brian Collins, Slater Shroyer, Jeff Schalm and Lance DeKeyser

- The goals of the 2018-2019 Meetings/Convention Committee were to plan a Road Show that provided our members with vendors, speakers, training and networking opportunities that would help them enhance their business, as well as raise additional non-dues revenue for the association and at the same time was also affordable for them to bring their entire team to the event. It was also the responsibility of this committee to plan an Annual meeting that met the qualifications specified in our by-laws.
- Our 2018 Annual Meeting was a teleconference call on October 23 and was attended by 21 member facilities. The following slate of officers and board members were elected: Ross Lewicki, President, Gordon Middleton, 1st Vice President, Sarah Schram Pilcher, 2nd Vice President, and Jason Doren, Secretary/Treasurer. Gary Hooper and John Sadocha were elected Directors for a three year term.
- Our 11th Annual ARM Road Show & Business Networking Conference was hosted by Worldwide Equipment Sales in Livonia, Michigan on April 25-27,

2019. We had 28 vendors and 37 member facilities in attendance. Our yard tours continue to be a huge draw and of great interest to our members. We visited Ryan's Pick-a-Part in Detroit, Holbrook Auto Parts in Highland Park, and Highway Truck Parts in Ferndale. Katie Bower, Director of Business Compliance & Regulation Division of MDOS spoke to our members at lunch during our tours.

- Due to space constraints, were limited to multiple events being held simultaneously so we were able to plan one educational session per time slot so we used more roundtable formats and it seemed to work well, with more interaction between attendees.
- Our fundraising activities were extremely successful thanks to the generosity of our members as we raised a record amount of revenue for the Association. Our 2019 Road Show proved to very successful and plans are already underway for our 12th Annual Road Show to be at the Great Wolf Lodge on April 23-26, 2020 in Traverse City, Michigan. Watch for details so you can plan a fun, work-related spring outing with your family, friends and employees.

Regional Meetings:

We offered two very intensive, hands-on all day hybrid and electric vehicle training sessions for members and their employees, one on the east side of the state in Livonia and one on the west side in Grand Rapids. This training is essential for all vehicle recyclers as more of these high voltage vehicles arrive in our yards. The voltages are both lethal and can be a fire risk from poor handling so ARM felt it was imperative to offer this outstanding training by Andy Latham of Salvage Wire Ltd. for the safety of our members and their employees.

FUNDRAISING/SCHOLARSHIP COMMITTEE:

Chair: Ron Elenbaas **Co-Chair:** Brian Bartels

Committee: Lance DeKeyser, Jason Doren
(Entire Board of Directors will help)

It is the responsibility of this committee to raise additional non-dues revenue for the association as dues alone do not provide all monies needed to fund our programs. We also oversee raising monies to fund our scholarship program for dependents of our direct members. Thanks to the dedication and support of our Board of Directors,

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members, past presidents, vendors, and sponsors, we were able to meet our 2018-2019 goals.

Fundraising:

This year the majority of our fundraising efforts were concentrated during our 11th Annual Road Show & Business Networking Conference host by Worldwide Equipment Sales in Livonia. We were able to have another very successful live auction and various other fundraising activities throughout the evening. We are happy to report that we were able to surpass our fundraising goal. A huge thank you to the Board members who gave so much of their time and efforts to our event and to our outstanding vendors, very generous sponsors and our loyal and committed memberships for their support in making our goals a reality.

Scholarship:

The Kent Utter Jr. Memorial Scholarship Golf Outing is 19 years old and it continues to be very successful year after year. This event, along with the generous contributions from some of our members, is the only fundraising activity we have for our scholarship program. It is held at the Links of Novi in Novi, MI and is chaired by David Creedon and Mike Sinta. While our event was once again very successful, it was also a sad time for many of us as our founder and chair, David Creedon was very ill and couldn't attend and sadly he passed away shortly after the outing. We will miss him so much but we are committed to continue this great event with the same passion and comradery as David instilled in each of the 19 years he chaired this outing. This year we had 17 foursomes, 31 hole sponsors and many generous sponsorships from members and friends to raise a total of \$11,745.72 to date so we could provide a \$750.00 scholarship to each of 5 outstanding students, all dependents of our member's employees. This is truly a great membership benefit for our employees. Mark your calendars as we look forward to seeing everyone next year for our 20th annual scholarship golf outing at the Links of Novi on June 22, 2020.

