



AUTOMOTIVE
RECYCLERS
OF MICHIGAN

The Official Publication of the
Automotive Recyclers of Michigan

YARD TALK

Issue 1

Fall-Winter 2023

Getting to Know President Daniel Gray, Co-owner of Doug's Auto Recyclers

By Amber Kendrick

If you've been to an ARM Road Show, you've probably met our new president, Daniel Gray. He's a second-generation yard owner who says he loves his boss—that's a joke most owners will appreciate—and that due to the nature of the industry, the business is always changing, and that is a good thing! "I like making things work," mused Daniel, "I like seeing a problem and figuring out a solution. There are always new challenges to tackle." In this article, we hope you'll learn more about our new ARM president and his business. Maybe you'll even be inspired to join an ARM committee after hearing how it has benefited Daniel over his years in automotive recycling.



Daniel started off working full-time at the family business in dismantling where he learned the business from the back forwards. He eventually spent



5 years in sales, before returning to dismantling, and finally moving into his current role as production manager. Daniel is responsible for the production side of the business, from inventory to dismantling to distribution, as well as scrap metal sales, and general maintenance. His business partner and brother, Andrew, takes care of the front end of the business—purchasing, sales, and accounting.

The two brothers have been working in the business together since they were

young. Doug, Kim, Andrew, and Daniel began a succession plan back in 2018 that took five years to complete. It was fully finished at the beginning of 2023. The transition period where Daniel and his brother were buying the business was mostly smooth, and Daniel credits that to family members working together (document everything, Daniel says!) and to their Checkmate Roundtable Groups.

The business has been in two different Roundtable Groups over the years, the first group consisted of mostly yards around the same size. Doug's Auto Recyclers employs 8 hard workers, and it was interesting to see how yards with about the same number of employees operate and what they do differently or the same. However, they joined their current Round Table group with a wide range of sizes of recyclers, from huge multi-site facilities to very small yards. This group had several facilities working on succession plans with their own families and business. They learned a little from here, and a little from there when deciding how to work their succession plan.

Continued on page 10



CrashLink

Your link to OEM Data

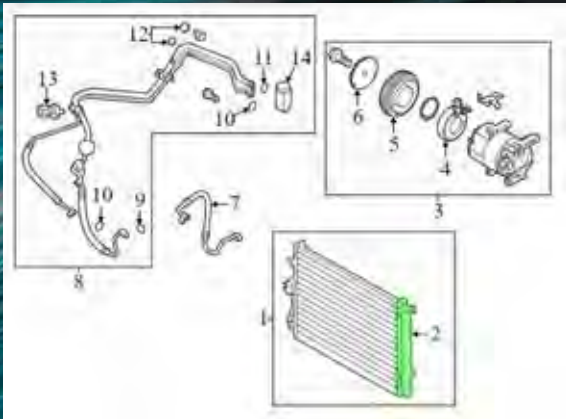
Labor, schematics, and more!

Hot Key Instant Search

Start	End	Manufacturer	Model	Part	Description
2014	2014	Honda	Accord	Engine Short Block	3.5L EX-L (J35Y1 engine), (6 cyl)
2014	2015	Honda	Accord	Engine Short Block	Touring
2015	2015	Honda	Accord	Engine Short Block	3.5L EX-L (J35Y1 & J35Y2 engine), (6 cyl)
2013	2014	Honda	Crosstour	Engine Short Block	3.5L EX & EX-L, (6 cyl)

OE Interchange

OE Schematics



OE Price History

Manufacturer	List \$	Ctry	Core Fee	List \$
FORD		Canada		\$702.70 CAD
FORD		Canada		\$681.03 CAD
FORD		Canada		\$681.03 CAD
FORD		Canada		\$606.27 CAD
FORD		USA		\$0.00 USD

Labor Hours

	OEM	Labor	List \$
Limited & SEL, Exc Towing Package	Web I.P.	16.6 Avg	4398.67
Limited & SEL, Towing Package	Web I.P.	16.6 Avg	4398.67
Limited & SEL, From 11/30/2009	Web I.P.	16.6 Avg	5598.67
Limited & SEL, To 11/30/2009	Web I.P.	16.6 Avg	6026.60
Other	Web I.P.	16.6 Avg	4398.67
Other	Web I.P.	16.6 Avg	4398.67

Detailed Assembly Diagrams



Learn more!



Another innovative product by **Car-Part.com**

859-344-1925 • Products.Car-Part.com



Executive Director Annual Report

One of the greatest pleasures of working for ARM is the people. Whether it is our Board, our members and/or our vendors, they are the professionals who have a passion for our industry, their businesses and for the success and respect of each other. We all know the stronger we are as an association and an industry, the more we can accomplish and the more successful each of us will be individually. This has always been true, but it has proven even more so lately with all the challenges that have been put before us this past year.



Barb Utter

We have been faced with many challenges this past year, both personal and business related, that we never thought would happen, but with our strong leadership and the commitment of many, we were able to support each other, think outside the box and meet those challenges head on and still reach our goals.

Every two years there is a changing of the guard, with a new President who perhaps has a different style of leadership, a different focus to accomplish or a totally different demeanor. Whatever the difference may be, it doesn't matter. It works!! We proved it this year!! Throughout our existence, our leadership has continued to take us to the next level, making sure your association provides all of you with the services and tools needed for you to be successful.

Slater is currently setting a new record as he becomes our next immediate past president for the second time as he continues to help Daniel transition into his new role of leadership. Yes, this is his 2nd term as ARM President. As before, he has been an absolutely delight to work with and for. He is definitely the "master of detail", which was so needed so he could stay focused on the task at hand, regardless of whatever other

numerous demands he had pulling on him. To tell you that many days he had so many "lights in his tunnel" coming right at him would not even begin to describe his day. He has a business to run, employees to coach, four little ones under the age of six to get ready for the day, committee's to chair, an association to lead, the list goes on & on, all while he is leading the support team for his wife who was battling cancer alongside

"You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face...you must do the thing you think you cannot do."

— *Eleanor Roosevelt*

other Board members who were experiencing a similar challenge and schedule, and yet, as a team, we were able to lead ARM forward. Together we found ways to meet these many challenges, together we pulled off a very successful Road Show & Golf Outing, and together we met our responsibilities to provide to each of you, a successful, non-profit trade association that will assist you in the process of advancing, advising, and safeguarding your businesses.

As your Executive Director, it gives me such joy and gratitude to be able to report to you that once again, in spite of many challenges, with the leadership of Slater and our Officers and Board of Directors, I am able to tell all of you, that together, we have completed a very successful fiscal year. As Eleanor Roosevelt stated, "You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face...you must do the thing you think you cannot do." We did indeed meet the challenges and are prepared, with Daniel at the helm, to meet whatever the next years put before us. 🚗

Recycle! Recycle! Recycle!



