

THE HORN



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PRESIDENT'S MESSAGE

Now that 2015 has begun, the AACT Board of Directors, Committees and Staff are anxious to hit the road running and help you, the member, prosper in 2015. Several Association Committees will meet within the first 2-3 months of 2015 and your input is vital. If you have been assigned to a committee, we urge you to attend the meeting(s). If you are not on a committee, and are interested in serving, call me (704-824-9079) or Randy Lisk at the Association Office (800-849-8037).

At this time, I would like to provide you with a list of our Directors. Feel free to contact any of them if you have any suggestions and/or concerns regarding your Association.

Vice-President: (District 5 Director) **Bobby Flowers**, The Flowers Co., Inc., Hickory, NC – (828) 322-5414

Treasurer: (District 2 Director) **Ed Chappell**, Loop Road Auto Parts, Garner, NC - (919) 779-0650

Immediate Past President: (Affiliate Director #1) **Ron White**, Duragloss/Brothers Research, Burlington, NC - (336) 229-6480

District 1 Director: **Richard Gerard, Jr.**, Piston Ring & Machine Co., Washington, NC - (252) 946-5188

District 3 Director: **Jeff Thomas**, A-1 Auto Parts, Mebane, NC - (919) 563-5988

District 6 Director: **Doug Moore**, Superior Parts Co., Inc., Pickens, SC – (864) 878-6362

At Large Director: **Allan Rouzer**, Rouzer Motor Parts Co., Inc., Salisbury, NC – (704) 636-1041

At Large Director: **Max Miller**, Benson Auto Supply, Benson, NC – (919) 894-2111

At Large Director: **Sandy Crews**, Southern Auto Parts, Jacksonville, NC - (910) 455-1300

At Large Director: **Eddie Williams**, American Auto Parts, Lincolnton, NC - (704) 735-0411

At Large (WD) Director: **Chris George**, NAPA D.C. – High Point, NC – (336) 878-4502

At Large (WD) Director: **Bob Conley**, CARQUEST Auto Parts, Arden, NC – (828) 651-2045

At Large (WD) Director: **Eddie Seagroves**, UCI-Goldsboro, Goldsboro, NC - (919) 735-3183

Affiliate Director #2: **Mark Savage**, Exide Technologies, Rockingham, NC - (910) 995-2587

You can reach me at NAPA MALI Auto Parts, Gastonia, NC - (704) 824-9079

– Ralph Dickson, III, AACT President

LEGAL / LEGISLATIVE

PERSPECTIVE: Time for FTC to Stand Up for Consumers

From a big picture point of view, I have never been one who is overly concerned about the car dealers as real competition for the independent aftermarket. Every few years, there seems to be a few Paul Revere's of the auto care industry who come forward to raise the issue of auto dealer competitors. For me, it is simply a matter of them having too few bays for the aftermarket to be concerned about.

But there is a competitive aspect of the carmakers that grinds my gears, and, once again, I am reminded of the arrogant attitude the automakers have about auto service. And it just makes me furious.

Not that long ago, we spent tons of money and countless years fighting the car manufacturers over **Right To Repair**: the ability for the independent auto care industry to have reasonable access to repair information - particularly important with today's extremely complex, electronically controlled vehicles - and the ability to get the diagnostic information necessary to make the right repair the first time. Suddenly, after losing at just about every turn - including at the polls - the carmakers relented, and now we have a workable agreement that keeps America's vehicles on the road, something that positively impacts the brand of each of those nameplates.

Also, over the last year or so, we have seen a revival of anti-competitive behavior from the automakers, telling vehicle owners that non-OEM parts will void the manufacturer's warranty - a fact that is 100% against the **Magnuson-Moss Warranty Act**, the federal statute that governs warranties on consumer products. In the spring of 2012, several of our industry trade groups called on the U.S. Federal Trade Commission (FTC) to take immediate action to have **Kia** withdraw a technical bulletin warning consumers not to use non-OEM filters, which they contend is a violation of the Magnuson-Moss Warranty Act. The bulletin, which was referenced in an article posted May 20, 2014 by *Consumer Reports*, recommended that car owners either go back to the authorized dealer or use a Kia oil filter to avoid problems with oil- and filter-related warranty claims.