MICAR COMMITTEE:

Chair: Kim Gray/Daniel Gray **Co-Chair:** Jayson Doren

MICAR Program Manager: Dave Kendziorski

Committee Members: Stefan Gravis, Jeff Schalm, Brian Bartels

The Michigan Certified Automotive Recycler (MICAR) program is one of about a half dozen state association-sponsored certification programs that help auto recyclers understand and comply with the large array of environmental, safety, and licensing regulations that apply to the auto recycling industry. Members that meet the standards are MICAR certified, and those members who also belong to the Automotive Recyclers Association (ARA) are ARA CAR certified, and eligible to participate in the ARA Gold Seal program. There are 26 MICAR standards, and each member is audited every other year to verify compliance with the standards, identify any deficiencies that may exist, and offer onsite professional assistance. Self-audits are conducted in the years between the professional audits by the Program Manager.

MICAR Membership:

About one-half of the ARM members participate in MICAR. In 2018, there were 77 direct ARM members and 40 MICAR participants. The MICAR fee is \$350 per year.

The 2018/2019 MICAR members:

Acme Auto Parts
Airway Auto LLC
American & Import Auto Parts
Cat's Parts Mart Auto Salvage
Doug's Auto Recyclers
Dusseau Auto Parts
Eagle Auto Parts
East Bay Auto Parts
Ernie's Auto Parts
Fox Auto Parts, Inc.
G & T Auto & Truck Parts
Go Go Auto Parts
Grand Valley Auto Parts
Heights Auto Parts
Highway Auto Parts
Highway Truck Parts
Hooper Auto Recyclers
J & R Truck Parts
LKQ-West Michigan
Ken's Auto Parts
LKQ of Michigan
Michigan Truck Parts
Middleton Auto Parts

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Miechiels Auto Salvage
Morris Rose Auto Parts
Oil City Auto Salvage
Parts Galore
Parts Galore II
Parts Galore III
Pete's Auto Parts
Premier Auto & Truck Parts
Ryan's Pick-A-Part
Schram Auto & Truck Parts
Schram Auto & Truck Parts Lansing
Scrap Busters, Inc.
Shroyer Auto Parts
Travers Auto Parts
U.S. Auto-Wayne
U-Pull And Save East
Weller Auto Parts
Weller Auto Parts-Kalamazoo

MICAR Benefits:

1. Information and education
2. Regulatory assistance
3. Basic safety practices
4. Members Only Storm Water permit plan on ARM website
5. Recognition as a professional recycler
6. Onsite professional guidance
7. Unlimited email and phone support
8. Linked to national ARA CAR program
9. MICAR Compliance Certificate
10. MICAR banner and sign

Contacts:

MICAR Administrator: Barb Utter, ARM Executive Director, 810-695-6760, barb@mi.autorecyclers.org

MICAR Program Manager: David Kendziorski, 414-943-1773, dave@stormtech1.com 🚗

SAVE THE DATE

Automotive Recyclers of Michigan & Friends 20th Annual Golf Outing

Proceeds to the Kent Utter Jr. Memorial Scholarship Fund & ARM



LINKS OF NOVI

MONDAY, JUNE 22, 2020

10:00 a.m. Shotgun Start

**Three hours open beverage service...
after golf!**

Gifts and Prizes for Everyone!

Continental Breakfast • New York Strip Steak Dinner • Burgers and Dogs at the Turn
50/50 Raffle • Silent Auction • Putting Contest



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

DEALER CHECKLIST (Class A & B Dealers Only)



Established Place of Business Requirements. See Dealer Manual, Chapter 1 for more information:

- ☐ Licensed location isn't a residence or any temporary quarters.
- ☐ All books, records and files necessary to conduct the business are maintained in the licensed location.
- ☐ The dealership is contained within a permanently enclosed building or structure.
- ☐ There is at least 150 square feet of office space.
- ☐ There is a working restroom and working utilities within the building or structure.
- ☐ There is a working telephone listed in the name of the business on the dealer's license.
- ☐ The premises must meet all applicable zoning and municipal requirements.
- ☐ There is a minimum of 1,300 square feet of land space allocated for the display of at least 10 vehicles.
- ☐ There is at least 650 square feet for customer parking that is adequately surfaced and well-lit during business hours.
- ☐ There is an exterior sign displaying the name of the dealership permanently affixed to the building or land with letters clearly visible from a highway.
- ☐ There is a repair facility on the premises, or the dealer has a written agreement with a local repair facility, within a 10 mile radius, to provide repair services and has posted the servicing agreement at the dealership.
- ☐ There are posted business hours of no less than 30 hours per week.
- ☐ Only one dealer has established a place of business at the location.

