

# AUTOMOTIVE RECYCLING™

The Official Publication of the Automotive Recyclers Association

January-February 2006

## CYBER-SALVAGE *e-Commerce: A Virtual Reality*

Auto recyclers who learn how to effectively  
navigate the cyberspace universe stand  
to live long and prosper.

- CAR and Gold Seal Program Changes
- ARA's Mid-Year Business Meeting
- ARA Scholarship Foundation Recipients

\*\*\*\*\*ALL FOR ADC 7  
Ron Sturgeon  
GreenLeaf Auto Recyclers, LLC  
2108 E Randol Mill Rd Ste 110  
Arlington TX 76011-8228

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# THAT'S MY *Opinion*



## |You Position Yourself

JUST ABOUT EVERYONE IN AMERICA COMES across a little money at some time or another. I always say that such events likely don't happen more than five or six times in a lifetime. I call these opportunities "monetary crossroads." You should take them when you cross the junction. They might win a lottery; they might inherit a sum; they might cash in some old stock that was passed on to them. Maybe they just received a modest refund on their taxes. Perhaps they had an insurance settlement from a loss or an injury in the past. We see it all the time. What do most Americans do with a cash windfall when it comes their way?

### People rarely recognize these life-changing opportunities.

Most spend it on something they've wanted or dreamt about for a long time. Many actually put themselves into debt by using it as a down payment toward something that locks them up with monthly payments. Few put their windfall to work to grow it. So after a time, long or short, it's

gone. If money comes your way in any form, don't throw it away flamboyantly. Invest it in what you are doing or in something that will likely ensure its growth. Use it to position yourself. Use it to meet new business contacts.

People rarely recognize these life-changing opportunities. When I was fresh out of high school, my dad passed away and left me an old VW to drive. I went into business working on cars, opening a little VW repair shop. But I soon learned it was a tough way to make a living. In 1973, two years after I started, a check showed up in the mail for \$2,000. It was the balance leftover from \$4,000 my father had left me for college. As I had stopped going to college, my father's executor sent me the remaining balance.

I decided I wanted to deal in cars as well, so I bought a used '71 VW Bug with the money and sold it for \$2,500, taking a '71 Ford Pinto in trade on the deal. I had made more in those two transactions in one week than I had working on cars for two years, so I decided I wanted more of that action. Within six months, I had a \$10,000 financing floor plan at my bank and was regularly buying and selling cars.

That one check for \$2,000 completely changed my life. I had recalibrated my financial ambitions and was moving into a new area of business life. You position yourself for success. Nobody does it for you. ♦

## Toon In: Holding Your Breath Under Water

**The suspense of dealing with a problem that has gone on far too long.**

It can be the frustration that occurs when a supposed solution is not working or is working too slowly, or the impatience caused by repeated failures. If you try to hold your breath too long, eventually you die. It refers to executives who, for instance, are working in a turn-around, and the results aren't as expected or required, so they are close to death.

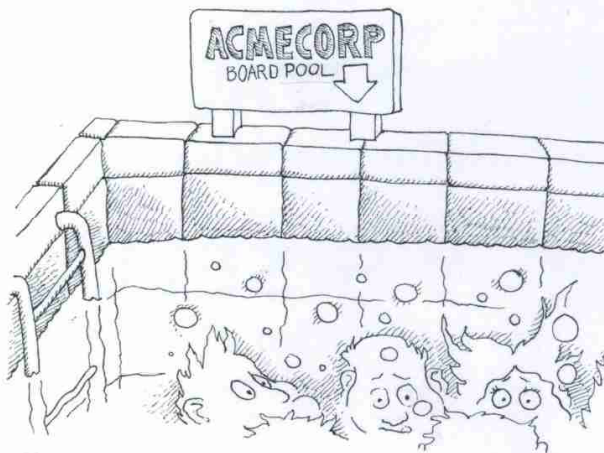


Illustration by Gahan Wilson, with definition from Ron Sturgeon's latest business book, *Green Weenies & Diligence-Insider Business Jargon—Raw, Serious and Sometimes Funny*, available summer 2005. This entrepreneur's diary includes over 1200 business and deal terms defined that you won't get from school or a dictionary. Visit [www.greenweenies.com](http://www.greenweenies.com).