Yet, even with this call for action from the FTC - an effort that had been underway on and off over the years - there has been little in the way of concrete action from the FTC. And that seems to be unacceptable, at least in the mind of one U.S. Senator.

U.S. Senator Richard Blumenthal (D-CT) has assailed the FTC about its lack of urgency in clarifying its interpretation of the Magnuson-Moss Warranty Act, and has communicated his displeasure in a letter to the Federal agency.

"Many motorists may have been led to believe...that going to a local repair shop or using a different manufacturer's parts could void a car's warranty," said Blumenthal in a letter to the FTC. "Manufacturers should be expressly advised that the Magnuson-Moss Warranty Act prohibits any conduct that would lead a reasonable consumer to believe that his or her warranty coverage depends on the use of a particular brand of product or service."

And the **Auto Care Association** applauds Blumenthal's effort.

"It is critical that the FTC take action to ensure that car companies stop misleading consumers as to their warranty rights," said **Kathleen Schmatz**, president and CEO of the association. "We hope the actions by Sen. Blumenthal and other legislators will move the FTC to immediately respond to the complaints filed by our association to ensure that consumers are properly informed of their rights under the law such that they can maintain their vehicle using non-original equipment parts and service without the threat of voiding their new car warranties."

This is definitely low-hanging fruit, and something the FTC could act on quickly, effectively and emphatically with little effort or expense. What holds them back is anyone's guess, particularly at a time when consumers are already skeptical of the automakers in light of massive safety recalls.

Hopefully, others on Capitol Hill will join Blumenthal's call for action and that the FTC will see the value in protecting American consumers.

- **Gary A. Molinaro, Publisher, The Greensheet**

It's OSHA 300 Time Again!

If you had 11 or more employees, on average, for 2014, it's time to work on your OSHA 300 log. If you have more than one location, as an employer you must keep a Log for each establishment or site.

Record only those work-related injuries and illnesses that result in:

- Death.
- Loss of consciousness.
- Days away from work.
- Restricted work activity or job transfer.
- Medical treatment beyond first aid. First aid is NOT recordable.

You must record:

- Any significant work-related injury or illness that is diagnosed by a physician or other licensed health care professional.
- Any work-related case involving cancer, chronic irreversible disease, a fractured or cracked bone, or a punctured eardrum.
- Any case requiring an employee to be medically removed under the requirements of an OSHA health standard.

You must consider the following types of injuries or illnesses to be privacy concern cases and NOT include the employee's name on the Log:

- An injury or illness to an intimate body part or to the reproductive system.
- An injury or illness resulting from a sexual assault.
- A mental illness.
- Other illnesses, if the employee independently and voluntarily requests that his or her name not be entered on the Log.

You must post the Summary only, NOT the Log, by February 1, 2015 and keep it posted until April 30, 2015

You must keep the Log and Summary for 5 years following the year to which they pertain.

Log sheets, Summary sheets and instructions may be found at:

www.osha.gov/recordkeeping/new-osha300form1-1-04.pdf

For questions, call your State Plan office or contact your Human Resource provider Sherry Robertson, PHR at IGO Insurance Agency, Inc.: sherry@igoinsurance.com; Hotline: 919-819-3335; Toll Free 800-243-1560 x102.

Lending Money to Your Employee

By Barbara Weltman, Guest Blogger, Small Business Administration: October 16, 2014

From time to time, an employee going through a rough financial patch may turn to an employer for help. As a member of your small business family -- which is how many owners view their staff -- you want to be helpful. But lending money to an employee should only be done after considering all of the issues.

Practical Concerns

There's no right or wrong answer when someone asks you for a loan. Your decision to help out often depends on the particular facts and circumstances. But before you make a loan to someone on your payroll, here are some of the questions you might want to ask:

1. Do you have serious concerns about being repaid? If you aren't repaid, will the loss materially impact you or your business? Remember you can't "hold" someone's paycheck.
2. What happens if you need to terminate the worker before the loan is repaid (e.g., your business contracts; the employee's performance becomes unacceptable)?
3. Will you be setting a dangerous precedent and become an easy mark for other employees? It would be considered discrimination to make a loan to one and not for those in the future.
4. Do you want to have the business lend the funds or make it a personal loan?