Dealer Plate Use. See Dealer Manual, Chapter 1 for more information:

- ☐ Dealer-owned vehicles may be driven to and from repair facilities, storage lots and other locations where vehicles are being held prior to sale.
- ☐ Dealer-owned vehicles may be moved to locations where they may be bought or sold.
- ☐ Dealer-owned vehicles may be driven by employees, servants or agents of the dealership for any use related to the dealership's primary business of selling vehicles, **except as a service vehicle.**
- ☐ Dealer-owned vehicles may be driven by a prospective customer of a dealership for testing or demonstration purposes for up to 72 hours.
- ☐ A person who has purchased a vehicle from a dealership may operate the vehicle with a dealer plate for up to 72 hours after taking delivery of the vehicle.

Record Keeping Requirements. See Dealer Manual, Chapter 2 for more information:

- ☐ Maintain records for each vehicle bought, sold, leased or exchanged by the dealer or received or accepted by the dealer for sale, lease or exchange.
- ☐ Records must be available for inspection by law enforcement and Michigan Department of State investigative staff upon request.
- ☐ Dealer records must be maintained and available for inspection for five years after the sale of the vehicle during established business hours at the licensed location.
- ☐ Dealers who maintain an electronic Police Book or other required records must be prepared to print a paper copy of the records if requested by law enforcement or Michigan Department of State investigative staff.

Revision 08/2019

Class A and B Dealers Specific Records Maintained, depends on the activities in which a dealer engages:

- | | |
|--|---|
| <input type="checkbox"/> Title or other ownership documents (TR-42, TR-52L, BDVR-141, TR-208, etc.). | <input type="checkbox"/> Color copies are needed for titles subject to inventory loans. |
| <input type="checkbox"/> Black-and-white copies of front and back of conforming titles for odometer disclosure records; both incoming (bought) and outgoing (sold) copies must be maintained. | <input type="checkbox"/> Copies of purchase agreements. |
| <input type="checkbox"/> Copies of processed RD-108s, RD-108Ls or RD-108s prepared for exported vehicles (see Chapter 8 for more information). | <input type="checkbox"/> Copies of installment sales or lease contracts. |
| <input type="checkbox"/> Police Book or washout system (see specific requirements below and in Chapter 2 of the Dealer Manual). | <input type="checkbox"/> Copies of Major Component Parts Record (SOS-426). |
| <input type="checkbox"/> Copies of salvage disclosure statements. | <input type="checkbox"/> Copies of broker fee agreements and broker purchase agreements. |
| <input type="checkbox"/> Copies of Application for Original Michigan Salvage Title or Scrap Title (TR-12). | <input type="checkbox"/> Signed copies of the Vehicle Dealer Inventory Loan Notices (BLRD-1). |
| <input type="checkbox"/> Copies of Salvage Vehicle Recertification Inspection forms (TR-13A, TR-13B). | <input type="checkbox"/> Copies of separate odometer disclosure statements used only when the title is held by an inventory lender or if the vehicle has a rebuilt salvage title. |
| <input type="checkbox"/> Dealer portion of the printed BFS-4 15-day Temporary Registration. | <input type="checkbox"/> All documents related to the inventory loan transaction. |
| <input type="checkbox"/> BFS-4 15-day Temporary Registration log (now retained in the dealership's e-Services account). | |

Police Book Entry Requirements – Hardbound, Washout or Electronic:

- | | |
|---|---|
| <input type="checkbox"/> Date vehicle acquired. | <input type="checkbox"/> Purchase number/ stock number. |
| <input type="checkbox"/> Vehicle Identification Number (VIN). | <input type="checkbox"/> Title number. |
| <input type="checkbox"/> Who you purchased the vehicle from: Name, address, city, state and ZIP code (auctions are a special case). | <input type="checkbox"/> Identification information, including: Make, model, body style, and, year. |
| <input type="checkbox"/> Date vehicle sold. | <input type="checkbox"/> Who you sold the vehicle to: Name, address, city, state, ZIP code. |

Police Book Quick Tips:

- Vehicles must be kept in date order.
- The date the vehicle is acquired is the date monetary value was exchanged and ownership changed.
- If you are waiting for a title from an auction, enter any identifying information into your Police Book the day the vehicle was purchased, and go back to that entry after you receive the title to complete the entry. It is important not to forget this step.
- Use the "Remarks" section when waiting for a title.
- If a vehicle was purchased at an auction, the "Bought From" entry in your Police Book should be the last person on the title, not the name of the auction.

Congratulations to the 2019-2020 Kent Utter, Jr. Memorial Scholarship Recipients:



It is with great pride that we are able to assist these outstanding students as they pursue their educational dreams.



Scott Cloutier

Scott's father, Christopher Cloutier, is Shop Forman at Highway Auto Parts in Roseville, MI. Scott is attending Macomb Community College majoring in Media and Communication Arts

and has made the Dean's List the last two semesters. Scott would love to work in the video game industry, creating worlds, characters, and touching the hearts of people around the world.



Todd Craton

Todd is currently in his second year at Mott Community College majoring in Health Administration. He plans to attend the University of Michigan-Flint and major in Health Sciences. Todd's

father is Jeremy Craton, Sales Manager at Schram Auto Parts in Waterford, MI. Todd plans to work at a gym or as a physical therapist because he loves to help people and wants to have a career that he loves.



Thomas Pastell

Thomas' father, Derek Pastell, is a technician at Roscommon Auto Parts in Roscommon, MI. Thomas is attending Michigan Technological University majoring in Civil

Engineering. He has chosen this career with the goal to improve the lives of others with new and improved ideas and actions.



Morgan Sparrow

Morgan is the daughter of John Sparrow, Sales Manager at Regal Auto Parts in Howell, MI. Morgan is a junior at Madonna University majoring in Forensic Science and

Pre-Medicine. Morgan intends to attend either medical school or graduate school to become a forensic anthropologist, medical examiner, or trauma surgeon.



Neleh Wyatt

Neleh is the daughter of Matthew Wyatt, Inventory/Warehouse/Dismantling Supervisor at Schram Auto Parts in Waterford, MI. Neleh is attending The Culinary Institute

of Michigan in Port Huron and is enrolled in their two-year Bakery and Pastry Arts program. She is also working at near-by cafes and bakeries to gain as much experience as she possibly can to help her reach her ultimate goal of opening a bakery of her own. 🚗

What Might Disrupt Your Business in the Next 12 Months...and What are You Doing About it?

By Donald Cooper

Every industry, including yours, is being disrupted by technology, by innovative new competitors, by global economics and, sometimes, by fundamental changes in societal values. Either you will be the disruptor in your market and your industry, or you will eventually be put out of business by those who are.

So exactly what is 'disruption'? According to the Webster dictionary, 'disruption' is the process of interrupting the normal progress or activity of something. In business terms, 'disruption' is anything that makes doing business the same old way unproductive, irrelevant and unprofitable. Actually, 'disruption' is the currently fashionable word for 'change'. And when it comes to change, there are only three positions open and available...

You can be the architect of change,
You can embrace the change created by others...or,
You can be the victim of change.

Whether you're a retailer, manufacturer, importer or service provider, there are at least five disruptive forces affecting your industry. They're defined and described below.

Disruptive technology. We've always had disruptive technologies. Believe it or not, back around 300 AD the stirrup was a disruptive technology. It gave warriors on horseback more stability in battle than their opponents. It was a significant 'competitive advantage' that allowed nomadic warriors like Genghis Khan and his followers to control vast areas of Asia and Europe. Likewise, the steam engine, electricity, refrigeration, the jet engine, digitization, the internet and smartphones have all been disruptive technologies.