### By Ron Sturgeon

Ron Sturgeon is founder of [AutoSalvageconsultant.com](http://AutoSalvageconsultant.com) whose mission is to help recyclers improve their businesses. He is also the author of *Salvaging Millions*. He can be reached at [rons@rdsinvestments.com](mailto:rons@rdsinvestments.com) or 817-834-3625, ext. 6.

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# LOCATOR

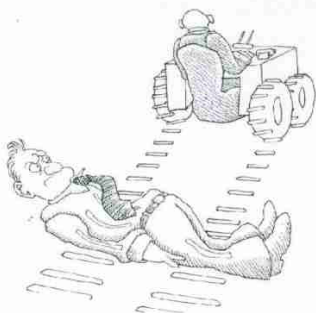
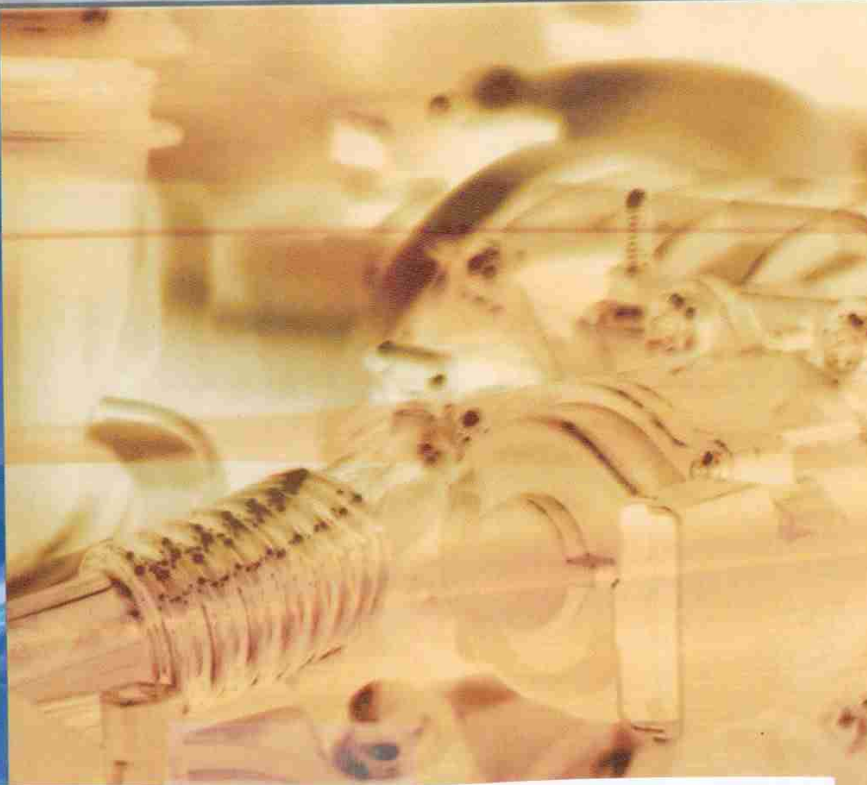
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## IN THIS ISSUE:

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Featured Collision Repairer

Articles Important  
to Your Business

The Latest  
Automotive News



Jeffrey Wilson

HIT AND RUN MANAGEMENT

**Hit and run** A term with at least three business meanings: (1) to make a quick, hard sell but then not follow up with the prospect; (2) to use short, intense advertising campaigns; and (3) in management, to criticize subordinates quickly and insightfully, then quickly leave them to stew about it. (See also: *hit-and-run management*.)

Use: "As one of our marketing tools, we *hit and run* with snappy 20-second prime-time TV commercials aired only four nights each month. We dovetail those with dozens of personal *hit-and-run* calls on prospective clients."