Alternative Ways to Help

If you don't want to become a lender, consider other ways to help a needy employee:

- If it is a sizable amount, advise about loans from your retirement plan. If the employee has an account in your 401(k) and the plan allows loans, the business doesn't have to become a lender.
- If it is a small amount, advance one paycheck. Make sure you, and your employee, understand what an advance means; it's just a timing issue for payment. The following check will act as repayment.
- Set a limit, as a company, on what cash amount you are willing to loan and how often. An example would be a one-time, \$500 maximum loan, repaid within 6 weeks.

Make it Formal

In any case, if you do decide to lend funds to an employee, be sure that the employee signs a promissory note to repay the loan. The note should spell out repayment terms (frequency of payments; amount of payments; interest rate; what happens in case of a default). There are numerous templates online that you can use to create a binding promissory note, but you might want to run it by your attorney to make sure you protect yourself.

Be sure to carry the loan from your business as such on your books. This ensures that loan repayments from the employee won't be reported as income. Check with your bookkeeper or accountant for specifics, especially when charging interest at the applicable federal rate, or AFR (an interest rate set monthly by the IRS and which varies according to the length of the repayment period).

If you decide to personally lend the money, different rules apply to so-called gift-loans.

It's great to be helpful to your staff, but this is a business and needs to be run as such. If you have any concerns, express your empathy and just say no. Politely explain the practical concern. And as always, check with your Human Resource contact, lawyer, or accountant for guidance. IGO Insurance Agency, Inc. has templates available for your use. Take the opportunity to use your FREE HR contact: Sherry Robertson, PHR, 800-243-1560 x102; 919-819-3335; sherry@igoinsurance.com.

MANAGEMENT NOTES

Four Sales Truths to Set You Free ... by John Chapin

If you're going to be successful in sales over the long haul, there are four concepts you need to fully accept and buy into. Missing any one of these will either prevent you from getting off the ground at all, or, if you do get off the ground, missing one of these will sabotage your long-term success and happiness.

Four Ideas to Take Control of Your Sales Career

1. It's not about chasing the sale.

Almost everything you chase runs away, and you probably don't want any part of the things that don't run away. It's recently been proven that even Great White Sharks will swim in the other direction if you swim at them and most prospects are far more timid than your average shark.

Instead of chasing the sale, work on the connection and the relationship. Your objective here is to make it all about the other person. And by the way, there is no *new* relationship selling, **it's always been about relationships**. The best salespeople, the ones who have had successful careers over the long haul, have not burnt out, and have led happy, fulfilling lives both personally and professionally, have always focused on doing what's right for the other person. That said, are there some sale-chasers out there who have experienced some success? Yes, but it usually comes at the expense of other areas such as: their character, their reputation and their personal life. I'm also guessing they aren't people you like or admire on a personal level. So in order to have a long, happy, successful sales career, take care of people and relationships and instead of having to chase sales, the sales will chase you.

2. You have to be completely accountable.

You need to have several levels of accountability in place to ensure you do what you need to do in order to be successful. The most important is accountability to yourself. That said, even the strongest and most self-disciplined among us will allow ourselves to falter from time to time, so it's important to have a second and perhaps even third layer of accountability. Your second level consists of people you work with and other professionals, this group includes: managers and bosses, coaches and mentors, mastermind groups, and, in some cases, may even include your peers. The third level of accountability includes friends, family, and other acquaintances. All that said, ultimately the buck stops with you. Even with other people checking on you, it's possible to cut corners, lie, and otherwise fudge things in your favor. You've got to push yourself and be willing to do whatever it takes to hold your feet to the fire even if that includes devices such as trap contracts and large fines.

3. You've got to be brutally honest with yourself.

You have to see yourself, and your sales career, warts and all. If you don't have the sales you need, the prospects you need, and the overall results you want, it's probably your fault. Own it and do something about it. This doesn't mean you have to beat yourself up to the point where you feel so badly about yourself that you can't perform. At the same time, you need to get enough leverage on yourself that you push yourself to get the job done every day. There's a happy-medium and balance here, but I find most people are not half as tough on themselves as they need to be. Most people will skirt responsibility and point the finger elsewhere when it comes to reasons for their failure. Accept responsibility, grab the bull by the horns, and get to work. Success or failure is completely up to you.

4. You have to get organized and get control of your time.

Getting organized and getting control of your time begins with goals and a plan. Decide what your business goals are for the year and then break them down to monthly, weekly, and daily activity.