2023-24 OFFICERS

President
Daniel Gray, Doug's Auto Recyclers

1st Vice-President
Gordon Middleton, Middleton Auto Parts

2nd Vice-President
Simon Savaya, Holbrook Auto Parts

Secretary/Treasurer
Scott Kooienga, Premier Auto & Truck Parts

Immediate Past President
Slater Shroyer, Shroyer Auto Parts

Executive Director
Barbara Utter

2023-24 BOARD OF DIRECTORS

Eric Benson, Go Go Auto Parts
Lance DeKeyser, George's Auto Parts
Jayson Doren, Morris Rose Auto Parts
Ron Elenbaas, Past President
Stefan Gravis, East Bay Auto Parts
Gary Hooper, Hooper Auto Recycling
Ross Lewicki, Highway Auto Parts
Bernie Milnes, Roscommon Auto Recyclers
Glenn Neuner, Neuner's Automotive Recyclers, LLC
Chris Roberge, Michigan Auto Recyclers
Dennis Tomes, Auto Farm Recycling

2023-24 ARM COMMITTEE CHAIRPERSONS

Legislative
Chair - Scott Kooienga

Member Services
Chair - Gordon Middleton
Co-Chair - Glenn Neuner

Website Coordinator
Kathy Cooper

Newsletter Coordinator
Amber Kendrick

MIARC Board
Daniel Gray

Meetings/Conventions
Chair: Jayson Doren
Co-Chair: Ross Lewicki

Scholarship
Chair: Gary Hooper
Co-Chair: Stefan Gravis

MICAR
Chair: Slater Shroyer
Co-Chair: Eric Benson

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

April 4-6, 2024	URG Conference Kansas City, MO
May 3-4, 2024	ARM Road Show & Business Networking Conference Save the Date Watch for location TBA
May 31, 2024	DEADLINE: ARM Scholarship Applications
October 23-26, 2024	81st Annual ARA Convention & Expo Peppermill Resort Reno, Nevada

2022-2023 President's Annual Report

By Slater Shroyer

This year brought some unexpected challenges that often made it feel like a roller coaster mated with a Whack-a-Mole game. Lots of emotional ups and downs while trying to bat down issue after issue.

The Road Show was a challenge because we combined it with the Scholarship Golf Outing. While this meant the long weekend had something for everyone, it meant a mountain of work for Barb and Kathy at the office. When it was over, I thought we would concentrate on the succession plan. For those of you unaware or living under a rock, Barb was only kidding when she said she'd leave the office feet-first. She would actually like to retire at some point or at least slow down enough to enjoy great-grandchildren, maybe spend time at the lake or reading a nice book...

Instead, our MICAR program Director changed the plans for our perfectly orchestrated year by tendering his resignation—effective immediately. The last half of the year has been spent working to save the MICAR program, which I think we've accomplished. It meant Barb got to stay on with us for a bit longer.

So moving forward... We have a plan. Barb has also got Back-up Plans B-C-D and possibly E. The new Board gets some priorities handed to it. We are confident they are in a position to finish them.

Many years ago, outgoing President Kenny Whipple told Kim Gray that he felt like he had been handed the keys to a Cadillac and was handing over the keys to a Yugo. There had been a fire and the Long Line had shut down. I had a similar feeling last time I was in the President's seat and the ARMSIF workers compensation program went bust. I feel better this time around.

Continued on page 7

CONGRATULATIONS

To ARM Associate Member W.A. Young Insurance on their celebration of 100 years of service. The company was founded in 1923 by businessman Clare Carth Bush. Young Insurance as it is typically referred to, is a local family owned and operated independent insurance agency specializing in home, auto, business and benefits insurance. In April of 1984 Del Doyle of Grand Rapids finalized the purchase W. A. Young. They are proud to call Rockford, MI home and we are happy to have their support.

CONDOLENCES

Our deepest condolences to Joe Kuiper, ARM's CPA of Kiekover, Scholma & Shumaker, PC, and his family on the recent loss of his father, David Kuiper who went to be with his Lord and Savior on November 3, 2023. Please keep them in your thoughts and prayers during this difficult time. 🚗

Scrap Report

Foundry Steel.....	\$295.00	gt
Clean Auto Cast	\$360.00	gt
Unclean Motor Blocks	\$270.00	gt
Auto Bodies	\$160.00	nt
Batteries	\$.13	lb.
Copper/Brass Radiators.....	\$2.08	lb.
Aluminum (clean).....	\$.52	lb.
Whole Aluminum Transmissions....	\$.20	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

The people. The products. The programs.

Amwins Program Underwriters (part of the Amwins Underwriting division) offers exclusive, national insurance programs for Auto Dismantler Recyclers and Scrap Metal Dealers.

Available coverage:

- Liability
- Property
- Inland Marine
- Crime
- Auto
- Umbrella
- Workers' Compensation
- EPLI
- Cyber
- Equipment Breakdown
- And more

SUE SCURTI, CIC | Senior Vice President
Direct: (714) 221-9570 | Cell: (949) 636-9360
sue.scurti@amwins.com | amwins.com/apu



Insurance License #52379 (PA P&C)
In California: Amwins Program Insurance Services | License #0D28745

Slater Shroyer Earns 2023 ARA Member of the Year Award

By Amber Kendrick

Every year, the Automotive Recyclers Association honors several members at the convention awards banquet. ARA gives out a lifetime achievement award, and this year that went to a man most of us know and love, Mike French. There was also a STAR award presented with the Randy Reitman Traveling Trophy that went to Roger, Penny and Nathan Novak from Novak Auto Parts in New Brighton, Pennsylvania. ARA Certified Automotive Recycler committee chooses to honor one CAR member each year who exemplifies the tenets of the program with the STAR award. Of course, there was the President's award, where the outgoing association President chooses a recipient who has made a difference in their term, and this year our 4th woman president, Shan Latham of Cocoa's Auto Salvage in Cocoa, Florida presented that to Mike Kunkle



of Profit Team Consulting. When it was time for Member of the Year, Shan explained how most of these awards are chosen by the people at the helm of the association, but the Member of the Year is chosen by their peers. In 2023 at the 80th annual convention and exposition of the Automotive Recyclers Association, Slater Shroyer was voted Member of the Year.

Most of us in Michigan are very familiar with Slater's volunteer efforts in our state association: Slater is our most recent ARM president and that was his second non-consecutive term serving as president, he's been on many committees and written countless articles for *YardTalk!* If you are not active in our national association

"We are very fortunate to have Slater leading the charge for automotive recyclers nationwide. There are none more deserving of the Member of the Year award than Slater!"

— Shan Latham, outgoing ARA president

(ARA) you may not realize that Slater volunteers in the governmental affairs committee, co-chairing the national efforts to protect automotive recyclers through legislation and the prevention of legislation.

Emil Nusbaum, the ARA Vice President of Strategy and Government and Regulatory Affairs, says "Slater is an incredible resource to the industry. During his time serving as the committee chair for ARA's Government Affairs Committee, Slater has worked tirelessly to develop policy goals and initiatives that will set the entire automotive recycling industry up for success in the years ahead. Slater's thoughtfulness, diligence, and strategic thinking has had a significant impact on ARA's successes in dealing with issues related to electric vehicles, catalytic converter theft, and right to repair. Most importantly, Slater is always focused on doing what is right for the industry and its customers. I am lucky to have the opportunity to work with Slater on a daily basis and ARA and its members are fortunate to have Slater as a leader. I cannot think of a better person to have been awarded with ARA's Member of the Year Award!"