Technology allows you to create new products, services or delivery models, to operate more efficiently in every part of your business and to proactively and cost-effectively communicate with and listen to customers, prospects and key influencers. And, for good or for bad, the technology of Social Media makes your customers and the general public powerful partners in managing your brand reputation and, hence, your bottom line.

The technology of 3D printing is changing the way prototypes and finished products are produced. In

October, 2019 a 25 ft. boat, weighing 5,000 pounds, was 'printed' by a research team at the University of Maine using the world's largest 3D printer and a blend of 50% plastic and 50% waste wood fibre. See video at <https://www.youtube.com/watch?v=Pt2epukih2k>. This printer has the capacity to print objects up to 100 feet long, 20 feet wide and 10 feet high.

In China, an innovative home builder creates beautiful homes by 3D printing individual modules in a factory using industrial and agricultural waste as a building material, and then assembling the modules on site to create a finished home in a day. The cost to build and assemble these homes is just \$480 per sq. meter or \$43 per sq. ft. Compare this to a cost of \$150 to \$250 per sq. ft. to build a home in North America using traditional methods.

There are now vending machines that cook, assemble and serve delicious hamburgers on demand.

Are you using the latest and best technology and partnering with the best technology providers to develop compelling new products or services, to operate more effectively, to understand, delight and communicate with customers and prospects, to drive sales and improve margins?

Disruptive products. Disruptive technologies generally lead to the development of disruptive products. The internal combustion engine led to the automobile, which fundamentally changed the speed and comfort with which we could get from A to B, where we could live and work and to where we could travel. Motorized trucks led to the capability to quickly and cost-effectively transport agricultural and manufactured products over long distances, resulting in the closing of millions of small local businesses as entire industries consolidated.

Digital cameras replaced film and bankrupted Kodak. Now smartphones have replaced digital cameras and photos are instantly stored or shared electronically, at no cost. It's estimated that only one in every 100,000 photos taken today is printed. That sucks if you're in the photographic paper biz.

Invisalign, the painless, invisible and less expensive braces have disrupted the traditional painful and unsightly wire braces that were the bane of many teenagers' lives.. And now 'The Smile Club' offers invisible, plastic braces, online, for even less money

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NEED MONEY FOR YOUR CHILD'S COLLEGE FUND?

Well, you work for
the right company!



As a member of the **AUTOMOTIVE RECYCLERS OF MICHIGAN**

your employer is able to offer you a unique opportunity.
The Kent Utter Jr. Memorial Scholarship fund has been providing
financial assistance for college and secondary education to
ARM members' employees for over **15 years**.

- ♻️ Applicant must be a dependent of a current full-time employee of a Direct Member, in good standing with ARM for at least one year before May 1st of the year the award is presented.
- ♻️ Dependents of owners or employees who own stock in the employing firm are not eligible.
- ♻️ First time applicants must have achieved at least a 3.0 grade point average, or the equivalent in their previous educational program.



Application **MUST** be submitted by May 31st

We have a **NEW** application form for the 2020-2021 school year.

New information is required this year. Be sure the application you submit says "2020-2021 School Year".

Scholarship recipients **MUST REAPPLY** for each school year.

The application and qualifying information are available on our website at automotiverecyclers.org or contact the ARM office at 810-695-6760 or arm@mi.automotiverecyclers.org.

What Might Disrupt Your Business in the Next 12 Months...

Continued from page 27

than Invisalign. No need to go to an orthodontist. It all changes so quickly.

Foam mattresses, purchased online and shipped directly to consumers are disrupting traditional brick & mortar mattress retailers. And, as so often happens, these mattress disrupters never made or sold traditional mattresses. They came 'out of nowhere' and now the traditional mattress folks are trying to catch up.

Are your products or services so relevant, so extraordinary, so competitive, so right for your target customers that there's no reason for them to go anywhere else? And, if so, are you effectively communicating that powerful message? Remember, there's no point being the best if you're also the best kept secret.

Disruptive new business models are changing most industries. Costco is a different business model and it's a huge success. You pay an annual fee just to get in the door. They're low-overhead warehouse stores with no frills and a huge range of quality products from rotisserie chickens to tires to caskets...all at low prices and a no-hassle return policy.