Organize, clean up, and set up your work area, files, computer, calendar, and other tools and then get to work. This doesn't have to be complicated but it does take hard work and self-discipline to stick to your plan and do what must be done every day.

When you're at work, work. And when you're working, make sure it's on the items that will give you the most return on your time, effort and energy. You should be working on the 20% of items that give you 80% of your results, all other items should be delegated or eliminated. In sales, most of your time should be spent prospecting, presenting and closing. Continue to improve your organization and time management until you are spending 80%-90%, or more, of your time in these three key areas and then put checks and balances in place to keep yourself at that level.

***John Chapin** is a sales and motivational speaker and trainer. For his free newsletter, or if you would like him to speak at your next event, go to: www.completeselling.com. John has over 26 years of sales experience as a number one sales rep and is the author of the 2010 sales book of the year: *Sales Encyclopedia*. For permission to reprint, e-mail: johnchapin@completeselling.com.*

Your Invisible Paycheck

A copy of the "Your Invisible Paycheck" form that many AACT members complete annually for their employees can be found on page 8 of this issue of "The Horn". Many employees do not realize what you, the employer, have invested in them.

INDUSTRY NEWS

Car Care Guide Redesigned

Car Care Council (CCC) has redesigned its Care Guide. The council added 20 additional pages of new information to help motorists "be car care aware by better understanding the when, why and how of caring for their vehicles," the CCC said.

According to the CCC, the guide uses easy-to-understand everyday language rather than technical automotive jargon, fits easily in a glove box and covers the most common preventive maintenance occasions and procedures that should be performed to keep cars safe, dependable and efficient.

It also includes descriptions of major vehicle systems and parts and a list of questions to ask about maintenance or repair procedures. A car care checklist reminds motorists what vehicle systems need to be maintained and when service should be performed.

New sections include finding an automotive repair shop, alternative fuels, understanding vehicle warranties, vehicle telematics, careers in the auto care industry, as well as an expanded environmental awareness section, according to the Bethesda-based organization. It noted that the new guide "was reviewed by industry experts with various backgrounds and areas of expertise and the information has been vetted by car care professionals."

"Because properly maintained vehicles perform more safely and dependably for drivers and their families, the Car Care Council is committed to providing useful information and tools for motorists, like the newly updated, easy-to-follow Car Care Guide, to help take the mystery out of auto service and repair," said Rich White, executive directory of the CCC.

In addition to the new Car Care Guide, the council provides a wide variety of useful auto care information via its website and social media platforms, like a custom service schedule and email reminder service, Car Care Minute videos and Maintenance Monday tips. The Car Care Council can be followed on Facebook, Twitter, Instagram and Pinterest.

The council is the source of information for the "Be Car Care Aware" consumer education campaign promoting the benefits of regular vehicle care, maintenance and repair to consumers.

Available in English and Spanish, copies of the new 80-page guide can be ordered free of charge by visiting the Car Care Council website: <http://www.carcare.org/>.

ASAAA Elects New Board Members

Newly elected officers and directors of ASAAA for 2014-2015 are: President - Rodney Pierini, California Automotive Wholesalers Association (CAWA), Sacramento, CA; Vice President - Randy Lisk, Automotive Aftermarket Association of the Carolinas and Tennessee (AAACT), Raleigh, NC; Secretary/Treasurer - Gary Manke, Wisconsin Automotive Parts Association (WAPA), Madison, WI; and Past President - Debbie Cook, Michigan Automotive Parts Association (MAPA), Lansing, MI.

The four-member board was elected at ASAAA's Annual Meeting in Las Vegas, Nevada, November 3-4, 2014.

Membership includes state and regional associations representing the automotive aftermarket distribution segment. ASAAA's purpose is to encourage and further the development of the various associations in meeting the needs of their membership, to encourage cooperation and communication between the member associations as well as other groups and associations serving the automotive industry and to provide a means by which federal legislation affecting the industry is communicated to the association memberships.

ASAAA headquarters is located at 5330 Wall St., Suite 100, Madison, WI 53718.

AAACT NEWS

2015 Membership Renewals Underway

The AACT Board of Directors and staff would like to take a moment to express our sincere appreciation to you, our valued member, for choosing to belong to the Automotive Aftermarket Association of the Carolinas and Tennessee. It is our hope AACT has made good on its pledge to return value to your business in exchange for your membership dollars. Whether you took advantage of the various programs and services, resources, networking, served on a committee or supported our advocacy efforts, we thank you for your participation and membership.