Shroyer Auto Parts, which started as a small gas station in Lansing and branched out to road service and towing, then from towing to dismantling and recycling, now occupies 13 acres with a 7,000-square-foot warehouse. In addition to the successful parts recycling business, Shroyer's buys scrap and has an extensive towing operation including emergency roadside assistance, heavy recovery, large equipment moving, and an impound lot! Slater is now the 4th generation of Shroyer's running the family business. With such a diversified business, many irons in the fire

and a family life, it would be easy for Slater to stay busy with his personal and professional endeavors, but for years and years, Slater has generously volunteered his time and energy to both the Automotive Recyclers of Michigan and our national organization, ARA. Obviously, these efforts are not going unnoticed, as nationwide, our colleagues chose Slater above all others for the Member of the Year award.

Shan Latham, our outgoing ARA President and owner of Cocoa Auto Salvage in Florida, says “Slater has a real passion for public policy! His capacity to understand and navigate the governmental affairs part of our industry and association is one that I am very thankful for. It’s easy to recognize that this is the most important thing that we do at ARA—protecting our rights and advocating for the good of this industry. There are not many who would be willing to or even be able to handle this important responsibility. On top of the countless hours he spends working on ARA business, he is also a leader in his state association. We are very fortunate to have Slater leading the charge for automotive recyclers nationwide. There are none more deserving of the Member of the Year award than Slater!” 🚗

2022-2023 President’s Annual Report

Continued from page 4

Thanks to everyone on this Board, I feel like we averted a few possible crash and burns, so the tires may have a few extra miles and we may have left a few skid marks, but everything is road-tested and running well. If anything, the fast and exciting parts burned off some carbon. Michigan is still arguably the strongest and most stable affiliate in the country.

We just got back from ARA, and sitting through the Affiliate Chapters I thought: We are really lucky to be in Michigan. Paul Davis asked Daniel point blank: What’s your state’s special sauce for keeping so many members? It’s all of you. It’s listening to each other and finding answers that work for all of us. It’s building programs and networks that include everyone. And with that, I will conclude by saying thank you for the opportunity to do this, I look forward to seeing what the next board does to carry on the great work. 🚗

BUILD YOUR EV ARSENAL

COMMERCIAL FORMS
FORMS & SUPPLIES FOR THE PROGRESSIVE AUTO RECYCLER
RECYCLER Supply

⚠️ DANGER PELIGRO ⚠️
Vehicle contains a **HIGH VOLTAGE BATTERY**
High Voltage. **Auto Voltaje.**
The battery and all related components are **DEADLY** if not properly handled.

REMOVED | ELIMINADO
Please Note: This vehicle contained a **HIGH VOLTAGE BATTERY** which has been removed.

READY
This vehicle is **READY** for dismantling and processing.

⚡ DANGER! ELECTRIC SHOCK RISK

⚡ DANGER! ELECTRIC SHOCK RISK

CAUTION

www.commercialforms.com 800-233-0771 sales@commercialforms.com



ARA Presents at Battery Inspection Forum Hosted by Waygate Technologies

On November 7th, 2023, Emil Nusbaum, ARA’s Vice President of Strategy, Government and Regulatory Affairs, gave a presentation entitled, “Securing the Domestic Battery Supply: Understanding the Inspection Requirements at Each Stage of the EV Battery Lifecycle”, at Waygate Technologies’ Battery Inspection Forum.

The Battery Inspection Forum brought together a range of experts from government, national laboratories, academia, and industry for the purpose of exploring issues such as battery inspection, battery life extension, next generation battery technology, circularity, and the challenges of battery recycling. Throughout the two-day conference, attendees had the opportunity to attend workshops and tours of Waygate Technologies’ Customer Solution Center, which included equipment ranging from CT systems, X-ray systems, and ultrasound systems that allow for the non-destructive testing of battery packs and

battery modules. Nusbaum’s presentation highlighted some of the ways that automotive recyclers are beginning to inspect and test electric vehicle batteries so that they can be put to their highest and best use.

U.S. Department of Justice Issues Alert to National Motor Vehicle Title Information System (NMVTIS) Reporting Entities on Update to Disposition Menu

On October 27th, 2023, the U.S. Department of Justice (DOJ) issued the following alert to NMVTIS reporting entities.

The U.S. Department of Justice (DOJ), Office of Justice Programs’ Bureau of Justice Assistance (BJA) appreciates your efforts to accurately and promptly report junk and salvage (including total loss) automobiles to the National Motor Vehicle Title Information System (NMVTIS) as required by federal law. Such efforts provide essential information for commercial and private consumers when making decisions on purchasing used automobiles.

The NMVTIS statute, 49 U.S.C. 30504(a), requires junk and salvage yard operators to report an inventory of all junk automobiles or salvage automobiles obtained by the junk yard or salvage yard during the prior month, and that inventory shall include “a statement of whether the automobile was crushed or disposed of for sale or other purposes.”

Effective May 10, 2023, under the direction of BJA, the NMVTIS system operator (American Association of Motor Vehicle Administrators) has updated the NMVTIS disposition menu to include “Dismantled For Parts” and “Owner Retained.”

Dismantled For Parts is defined as: Automobile has been rendered inoperable for on-road use, is available for parts, but has not been scrapped, crushed, or sold. Owner Retained is defined as: Reported automobile was subsequently retained by owner.

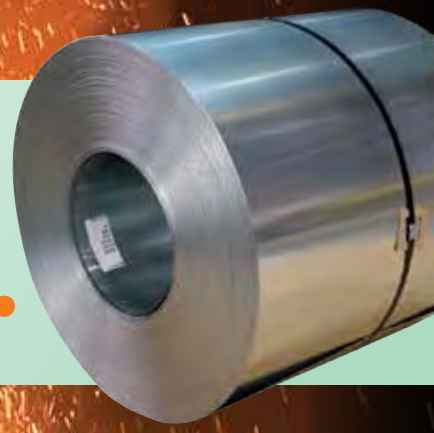
This notice is to inform reporting entities of this update. We encourage you to submit timely and accurate information once the disposition is known. 🚗
All articles reprinted with permission from ARA



There is no time more fitting to say “Thank You” and to wish you Happy Holidays!

We hope that the coming year will bring peace, good health, good cheer and prosperity.

*Automotive Recyclers of Michigan
Officers, Board of Directors & Staff*



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.

CALL FOR PRICING AT ANY OF OUR FOUR MICHIGAN LOCATIONS

ADRIAN

815 Treat St.

517-265-5195

BAY CITY

1414 N. Madison St.

989-895-5571

JACKSON

711 Lewis St.

517-787-1731

JONESVILLE

751 Beck St.

517-849-2149



President Daniel Gray

Continued from page 1

That's a common theme with the Gray family, learning from others and bringing it back into their business in a way that works for them. Daniel has had many mentors over the years and enjoys that he can pick-up the phone and call someone for help with overcoming a business barrier or obstacle. Whether it's someone



he has worked with on the ARM board of directors or someone from his roundtable group he knows he can call on industry peers for advice. "The biggest benefit to the roundtable groups is how after you step away from the business for the meeting, you come back so excited to come to work to implement new ideas and see how they play out in the business!"

Daniel appreciates how his parents have helped set him up for success and allowed him to find his path. During high school, he dabbled in heating and cooling and worked briefly at a marina to get some experience outside of the yard. As a young man, Kim and Doug presented Daniel with two paths they were willing to assist him with: college or home ownership, and Daniel chose the latter. He was able to gain a lot of real-world experience in the industry and has done very well for himself in his 23 years of full-time work at Doug's Auto Recyclers. Some of the changes he and Andrew have made in the business include barcoding all their racking (and tagging all warehouse parts with barcode tags) and installing a new phone system. They find the new phone system with a sales queue is much more effective for handling their call volume.