# You Position Yourself



Just about everyone in America comes across a little money at some time or another. I always say that such events likely don't happen more than five or six times in a lifetime.

They might win a lottery; they might inherit a sum; they might cash in some old stock that was passed on to them. Maybe they just received a modest refund on their taxes. Perhaps they had an insurance settlement from a loss or an injury in the past. We see it all the time. What do most Americans do with a cash windfall when it comes their way?

Most spend it on something they've wanted or dreamt about for a long time. Many actually put themselves into debt by using it as a down payment toward something that locks them up with monthly payments.

Few put their windfall to work to grow it. So after a time, long or short, it's gone.

If money comes your way in any form, don't throw it away flamboyantly. Invest it in what you are doing or in something that will likely ensure its growth. Use it to position yourself. Use it to meet new business contacts. I believe that there are only a few such opportunities in a person's lifetime. Some people use money opportunities wisely; some don't. I call these opportunities "monetary crossroads." You should take them when you cross the junction.

Very few people recognize these life-changing opportunities. When I was fresh out of high school, my dad passed away and left me an old VW to drive. I went into business working on cars, opening a little VW repair shop. But I soon learned it was a tough way to make a living. In 1973, two years after I started, a check showed up in his mail for \$2,000. It was the balance leftover from \$4,000 my father had left me for college. As I had stopped going to college, my father's executor sent me the remaining balance.

I decided I wanted to deal in cars as well, so I bought a used '71 VW Bug with the money and sold it for \$2500, taking a '71 Ford Pinto in trade on the deal. I had made more in those two transactions in one week than I had working on cars for two years, so I decided I wanted more of that action. Within six months, while still working on cars for a month, I had a \$10,000 financing floorplan at my bank and was regularly buying and selling cars.

That one check for \$2,000 completely changed my life. I had recalibrated my financial ambitions and was moving into a new area of business life. You position yourself for success. Nobody does it for you.

Don't forget to go the website for my new book, [www.greenweenies.com](http://www.greenweenies.com), to learn all the backroom business terms. There are 1,200+ terms in over 300 pages, with hilarious illustrations by world famous Gahan Wilson. You can register there for your free weekly "green weenie." If you want to know what a three fingered booger is, or what's in a train wreck envelope, it's the only place to go!

Remember, only you can make BUSINESS GREAT! Next month, more from Chapter Six of *How to Salvage Millions from Your Small Business*.

Please email if you would like me to send previous articles.

AutoSalvageconsultant.com was formed in 2001 to help recyclers improve their businesses. With over fifty years of experience in three staff members, the group is THE definitive source for recyclers' management and training needs. The founder, Ron Sturgeon, is past owner of AAA Small Car World. You can review his resume, with skills and experience, at our website. In 2002, his book *How to Salvage Millions From Your Small Business* was published to help small business owners achieve significant success. It was recently reprinted in the U.S. and published in China, Korea, and the Czech Republic. You can learn more about how to help your business at [www.autosalvageconsultant.com](http://www.autosalvageconsultant.com). You can reach us at 5940 Eden, Haltom City, TX 76117, or by calling or sending an email to Mike Gibson or Tammy Sturgeon. Mike can be reached at 817-925-0061 or [mikeg@autosalvageconsultant.com](mailto:mikeg@autosalvageconsultant.com), and Tammy can be reached at 817-999-1224 or [tammysturgeon@all-import.com](mailto:tammysturgeon@all-import.com)