Amazon's business model has been hugely disruptive to thousands of businesses while creating opportunities for thousands of other businesses who are partnering with them. You can buy legal advice or find a life partner on the internet. Many years ago, IKEA wrote the book on disruptive business models. They design their own furniture and accessories, source them globally, use a flat-pack RTS (ready to assemble) product format on bulky items to reduce production, shipping and warehousing costs. All items are exclusive to them and carry their brand. This innovative business model has made them the world's largest furniture retailer.

Whenever a disruptive new business model comes to any industry, the 'old guard' cries "unfair competition". But, unless you're competing with either the government or the mob, there's actually no such thing as unfair competition. It's just that someone else came up with a new and better business model...and you didn't.

So, how might you change your business model by changing what you sell or how and where you sell it? Or, are you so buried in the day-to-day running of your business that you never have time to think about such things? If your business model is fundamentally flawed, all the fine-tuning in the world won't save you.

Disruptive geographic locations. If you're a manu-

facturer, you've certainly lived through this one in the past 20 years. Much of the consumer goods manufacturing in North America and the entire 'western world' has been decimated by Asian competition. Even if you shifted the production of your products to Asian factories, your biggest customers are now buying directly from those same factories and cutting you out of the supply chain.

We're seeing some manufacturing return to North America (back-shoring) but the big problem is where do we now find the skilled production people that it originally took generations to create?

Some North American manufacturers have thrived by offering what Asian suppliers can't. For example, to create a competitive advantage as a USA-based manufacturer, Rowe Furniture committed to delivering custom upholstered sofas and chairs in just two weeks, rather than the usual 8 to 10 weeks. The industry said it couldn't be done. But Rowe embraced lean manufacturing principles to make it happen. Employees are now more productive, they make more money and Rowe retailers and their customers are delighted.

If you're a manufacturer, what is your 'location' strategy? What are you doing to be relevant, competitive and profitable?

Disruptive societal changes. This is a fascinating area of disruption. Changes in society, our values and how we live can have a major impact on your business. For example, cremation is now 65% of the 'end of life disposition' for North Americans. The \$5,000 casket is being replaced by a \$300 urn. And, with the general decline of religion, many folks are replacing a solemn funeral service in the funeral home chapel with a celebration of life at the deceased's favorite pub or golf club. Because of this, there are 7,000 fewer funeral homes in the North America than 10 years ago. Many funeral homes are staying in business by offering pet funerals because, apparently, we won't buy a casket for mom or dad, but we will for fido or fluffly. Go figure!

In large urban areas, more and more people are living in small condos or apartments where traditional sizes and styles of furniture simply don't work. IKEA has picked up on and exploited this societal trend. They show complete rooms furnished with furniture and accessories ingeniously designed for compact spaces. Many of the pieces include extra hidden storage or serve multiple functions.

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Vehicles at Salvage Auctions Again

By Jay Svendsen

National Sales Manager for Auto Data Direct, Inc.

It's been recently tracked and noted that somewhere between 15-20% of all the vehicles being offered for sale at salvage auctions have been offered at a salvage auction before. This can be a real issue when you think through the things that could have transpired. There are times where the vehicle was offered, a bid accepted, and for some reason the sale was not completed: either the buyer didn't pay, paperwork couldn't be completed, or something else. There are also instances where the vehicle was purchased at a salvage auction, picked up, "repaired", "registered/put back on the road", and the consequently wrecked again showing back up at a salvage auction. Unfortunately, these instances represent only a small percentage, less than 5% of the 15-20%.

Every auction car buyer has had both "good" experiences and "bad" experiences buying vehicles, where they were either pleasantly surprised how "nice" a vehicle was when it arrived from auction or shocked at how "bad" the vehicle really is: the motor is frozen, block is cracked, parts are flooded/rusted/worthless, etc., it's kind of like a gambling rush, when buying vehicles. But it's really upsetting when your buying vehicles and being deliberately deceived by sellers. The auctions don't want this deception to happen, but they handle so many vehicles every week from all sorts of sellers and most times they have no way of knowing and rely on the seller for information on the vehicle. At the salvage auctions, vehicles are typically sold "as-is" and it's up to the buyer to "check out" the vehicles they are bidding on.