2023 ARM Presidential Award

This year's Presidential Award goes to Daniel Gray. Daniel has been the Chair of the MICAR Committee for several years and the Secretary/Treasurer for the last two. The MICAR Committee has historically been a pretty quiet assignment, with a few meetings scattered to review standards or attend a stakeholder meeting with EGLE. The Program Director handled most of the heavy lifting.

This year has been a very different story, and it has involved several phone calls and meetings to create a viable path forward. Daniel stepped up to the plate and started making calls, reviewing Compliance Checkpoint, and lots of emails to screen potential auditors and replacement consultants or program managers.



In addition, Daniel represented ARM at this year's ARA Convention in Kansas City and got to give the reports and answer questions about the association. By the time this goes to print, he will be our newly elected President

and will have hit the ground running. For everything he has done over the last year, we believe Daniel is well deserving of the ARM Presidential Award for 2023! Congratulations Daniel Gray! 🚗



Daniel has a keen eye for efficiency and noticed that custom cuts were slowing down their production. They didn't have the manpower to spend half of a day on a custom cut and also get everything else done. So, Daniel raised the prices on all custom cuts to make sure any cuts they completed would be very profitable and worth the time spent away from dismantling. The new policy effectively reduced the time-consuming cut orders allowing for more efficient workdays. Another change made in the business is that although

they own a tow truck, they have been subcontracting their towing of auction vehicles so they can bid more auctions in places without sweating the transportation factor.

Daniel sees the benefits his facility has when making changes. Andrew and Daniel can discuss potential changes and make a decision today to implement it tomorrow. Whereas larger companies take longer to "turn the ship." Many recyclers have ideas that never come to fruition, but in Daniel's facility he enjoys trying out the ideas he learns from fellow ARM members, his roundtable group, and those he just dreams up!

Daniel was reluctantly recruited to the ARM board of directors, saying he would serve on the board as long as he was not asked to be president. Once he was on the board for some time, he said "ok, fine, I'll be president as long as Barb is still executive director". Well, here we are, maybe a decade later, and Daniel is our new ARM President as Barb is preparing for a graceful exit. Over the years, ARM members (Barb) have talked Daniel into a lot, and he has volunteered freely for a lot as well. Daniel said

Continued on page 12

**AUTOMOTIVE & INDUSTRIAL
BUYER OF CORE BATTERIES
SELLER OF RECONDITIONED BATTERIES
TWO MICHIGAN LOCATIONS**



(586) 294-1730

WWW.EARLSBATTERY.COM

President Daniel Gray

Continued from page 11

“before I really got involved, I didn’t realize how much goes on behind the scenes, how the association fights for recyclers! Members only see the end product, not the hundreds of hours that goes into it.” Daniel recalls when the MICAR program standards were being revised. One big issue was whether crushers must be placed on a cement pad. “It would have been a huge financial burden to every recycler with a crusher not already on a cement pad,” Daniel says, remembering how the standard was negotiated to a more realistic expectation. “We were able to get a much more reasonable standard in place by being involved.” One thing that working the MICAR program has taught Daniel has been the benefits of secondary containment, which seemed like just a box to check on paper, but Daniel has learned has true value in the business. Having secondary containment has been valuable to the business from an inspection and governmental regulation standpoint but it’s also been a great indication to customers and vendors that they take recycling and environmental standards seriously. You can really tell the pride and care taken by Daniel and Andrew and their staff when you tour Doug’s Auto Recyclers, the place is clean and well organized, each warehouse space is utilized without being overstuffed, and you can see the signs of the MICAR program around every corner.

In addition to the thriving used parts business, Doug’s Auto Recyclers purchases end of life vehicles and scrap metals across their scales, including washers, dryers, farm equipment, fencing, exercise equipment etc. They also have a self-serve lot where customers can pull their own parts.

Doug and Kim can still be found at Doug’s Auto Recyclers, when they are not enjoying Florida through the winter months and when you can pry them off their boat during Michigan’s summer season. Doug enjoys bidding the occasional auction and will crush cars to help his sons who have taken over the business he developed on a picturesque 22 acres in south-central Michigan. When speaking about the business transition, Doug said “I used to do all the hiring and firing, but it

occurred to me that my sons are the ones who have to work with these people, so they should hire them!”

The Gray family has been operating Doug’s Auto Recyclers in Coldwater since 1981 and it took time and slowly transitioning important jobs like the hiring over to the second generation. Now there is a solid mix of seasoned staff and fresh faces at Doug’s Auto Recyclers, so great to keep a nice balance between been-there, done that experience and exciting new ideas. Andrew is



“detail-oriented and steadfast” running the front of the house, according to Daniel, so the partners also balance each other nicely, with Daniel running the back of the house, embracing broader big-picture thinking. That personality trait has served him well on the ARM Board and in committees as he helps shape our association, and therefore, our industry. Daniel says getting involved in ARM has helped him personally and professionally, and although it does take some time, Zoom meetings and email have made it very doable to run a business and participate in the association activities as well.

As the vice president of his neighborhood HOA, Daniel also spends time in his community, helping maintain the beach lots and access to the water for property owners. You can imagine, Daniel is a busy man! When he is not working in his business with his brother or volunteering for ARM, Daniel enjoys time on the water with his wife Kayla and two children Eva (age 4) and Pierson (age 7). Kayla is president of the Children’s Museum of Branch County, a neat local children’s museum, and she volunteers and works in the school system. Daniel’s love of boating was passed down to him from his parents, and now Daniel really enjoys time spent on the water with family and friends, and seeing his kids learn to wakeboard, surf, ski, and swim! 🚗

Recycle! Recycle! Recycle!



RECYCLING THE WORLD OVER, AND OVER[®]



PADNOS is a full capability recycling partner that you can trust to provide swift, responsive service at competitive pricing. We are committed to the Automotive Recyclers of Michigan and offer solutions designed to make your life easier.

Call PADNOS, we're ready to go. 1-800-442-4509

padnos.com

80th Annual ARA Convention & Expo







2023 ARM Legislative Committee Annual Report:

Chair: Scott Kooienga

Kelley Cawthorne Representative: Nate Love

2023 was not an overly busy year on the legislative front, which is typically a good thing! The committee along with our legislative counsel Nate Love at Kelley Cawthorne monitored legislation that came up throughout the year that could affect your business.

In the first half of the year Representative Andrew Fink (R-Hillsdale) convened a stakeholder meeting to discuss catalytic converter theft. ARM attended the meeting and was able to be a part of the discussion on this topic. We do not believe it is likely that he will pursue further action or legislation regarding converter theft, but will continue to monitor this on your behalf.

Senate Bill SB533 was sponsored by Senator Erika Geiss (D-Taylor) that would allow the Secretary of State to implement an electronic vehicle title transfer program. As the bill is currently written auto dealers are EXEMPT. This is being monitored but we believe the timeline for this is too tight to move anywhere during the rest of the year and will watch closely as things develop on this in 2024.

Continued areas of interest at both the state and national level are “right to repair” legislation. The Michigan Legislature took up several different bills allowing for “right to repair” regarding agricultural equipment, consumer electronics, and a few other non-automotive related items. Notably for us, automobile “right to repair” has not been brought up and the current pending legislation faces an uphill battle before it sees enactment.