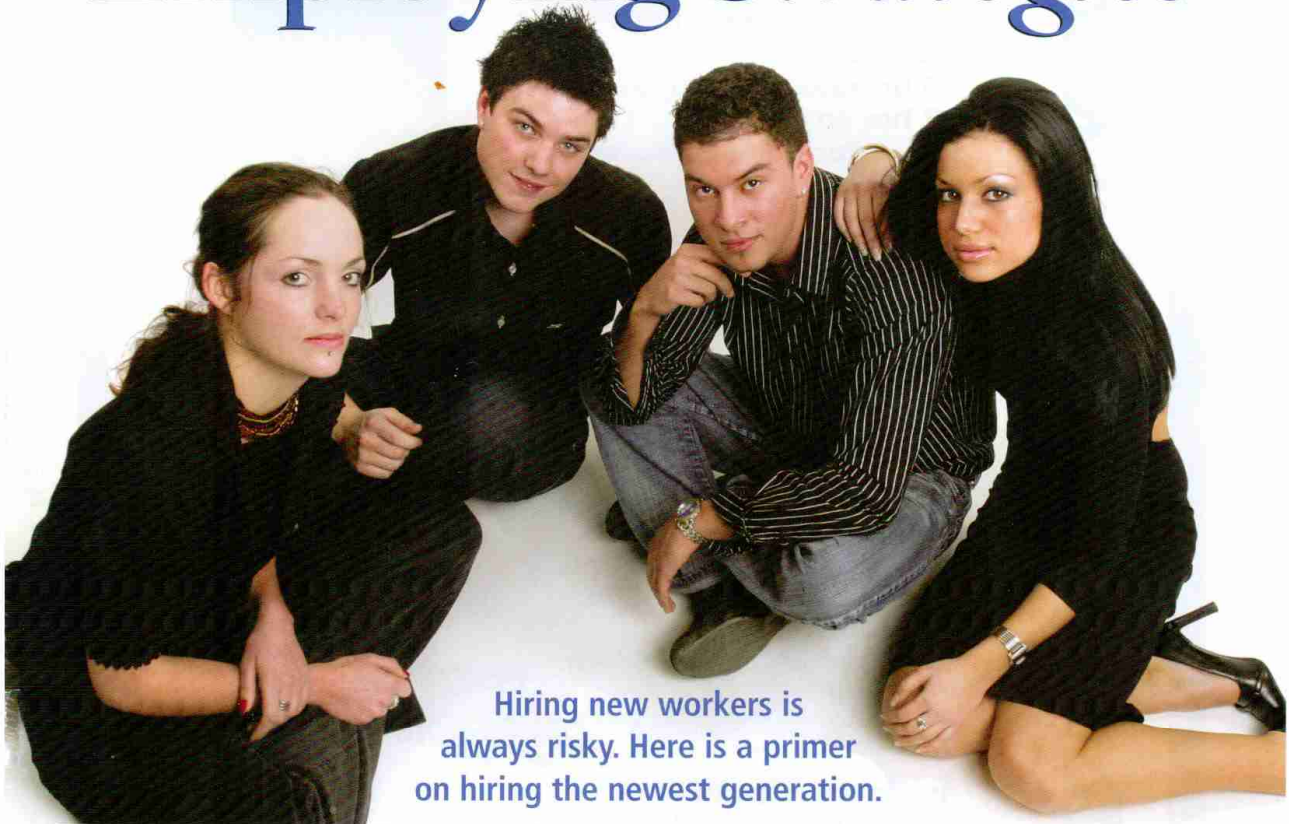
ARA's 2006 Annual Buyer's Guide INSIDE

# AUTOMOTIVE RECYCLING™

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May-June 2006

## Employing *Strategies*



Hiring new workers is  
always risky. Here is a primer  
on hiring the newest generation.



\*\*\*\*\*ALL FOR ADC 760

RON STURGEON  
GREENLEAF AUTO RECYCLERS, LLC  
2108 E RANDOL MILL RD STE 110  
ARLINGTON TX 76011-8228

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- ARA's Mid-Year Business Meeting is a Winner!
- Standardized Parts Codes
- Providing Education Benefits for Employees

# THAT'S MY *Opinion*



## |Your Advertising Dollars

SO MANY FOLKS ASK ME TO HELP THEM with marketing and advertising when I do a consulting assignment. Historically, most recyclers don't spend enough of their revenue on advertising (I recommend at least 1-2 percent) because they have had bad results and don't know what to do. I am always amazed when I see sponsorships of racecars and softball

teams touted as effective marketing and advertising.