These deceptive vehicles can potentially be a real issue for salvage auction vehicle buyers when it's considered that most buyers now-a-days do not do physical inspections before bidding and rely totally on the information and pictures presented. In researching these auction "re-runs", there are many things being done. The most damaging is when a vehicle is purchased from a salvage auction, picked up, and the original motor/transmission/other high dollar part is pulled and replaced with a "dud", so the vehicle looks complete. This has happened many times with diesel trucks, but

can happen with any vehicle that has a high dollar/high demand motor and/or transmission. Another instance is where a vehicle is purchased with damage that is very "visual"(looks really bad in pictures), the vehicle is picked up, the damage is "popped out", loose parts put back in place...sometimes parts are replaced, and things cleaned, so the damage looks significantly less, then the vehicle is sent back to auction not being correctly repaired, just being made more presentable. Most times when the damage looks less severe, the vehicle can bring significantly more at auction. These two instances represent the largest portion of the vehicle "re-runs" and unfortunately the second buyer is left "holding the bag".

This practice has been happening for a while but has really just been identified as far more common problem than previously thought. There are a few ways to identify these "re-run" vehicles. Some of the bidding software available pulls and saves all auctioned vehicles from many auctions and can track and show these "re-runs" through their own database they are creating. The only other way, I am aware of presently, is by running a NMVTIS inquiry. The salvage auctions are very diligent about reporting to NMVTIS, with both the large auctions reporting to NMVTIS daily. By running a NMVTIS inquiry, the user will see a previous salvage report from a salvage auction and this should raise a caution to the buyer as to why the vehicle was at a salvage auction before and it would be highly recommended that if a vehicle was really desired, it should be physically inspected before bidding. Also with the NMVTIS inquiries the user will see previous brands, mileage, and changes in ownership which are also very helpful in determining the quality of a salvage vehicle. In general, vehicles with very little history tend to be pretty good vehicles, whereas vehicles that changed hands multiple times, usually are changing owners because the previous owner was "frustrated" with the vehicle. Yes, both of these "checks" will cost extra but they can potentially save lots of money by "notifying" the buyer of a "re-run" salvage vehicle. 🚗

Big News from the State of Michigan Stakeholder Meeting

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Dealer plates will also be limited based on the number of vehicles in inventory for resale. Dealers will only be allowed 1 plate for every 5 vehicles in inventory (for the first 400 vehicles) after which they will be allowed 1 plate for every 7 vehicles.

The Dept of State than floated some ideas they are working on regarding how to improve service to commercial clients. This could potentially include moving towards a paperless title system. In years past, Michigan has moved fairly slowly rolling out new

services, however recent changes to their computer system has made change much more rapid. If the State decides to move forward with a new system, they have promised to keep industry associations involved in the process.

ARM will continue to represent our members in these stakeholder meetings and hope to continue creating dialogue with both the Department of State and other industry groups who are present. If you haven't already done so, we encourage you to log in to your account on the new CARS system at www.michigan.gov. 🚗

What Might Disrupt Your Business in the Next 12 Months...

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What societal changes are affecting your industry, or will in the foreseeable future? What changes in values, preferences, priorities or economic realities are changing your target customers? How are changes in customer

age or demographics affecting how you must change what you sell and how and where you sell it. Are you ahead of the curve, behind the curve...or have you not yet even noticed that there is a 'curve'?

In conclusion: So, there you have it. Which of these five disruptions have come or are coming to your market? Will you be the leader, a quick adopter...or a victim? Sit down with the best minds and hearts in your business and revue these five kinds of disruption and determine how they're impacting your business and what your proactive response will be. Get specific about what needs rethinking, fixing or doing in your business. Determine what will be done, by whom, by when, at what cost and measured how. Then, follow up. 'Failure to execute' is the big killer in many businesses. Don't let that happen in yours.

For info about booking Donald to deliver his bottom-line insights on management, marketing and profitability at an Industry Conference or Corporate Event...or to discuss our Business Coaching program, contact us at donald@donaldcooper.com or by phone at 1 (416) 252-3703 in Toronto, Canada. 🚗



F.Y.I. The deadline for the next issue of the Automotive Recyclers of Michigan YardTalk newsletter is February 10, 2020. If you would like to place an advertisement or submit an article, please call the ARM office at 810-695-6760.



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