ARM is once again grateful for the representation we have had through Kelley Cawthorne this year. Nate Love has offered some thoughts for us all to reflect on as we finish out the calendar year 2023.

“As we see continued unpredictability in elections for both the state house and state senate, I would encourage everyone to consider donating to the Automotive Recyclers of Michigan Political Action Committee. ARM PAC remains a valuable tool for us to develop relationships with legislative leadership and the administration, as well as support legislators who are allied with our mission. However, ARM PAC is not viable without generous contributions from our members.”

If you are passionate about changing the political picture for our industry please get involved or consider donating personally, or from your LLC to the ARMPAC Fund. We are stronger together! 🚗

2023 ARM Website Annual Report:

Website Coordinator: Kathy Cooper, ARM office

Kathy continues to keep our website updated. ARM also has a Facebook page named Automotive Recyclers of Michigan with 683 followers as another way to keep our members and friends updated on our latest happenings. It is still our intention to begin selling ads as soon as we have our disclaimer in place. Cost will be \$50 per month for the two spaces on the top of our home page. If you are interested, please contact the ARM office. 🚗



ARM Newsletter Committee: Keeping You Up-to-Date on Industry Issues

Chair: Amber Kendrick

Committee: Daniel Gray, Jayson Doren

YardTalk, our quarterly publication, provides our members, other licensed auto recyclers and related contacts with relevant industry information. We publish articles from vendors, members, other associations, and others, on topics that range from environmental standards and operational best practices to member and event spotlights. We include lots of content from industry events and both self-service and full-service perspectives. Over 400 printed newsletters are mailed four times a year, and we publish *YardTalk* in a digital format as well to reach an even larger audience via email. *YardTalk* brings in more than it costs us to publish; the ad revenues exceed expenses.

Barb and the ARM office staff also send out email newsletters and updates on a regular basis to all current direct and associate members. These notices publicize ARM programs, activities, benefits, deadlines, and happenings in Lansing and around the industry.

In the 2022-2023 fiscal year, *YardTalk* again will have four quarterly(ish) publications. Our Spring edition featured a yard spotlight on Go Go Auto Parts and the theme was on audits, surviving them, including an IRS audit and the MICAR audit. The Summer edition focused on a Road



Show recap and again touched on audits with a special on unemployment audits. The Fall edition was recently published, a bit later than usual; the cover featured our Annual Meeting invite to try to solicit a good turnout. Our final issue for the year has just now hit your desk. We would love for you to send in a contribution for our next issue! Deadline is February 13, 2023.

The newsletter committee is always looking for those willing to submit articles—long or short! You need not be a professional writer to be published in *YardTalk*, even a paragraph is very welcome! Another option is to do a Q&A with a fellow recycler, one of your favorite customers or one of your favorite vendors, type that up and send it in as an article. Or perhaps you have a high school or college student who would like to write a short article and be published! If you have an idea for an article or are willing to help, you can contact the ARM office directly or feel free to email the newsletter committee chair Amber Kendrick at amber@petesauto.net. 🚗

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 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 userfriendly, but it supports your association. 🚗

How to Be Your Customer's FIRST CHOICE

By Amber Kendrick

At the 80th annual convention & exposition of the Automotive Recyclers Association, one of the excellent seminars was on how to be your customer's first choice. The panelists were all experienced yard managers but of diverse backgrounds, with Greg Daurio from Daurio Auto Truck representing single location, full service, independently owned & operated recyclers, Steve Barkwell from Fenix Parts representing self service recyclers and those part of a large company, and Eric Wilbert from Wilbert's Premium Auto Parts/Wilbert's U-Pull It representing both full and self service recyclers with a family owned & operated multi-yard company.

Greg Daurio advised the product we sell and the customer experience is a direct reflection of the team, and we are responsible for the team foundation, the attitude we come to work with and how it echoes through our organization, combined with our expectations and actions. At Daurio Auto Truck, Greg says "we are an all hands on deck get the job done no matter what it takes company! We provide a correct, quality and clean product to the customer in a timely manner. Our product reflects who we are and how we are perceived." Greg also encouraged us to define our processes and hold our teams accountable to those written processes. He listed the benefits of a strong company culture, such as reducing turnover, increased retention, increased production, increased profitability, and engaged employees.

At Daurio Auto Truck, team meetings are important and include coaching for the outcome they are looking for, communicating organizational values, and stressing the importance of each role in the organization important in order for the company to maintain high standards. But team

meetings are also fun and the place where they celebrate achievements and acknowledge success, as well as serving as an opportunity to show management is approachable, knowledgeable and wants to lead, not instruct or chastise. Keep team meetings short and positive! When there is an issue in the business, work with people one on one. "Before you react," Greg says, "listen to people and analyze the situation full circle. Try to view things from the employee's side. Use mistakes or conflicts as learning opportunities and make a negative into a positive by resolving in a motivating way."

Greg went through the best practices for full-service yards to advertise our parts, including how the inventory process is critical, from the descriptions of parts to photos to which parts to inventory. Clear photos including those of individual parts are key to selling to today's consumer. At Daurio Auto Truck, they require a VIN for every order, and don't assume the customer is giving them the correct information, instead they work off of the VIN for accuracy which leads to greater customer satisfaction in the long run! Getting the VIN and utilizing a decoder might take an extra minute up front but it saves many shipping and wrong part expenses overall. Customers usually do not remember what information they gave you, they just know if the part is right or wrong and that leads to a positive or negative experience. When you sell based on VIN, you will have more happy customers.

Warranty claims are a make-or-break time for customers, for you to become their first choice or their last.

Greg encouraged us to handle all warranty claims immediately.

He advised us that nine times out of ten, customers are not angry they are afraid. If you listen to your customer, assuage their fear, and make sure they understand the process or the next steps, you



will win a customer who will come back for another part. Greg stressed not to let the customer take advantage of you, saying “do your homework and make sure it is your part that failed, gather the facts and consider the situation. Most importantly—when you tell your customer you will call them back, call them back in a timely manner! When a problem arises, how it is handled will be the ultimate test to retaining a repeat customer.

Greg ended his section of the seminar by stressing the importance of understanding both salespeople and customers and their expectations. He encouraged us to communicate with salespeople so they know everything they need to provide to the customer and make sure they are following up, and to teach salespeople to examine the customers expectations. There is an old

“Before you react, listen to people and analyze the situation full circle. Try to view things from the employee’s side. Use mistakes or conflicts as learning opportunities and make a negative into a positive by resolving in a motivating way.”

— Greg Daurio, *Daurio Auto Truck*

saying, “good, fast, cheap, you can pick any two” and by asking the right questions you can determine which two your customer needs and present a solution for them. Greg says we have different types of customers we are working with—ask yourself is this a McDonald’s customer or a Michelin Star Restaurant customer and present the part for them accordingly.