I am completely self-taught on marketing, and you can be too. It's not rocket science. If you read a few good books, you will know most of what you need to know. In addition, I used Mike French, owner of Mike French & Company, Inc., for my direct mail campaigns –

he understands our business so well (*for more on advertising, see Mike's column on page 10*). Moreover, he designed, printed, and mailed the piece. About every 4th job, I would get competitive bids from other vendors for the work, but I don't believe he was ever outbid.

It is important to track the results of your advertising to avoid wasting money. In 1994, *Inc. Magazine* did a nice article on our marketing efforts at AAA Small Car World. We had a very simple but in-depth system for tracking results from advertisements and direct mail. The system also tracked and reconciled sales and phone calls. We knew which mediums delivered the most bang for our buck. For a copy of that story, e-mail me.

A good marketing and advertising campaign has to start with a genuine understanding of your customer, your products, and services, so that you can make sure they are all aligned. For too long, recyclers have believed that anyone that drove a used vehicle was a prospect, but that definition is much too broad.

A sustainable, results-oriented program must include these factors:

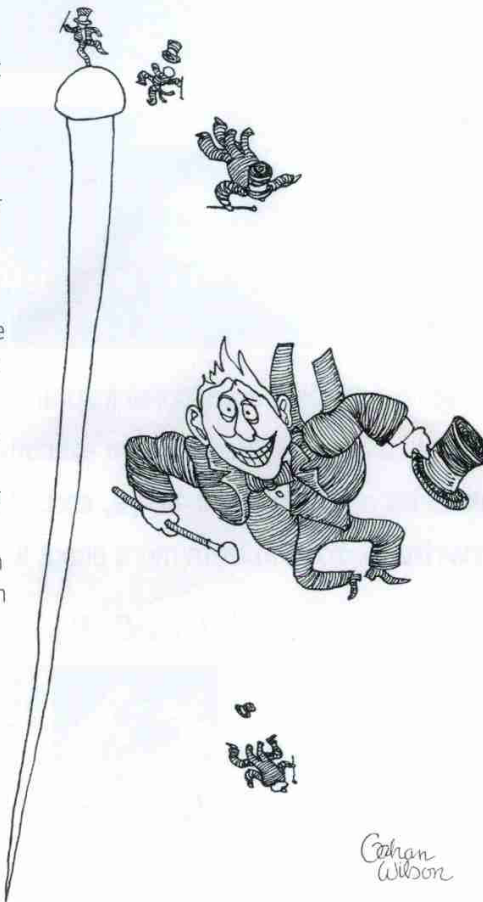
- Direct mail with measured results,
- Print advertising,
- Yellow Pages advertising (on a small scale),
- Internet and Web presence with e-mail capability,
- Products and services that match your customer and mediums, and a thorough understanding of the desired retail and wholesale mix,
- Press releases and other methods of networking (many are free), and
- Focused campaigns for existing customers and prospects.

## *Toon In:* Dancing on the Head of a Pin

Negotiating fiercely, pushing and pulling over the terms of a deal that is unlikely to please any of the parties involved. The term is commonly used by venture capitalists but can be heard in discussions by any high-powered people and/or those with big egos. Do you like the image of rivals jostling to get their way and still trying to stay on the head of the pin? It is reminiscent of seeing who gets pushed off a log first or falls into the pool while chicken fighting.

Use in a sentence: "The underwriter and the CEO were dancing on the head of a pin during the transaction because there simply wasn't enough money to give everyone what they wanted."

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## Differentiate Yourself From Your Competition

Charles Tandy (of Tandy Corporation fame) once said, "The most likely person to buy something from you is the person that just bought something from you." We spend an inordinate amount of time trying to get new business instead of prioritizing and focusing on existing customers.

There are two types of advertising: **brand building** and **selling**. Although your brand is a valuable intellectual property and your company's identity, I believe we should spend the bulk of our budgets on selling type of advertising.