AAACT has one common goal, to put brands aside and work together to promote the automotive parts industry. Your support, combined with others like yourself, enable your association to offer an extensive menu of member services and programs for the exclusive use of its members. Equally important, AACT members are represented at the national level through our affiliation with the Auto Care Association and the Alliance of State Automotive Aftermarket Associations (ASAAA), as well as at the local level in Raleigh, Columbia, and Nashville. Each and every member is a valuable component of AACT and to its success. Show support of your local, non--profit state trade association and the automotive parts industry by renewing your AACT membership dues upon receipt of your dues invoice. Thank you for allowing us to be of service to you. Best wishes for a happy, healthy and prosperous 2015!

AAACT/GAAS Scholarship Application Deadline -- March 31, 2015

The Automotive Aftermarket Association of the Carolinas and Tennessee is proud to announce that applications are now available for the annual AACT Scholarship(s). AACT will make available at least two (2) \$1,000 scholarships. All students who apply must be sponsored by an AACT member in good standing. AACT scholarships are also awarded regardless of the student's planned field of study. Keep in mind that AACT members, and their immediate families, as well as AACT members' employees and their families, are all eligible for the scholarships. AACT owner-members and immediate family members of an AACT Scholarship Fund Trustee are not eligible to receive an AACT scholarship grant.

Again this year, the student applicant may complete the application for the AACT Scholarships online at www.automotivescholarships.com/AAACT. This way the student will not only be eligible for the AACT scholarship, but also ones from several other sources within the industry. All applications need to be completed online by March 31, 2015. The AACT scholarship(s) will be awarded by mid-May, 2015. If the applicant desires to apply only for an AACT scholarship, then only the paper application should be completed and returned to AACT... call 1-800-849-8037 for a copy. But why not apply online and have a chance at multiple scholarships. Please contact Randy Lisk at the AACT office if you have any questions on this process for applying for scholarships.

Save These Dates !!!

March, 2015

March 24 -- AACT Convention Committee Meeting, Burlington, NC.
March 24 -- AACT Membership Committee Meeting, Burlington, NC.

April 2015

April 7 -- AACT Finance Committee Meeting, Raleigh, NC.
April 12 -- AACT Board of Directors Meeting, Greensboro, NC.

September 2015

September 10-13 -- AACT Annual Convention, Cherokee, NC.
September 11 -- AACT Board of Directors Meeting, Cherokee, NC.

November 2015

November 2-5 -- Automotive Aftermarket Week/AAPEX Show, Las Vegas, NV

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

Your Invisible Paycheck

TO: _____
 (Employee's Name)

Not many of us realize how much it costs for our company to keep us employed. Shown below is what it actually cost the company to employ you in 2014.

Your Total Paycheck in 2014

Your **Gross Earnings** before deductions \$ _____

Deductions from your paycheck amounted to:

Income Taxes (State and Federal) \$ _____
 Social Security Taxes \$ _____
 Your Share of Group Insurance Premiums \$ _____
 Your Charitable Deductions \$ _____
Total Deductions \$ _____

Your **Net Earnings** (take-home pay) \$ _____

In addition to your wages, the company paid for you:

Social Security Taxes \$ _____
 Unemployment Compensation Taxes \$ _____
 Workers' Compensation Insurance Premiums \$ _____
 Retirement Plan Benefits \$ _____
 Life Insurance Premiums \$ _____
 Health Insurance Premiums \$ _____
 Dental Insurance Premiums \$ _____

Total cost of company paid benefits..... \$ _____

Total the company paid in 2014 for your wages and benefits \$ _____

Time paid, but not worked:

Included in your wages paid by the Company were the following amounts for the time you did not work:

Company paid for _____ holidays..... \$ _____
 Company paid for _____ vacation days \$ _____
 Company paid for _____ sick leave days \$ _____
 Company paid for _____ other days \$ _____

Total company paid you for time not worked \$ _____

In 2014, the company paid you in wages and benefits a Grand Total of \$ _____

This statement is provided to you for your information. It is not intended to show that our company is a generous employer. You earned the amount on the bottom line. We do feel however, that you and your family should know what extra benefits and protection programs you have as an employee of _____.