Steve Barkwell from Fenix Parts spent his time on the panel talking about self-service side of the industry. He reminded everyone there is an expectation that our customers have and it is up to us to challenge those expectations and create a great customer experience. As years go by and work continues on, it is easy to forget about the customer experience and what could be changed about our customer experience. Steve recommends taking time to step back and decide exactly how we want our customer to experience our yard. Whatever you think the perception is of your business, there is usually a public perception that is worse than what you present because of the stigma of the industry. Steve said “the public perception is usually a “junk yard”

and we have to get over that. We can change it. What do you see driving by? What do you see pulling up to the business? What do you want it to be? Who does your customer interact with? What sort of an experience do they have with those people? What do the people look like, how do they treat people, how does your brand come across by your staff and their words and actions?” Steve recommends branded clothing and very presentable looking staff in addition to any structural or cleanup projects. Eric Wilbert talked about how they have done this at Wilbert’s at the self-serve and full-serve locations. Wilbert’s is a family owned and operated company and they want customers to know that and experience their excellent customer service. They do that with branding (so much orange, orange everywhere, it’s their signature color!) and they frequently evaluate what their customer goes through from the time they think they need a part to the time they are walking out the door of Wilbert’s with the correct part in their hands.

While we want to improve surface presentation, Steve and Eric remind us we need to identify our customer, what they are driving, what barriers they have for buying parts and therefore how we can serve them better. If our customers are often looking for a deal, let’s figure out how we can present them with a great deal! Steve says “make it easy for customers. Make the process smooth. Remove barriers.” If you go to self-serve Wilbert’s website, it’s super easy to find out what vehicles have recently come in and where the vehicles that you need to pull parts from are located in the yard, before you even get in the car. If you head to the full service website, there is a clear easy way to search for parts, contact a salesperson, schedule a core return, and much more.

Eric pointed out the old first rule of business was to get the customer in the door—but he says now that has to be updated to the present day, it’s not enough to get them in the store, we have to take care of them and turn them into repeat customers! Wilbert’s has free handouts with branding. It doesn’t cost much to have a trifold brochure with info for customers, but it can go a long way when you educate customers on why buy used parts, why return to the recycling facility. Eric and Steve challenged us to look at what opportunities do we have within the organization to promote additional sales and gain repeat business? They advise taking time to consider it and asking people from within the organization as well as asking customers themselves what makes the difference for them. That way you can be your customer’s first choice! 🚗

Spotlight on **HOLBROOK** **AutoParts** KEEPING YOU ON THE MOVE!

By Amber Kendrick

Over the last 23 years, Simon Savaya and his business partner Thomas Poullath have grown Holbrook Auto Parts, transforming one location on 4 acres into an empire of 10 stores, including 7 new parts stores, multiple recycled parts facilities and an installation center. If you ask Simon about his success, he quickly deflects, saying Holbrook Auto Parts is successful because of the Lord, and the Lord's people—both the staff and the customers—who continue to make it successful. For their part, Holbrook's customers are effusive about how they are helped by the once small shop, now growing chain: "they are fair, fast, affordable and friendly" quipped one happy customer.

Simon did not set out to own an auto parts kingdom, it happened pretty organically. "My customers are the retail public, and they need all sorts of parts for their vehicles including wear items" explains Simon, "so when customers were coming in asking for parts like brake pads and rotors, that is the marketplace speaking, and we were listening. We decided to provide what people were asking for, and in doing so, we ended up transforming the brand, the physical space, extending our product offerings to include collision parts, aftermarket parts, and of course used recycled OEM parts. We didn't set out to have a service center, but we created it, it literally exists to help out our end user customers that have no idea where to go! The repair side of the business is totally different than the auto parts sales, even though they are connected, they come with different challenges. It's incredibly important to have expert mechanics in the service industry, people who can diagnose and repair, versus the people we need in the parts business who really just need to be able to take the vehicles apart, not put them back together. The repair side of the business has different challenges, but they work well together. We are always looking for that, looking to see what else we can do that grows our footprint and serves our customers. We are always in the market to acquire. A lot of people are retiring from the salvage business right now, and we're talking to a few yards about selling. We enjoy the salvage business, the aftermarket and the repair business, and they all compliment each other."

Holbrook Auto Parts, which utilizes Checkmate, has found the United Recyclers Group to be a huge help for their business, and appreciates being able to draw on the experienced and knowledgeable URG employees as they look to grow. This past July, Holbrook Auto Parts joined Team PRP, which Simon divulged is "going great, of course there is a learning process, but we have met a lot of phenomenal owners & operators we wouldn't have met otherwise, and we are doing business with places out of state we normally wouldn't have been able to buy from and sell parts to, just due to logistics." Team PRP has opened up a whole new market for Holbrook, which traditionally has been really focused on retail customers. Simon finds value in developing relationships with fellow recyclers.



There are many ARM members who have been instrumental, whether they know it or not, in the development of Holbrook Auto Parts, by being willing to share and by their examples. Simon muses that it's not just what fellow recyclers say, but what they do that he is inspired by. He names Jayson at Morris Rose Auto Parts and Gordon at Middleton Auto Parts as two people who have been particularly helpful, in that every time he talks to them, he learns something. "Even just touring the Schram facility influenced and encouraged me to make changes, get better!"

It's that push for constant improvement that has Holbrook expanding in multiple directions. In regards to opening new locations, "obviously the landscape becomes more known," says Simon, "we can see things coming more, each new store we open is not necessarily easier but we have less surprises. And from every experience opening a new

branch, you learn something new.” Their latest project is www.autoparts.com, a marketplace for new and used auto parts. “This is proprietary, cutting edge tech we’ve coded,” says Simon who has been testing the platform on a national scale over the last two years and is excited about where the technology is taking the industry. “Autoparts.com is going to give the end customer everything they need to know about where the part they need is located and how to get it and even get it installed. This will bring the parts to the people!”

People—that’s a common theme when you talk to Simon. There is a lot to love in this business, but for Simon, “the best part is the people you meet, every area you open up in you meet new people and suddenly you meet someone who becomes a great customer or a great employee or a great friend!” This focus on people is something that has filtered down through the company and can be seen in every aspect of Holbrook Auto Parts, regardless of which store you go to. Employees smile with genuine smiles, and greet regular customers by name. The staff is proud to help people in their community. Like any business, at Holbrook Auto Parts there are great days and hard days, challenges and victories, but through it all, the focus on helping people carries through.

Challenges have often proved to have helpful hidden gems, at Holbrook Auto Parts. Simon says while the pandemic created difficult challenges to overcome, there were many useful lessons for business. “Through dark times, good things can come out of them and we can learn from them. I think at Holbrook we learned that we could maneuver quickly, we could change the way we are doing business instantly instead of making slow changes. We had to reroute each lobby and change our customer pickup process overnight—it was like going through an exercise in how to supercharge your business!” At Holbrook Auto Parts, they find each store is now more adept at shifting things, pivoting to another direction as needed after going through all of that forced change. “Also, we never imagined people working from home, but we did it, we figured out how to do it well, and we now have people who successfully sell from home. We started a call center and we have salespeople who work from there and salespeople who work from home interchangeably.” It’s a lot of work, expanding, but as Simon says, he enjoys organized chaos, he loves to see growth, “it’s what wakes me up in the morning, I want to continue to grow!”

And grow, they have! If you just look at the numbers, with

Holbrook processing more than 3,500 vehicles per year and a total staff of approximately 120 people, you’d think doing business with them would have a corporate feel, but the opposite seems true, somehow Simon and Thomas are able to keep Holbrook Auto Parts feeling like a true family business. It’s obvious how much they care about people, and how they put people first. “I like going into the office, I like feeling the energy of the place and talking to people” says Simon, who does all the administrative work, acquisitions, and business planning, whereas his partner Thomas handles all operations. “Thomas is just a tremendous partner, friend, and a total go-getter to move the business forward! We’ve had an easy partnership all of these years because we share the same faith, the same values.” Simon is quick to try to escape the limelight, focusing on his business partner, his team, and his solid belief in Jesus Christ. Simon has been married to his wife Rachel for 19 years and has one son, who is currently 9 years old and loves to play hockey. His business partner, Thomas has also been married for 17 years and counting, and his 5 kids keep him busy! Thomas and Simon share the same faith, and they try hard to operate as “servant leaders,” saying “we are here to serve and not be served. We serve our people that work with us, staff, customers, what they need, that is what I am here for!”

As every ARM member knows, you can do a thousand things to prevent accidents from happening, but sometimes a problem still occurs. At Holbrook Auto Parts, they recently had a freak accident that resulted in a fire. Simon says “we take safety very seriously, and thank God for the MICAR program and how it prepared us for that, because of following the protocols it was not as devastating of a loss, it could have been so much worse. If you watched the video, and saw the whole building on fire, you’d think anyone in there would’ve been seriously hurt or even killed, but thankfully everyone got out with only a few scratches here and there. We can rebuild a building, but people are irreplaceable.” Even though going through a fire and rebuild is challenging, Simon is bringing his positive attitude and quest for continual growth to this situation, saying “we will come back bigger and better and learn things along the way, design the rebuild so this cannot happen again.”

There is that quest for continual improvement, again. You can find it everywhere you look at Holbrook Auto Parts! If you’d like to connect to Simon or learn more about Holbrook Auto Parts, you can visit www.holbrookautoparts.com or email Simon directly at simon@holbrookautoparts.com. 🚗

Increased Opportunities for Recyclers



By Amber Kendrick

At the recent 80th annual convention & exposition of the Automotive Recyclers Association, Ryan Mandell gave a masterful keynote speech weaving in hard numbers with real word experience. Ryan has a masters degree but his chops for this crowd come from spending his entire career in the automotive industry. As director of Claims Performance and Auto Physical Damage Solutions with Mitchell International, Ryan has access to very interesting data, and he says there has never been a better time to be in the automotive recycling industry! There are a lot of challenges and disruptions, but incredible opportunities.

“We’re going to talk about collision, but these themes can be carried over into every area of our industry,” said Ryan, “what we are seeing is an evolution in the way insurance companies handle claims, moving from processing data and estimates at the side of the vehicle to processing virtually, remotely. More than 30% of estimates are now prepared virtually, and that number is increasing. 5% of low severity estimates are processed and paid without a person involved—all computer based, all AI.”

Ryan went through a comparison of traditional direct repair programs, which handle claims in an average of 13.3 days, with the new evolution of claims, sending staff into the field (2.7 day average,) virtual claims (0.4 day average,) and the collective process (10 minutes!) Ryan expects we will see more collective estimating in the future, where you can sign up to be an estimator on an app and treat it just like another gig like Uber

and Shipt, but instead of driving passengers or fetching groceries, people are taking pictures of damaged vehicles and submitting a report that will generate the estimate through AI. While this may sound wild, there are companies actively utilizing this, where they are paying \$8.00 per estimate and processing estimates in under 10 minutes. Ryan reminded us that most insurance companies are losing money. Insurance companies need to control loss-adjustment expenses. Time is money and the old DRP processes are slow. Quicker, cheaper estimates can make a big difference to the bottom line, and collective virtual appraisal solutions are currently being marketed to the broader insurance market. Virtual claims are also saving insurance companies; notably the largest consolidator in the collision industry, Caliber, is already using virtual estimating by having their customers send in pictures and they build the estimate off of the pictures while the vehicle is still in the customer’s driveway, not clogging up the shop’s lot.

“Most shops do not choose what parts to put on the vehicle, they have to use what the insurance company chooses to be the most cost effective for that company,” Ryan stated. He believes we will see more of a focus on digital process and less on legacy systems we are accustomed to. He says “because of these industry changes in using data to source parts, the recycler data visibility is key. Having the part in stock is key. When your part shows up on the estimate, and/or automatically ordered for the repair, your inventory needs to be up to date and absolutely accurate. Having accuracy is just as critical as having the part, the data means nothing if

your inventory isn't accurate!" Ryan suggests recyclers re-inventory each vehicle or audit each vehicle after a custom cut, as it seems that is a trigger event for parts to later be found damaged or missing.

Ryan also got into vehicle complexity and how it is creating unique opportunities for recyclers. He noted that the best predictions we had in 2015 did not come to pass. Statisticians love to say autonomous vehicles are coming, or safety gains will mean less accidents. In reality, claim volume is up 1% again this year, claim volume is not going down with parking sensors. Distracted drivers texting do not seem to be going away. Accidents aren't going away. Collisions will continue to happen. The safety systems do not make enough of a difference to see a decrease in demand for collision parts. The same things have happened on the mechanical side, where parts are supposedly being engineered to last longer, yet we are still replacing parts every day.

There are huge opportunities to sell more parts because we have seen more complex vehicles requiring more parts, and we have seen such a significant increase in the used vehicle prices. Used vehicle costs have plateaued, but at a high place. Again, predictions said one thing and reality said another, everyone expected the cost of used vehicle to decline but then the UAW went on strike and now used vehicle prices are still sky high. "In 2015, 12-13% of vehicles were total loss, this has gone down as vehicle prices go up, more volume going to repair facilities, more vehicles are being fixed. Especially higher dollar vehicles, those are much more likely to be fixed now. People are driving more trucks and SUVs than ever, and more luxury vehicles. These vehicles are higher value, and they require more parts to fix, leading to more opportunities for us. People are less likely to have their vehicle totaled and more likely to have it fixed, even though repair costs are up. The collision industry has seen a 10% cost increase year over year two years in a row. "The cost to repair a vehicle will average over \$5,000 by the end of the year. In 2019 it was just over \$3,000. Parts are occupying a greater portion of the repair costs, according to the Mitchell International parts spend analysis, in the year 2020 estimates averaged 11.5 parts and 49% of the cost. In 2021, estimates averaged 12.5 parts 51% of the cost. In 2022, estimates averaged 13 parts and 52% of the cost." In short, our opportunities are increasing every year.

Vehicle complexity is not just about how many parts are on a vehicle or what it takes to repair them, it's also about the repairability of specific parts. It is less and less

likely you are going to be able to repair a part and more likely you have to replace a part in 2023. Body shops are more likely to buy another part than fix the bent one on the vehicle. Electrification is also growing, albeit not as fast as predicted, but currently 3% of vehicles being repaired are electric in Canada and almost 2% in the United States. Electric vehicles are usually worth more so they are more likely to be repaired vs total loss. On average, electric vehicles require twice as many parts to be repaired. They are at the higher end of the complexity spectrum, they have more parts! The lighter sheet metal used on EVs (compensating for the heavy battery) are not as repairable and have to be replaced.

"Statistically it's 32% more expensive to repair an EV than a regular combustion motor vehicle." Ryan went through a specific example, a case study of a 2022 Ford F150 XLT and 2022 Ford F150 Lightning EV. He put up on the screen the same estimates for both vehicles hit in the front, side by side. Many parts were the same, such as the headlights, although the grille reinforcement and bumper support and other parts were very different because electric vehicles are designed differently to handle the impact of a collision without a traditional radiator support structure inside. The traditional F150 labor repair cost was about 11k vs the electric vehicle was 15k difference to repair, and the parts were \$7,500 vs \$20,000.

Electric vehicles aren't the only vehicles with high part prices! The average price of the top 150 common collision parts excluding bumper covers has been going up. Recycled parts have gone up 3.64%, aftermarket 4.4%, 4.46% OEM. Ryan says we can attribute aftermarket prices to shipping—post-pandemic it's been much more expensive to ship across the ocean. Ryan also says we can attribute OEM prices to supply chain issues. Our recycled OEM parts prices are also going up, which we can see is some supply chain and some market pricing. But we have untapped potential when it comes to selling more parts, from stressing the sustainability element about our parts (these insurance companies want to be green!) to the opportunities we have to sell to multi-shop organizations, or MSOs in a different way than we sell to independents, and vice versa. Ryan says "MSOs are poised to capitalize on what we call the network effect. MSOs have indicated a willingness to invest in tools, equipment and training related to ADAS calibration, lightweight material handling, glass, and OE certifications. With a large network, MSOs can spread out investments across different locations. An MSO can centralize their

Continued on page 24

Increased Opportunities for Recyclers

Continued from page 23

repair order intake and distribute to a location with the appropriate repair qualifications. Ryan says further expansion is predicted to focus on growing populations in Texas and the Southeast.

Ryan reminds us that it's very hard for our customers who are independents to work on all makes and models. MSOs can process everything digital up front and then allocate the vehicle to where it makes sense to do that, where you have specialists in that model or where you have the equipment for that repair. Independent shops don't have that advantage, but that means you have an opportunity to help them in their parts procurement. Ryan says "start looking at the customer relationships. Look at a new way to measure your success, such as what your customer really wants." One independent

shop might want parts delivered the week before the car comes in, so they know it's set to repair, versus another shop might not want the parts until the day they need them. Ryan encourages letting your customers know positive statistics about your business, such as order processing time, return rate, request fill rates, etc. Don't be afraid to start conversations with customers about how you can be a better provider! Show your customers you are committed to helping them be profitable. Show them you care about their needs and how to use more used parts on the vehicles successfully. Be willing to track your performance with a customer and share it with them. There is a lot of growth to be had in nurturing existing relationships properly.

"The main takeaways," Ryan said, are "the cost of collision repair continues to increase, parts are becoming a larger portion of that cost, and customer success management will drive your performance!" 🚗

Meetings/Conventions Annual Report:

Chair: Jayson Doren

Co-Chair: Ross Lewicki

ARM Road Show & Golf Outing Recap: This year's Road show was a little different considering it was held at Hawk Hollow Golf and Banquet Center in Bath, MI.

It started off with the annual golf outing on May 18th at Timber Ridge Golf course in East Lansing, MI, which is always a great time!

Some highlights from the golf outing:
Drew Ungrey from Grand Valley Auto Parts sinking a hole-in-one! *Congrats Drew!*

Terri LaChance from Commercial forms won the women's longest drive, and Craig Snoeyink winning longest drive for the men!

1st place: Complete Scrap
2nd place: Utter family
3rd place: Team Schram
Men's closest to the pin: Blake Shroyer
Women's closest to the pin: Jackie Schram
Putting contest winner: Sam Utter
Congratulations to all!

The big highlight of the whole weekend was loading

all of the members and vendors on a bus to Schram Auto Parts to celebrate their 100th anniversary—WOW! We toured their facility and had lunch. What an amazing accomplishment!

Friday night's dinner and live auction, along with our cornhole tournament were a huge success as well. Congratulations to Andy from Premier Auto Parts and Larry from Fox Auto parts who won the trophy!

Last Man Standing award went to Holbrook Auto Parts! Thank you Simon and Thomas for your generosity!

Saturday was jam-packed with panel discussions, training and guest speakers sharing industry knowledge. To wrap-up the weekend, we managed to get most attendees to stay and participate in an informal owners and managers open forum that discussed a wide range of topics and highlighted the amazing history of our industry both in state and nationally. Dan Snyder from Snyder Auto Parts emceed this terrific discussion. 🚗




F.Y.I. The deadline for the next issue of the Automotive Recyclers of Michigan *YardTalk* newsletter is February 13, 2024. If you would like to place an advertisement or submit an article, please call the ARM office at 810-695-6760.

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 2024-2025 school year.

New information is required this year. Be sure the application you submit says "2024-2025 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 Have You Done Lately?

By Amber Kendrick

At the ARA Conference, there was a question that came up that we would love to turn into a regular column in yard talk. The question was, what have you done lately? Many recyclers shared what they've been up to:

- Condon's Auto Parts in Westminster, Maryland, says in the past, when outfitting parts techs with a yard vehicle, they used whatever minivan happened to come to the facility if it was drivable. This year, they purchased trucks for the parts techs specifically, they made sure that the heat, air conditioning and radio work. They equipped each tech with a truck that they don't have to spend a lot of time maintaining or fixing, with racks for body parts, keeping them on task.
- Stadium Auto Parts in Denver, Colorado, installed water cooler air conditioning in the dismantling building. Controlling the environment helps control the productivity.
- M&M Auto Parts in Fredericksburg, Virginia, replaced all the tired old signs in and around all of their buildings, giving everything a crisp clean look and a more professional appearance.

- Airline Auto Parts in Houston, Texas, added QR codes on signs in different areas in sales and customer pickup, the QR codes take you to leaving a google review!
- Roberston's Auto Salvage in Wareham, Massachusetts, had the local fire department that trains in his yard do a free seminar on fire prevention.
- Ace Pick a Part in Jacksonville, Florida, has been using temp services for staffing.
- Fenix Parts is having a steps competition! The higher the steps you get, the more points you are awarded, and you can turn those points into backpacks and shirts and other fun things. The yard staff loves beating the sales staff all day, and some salespeople are now using treadmill desks to increase steps!

We want to hear from you: **what are you doing in your business?** Take a pic, send in one sentence or one paragraph! It can be a new delivery truck or piece of equipment, it can be adding crushed gravel or asphalt to your yard, it can be a policy or procedure, a new way to incentivize staff or a line of your warranty policy that has been helpful. Email amber@petesauto.net with what you have done lately and your facility name! 🚗

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!!



IT'S YOUR INDUSTRY - YOU DESERVE TO KNOW EVERYTHING ABOUT IT

Because when you have the right information, you make the best choices for your converters.

And you can focus on what really matters: growing your business.

That's why PMR offers educational resources and expert business advice. Because we want to see you do more than achieve your goals – we want to see you exceed them.



Get to know
your industry like a pro.





**Automotive Recyclers
of Michigan**
7550 S. Saginaw
Suite 9
Grand Blanc, MI 48439



One sweet ride.

Discover how OmniSource can put you in the fast lane in automotive recycling. With more than 70 collection and processing facilities and a vast transportation network, we're one of North America's largest, oldest, and most-trusted recyclers of ferrous and nonferrous scrap. We provide customized solutions powered by cutting-edge technology, superior logistics, and unparalleled customer service. Let us help you maximize your profit. Take us for a test drive today. With OmniSource, you're always in the driver's seat.

Any Metal. Anywhere. Anytime.



For more information contact

Dan McDonald
damcdonald@omnisource.com
(517) 817-2794 office
(517) 740-8046 cell