Here are examples of each:

**Brand advertising:** A flier shows a bottle of Jack Daniel's Whiskey and reads, "Reward Yourself."

**Selling advertising:** A flier shows a bottle of Jack Daniel's Whiskey and reads "Reward Yourself. Jack Daniel's quarts, \$8.99 at Bud's Liquors, through July 31."

In your selling advertising, your job is to create the perception that your products are better than your competitor's. For example, some United Recyclers Group (URG) partners have leveraged the URG logo and standards of

I believe we should spend the bulk of our budgets on selling type of advertising.

quality and service into something that differentiates them from their competitors. One way we accomplished this over a decade ago was by offering lifetime warranties. Let's face it, your used alternator is not very different from your competitor's offering. I once had an inquisitive recycler ask me, "How can you guarantee parts forever?" I said, "We don't guarantee them forever." He said, "Your ads say that." I followed, "Yes, our advertisements say *ask* about our lifetime warranties." I am not sure if he understood that our *willingness* to guarantee the part forever created the perception that it must be better.

Once you have strategized on how to differentiate yourself from your competition, use selling advertising to leverage that into greater sales and profits. Keep in mind that advertising does not have to be fancy or expensive, it just needs to be effective, which can be done cost-effectively. One easy (and free) way to generate ideas is to pay attention to the advertising that surrounds you every day. Watch TV commercials, browse through the Sunday paper's print ads, and read your junk mail. What catches your attention will probably attract your customers too. While you cannot directly steal an idea (that



could be copyright infringement), but this exercise may spark the idea within you that will set your company and products apart from the rest.

Remember, only you can make BUSINESS GREAT! ♦

### By Ron Sturgeon

Ron Sturgeon is founder of AutoSalvageconsultant.com whose mission is to help recyclers improve their businesses. He is also the author of *Salvaging Millions*. He can be reached at rons@rdsinvestments.com or 817-834-3625, ext. 6.

## Markingpendepot.com



Online sales of industrial markers for auto salvage and auction

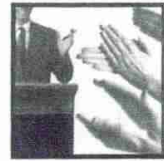
- Permanent paint markers from \$1.30 each
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# THAT'S MY Opinion



## Get the Sale by Asking

SALES JUST HAPPEN IF YOU SET UP SHOP AND have a product. Right? No. Don't take your sales for granted. Even if a certain amount of income comes almost automatically from walk-in sales that seem to happen whether you do anything or not, every business has the potential to increase its sales results. (By the way, walk-ins have dropped precipitously. Have you planned for it?)

Creating increased sales is mostly science, not art. Salespeople are supposed to have this skill when they come to work for you, but not all of them possess it to the same degree. As a business owner, you should never totally rely on

the skill level of salespeople who come into your organization. You must learn from every one of them, and investigate on your own the elusive cause behind increased or decreased sales. Read about how to generate sales. Talk to others in your industry. Follow good advice wherever it may apply. Experiment and monitor your progress.

Gaining an increase in sales starts by monitoring current numbers and sales. How will you know something is working if you don't have actual numbers against which to weigh your results?

Next, the success of your sales staff is directly related to their belief in you and

your company. Give them reasons to believe in you. Ask them what you can do to help them increase their sales. Provide ongoing sales training as you can afford it. As a leader, you are the goal setter as well. Set goals realistically from the actual numbers and get their feedback as to what should be the goal. As goals are achieved, reward them accordingly. When they are not, discuss what happened. Possibly the goals were not realistic or maybe they didn't work hard enough. Most importantly, check to see if they are asking for the sale.

Salespeople should proactively ask for the sale. This is a key ingredient to success. Never put your customer off for a future sale. Always ask "closing" questions that cannot be answered with a yes or no. For instance, ask them if they are going to pay by credit card or check, or when they would like to have their purchase delivered. How you do it is up to you, but ask for the sale.

Make sure your staff is *selling*, not just going through the motions of this vital part of growing a successful business. When a customer is given time to think about a purchase, they will talk themselves out of it, consider other alternatives, reconsider the price, or may decide not to buy. Do not give them time to reconsider by using these techniques to close the transaction.

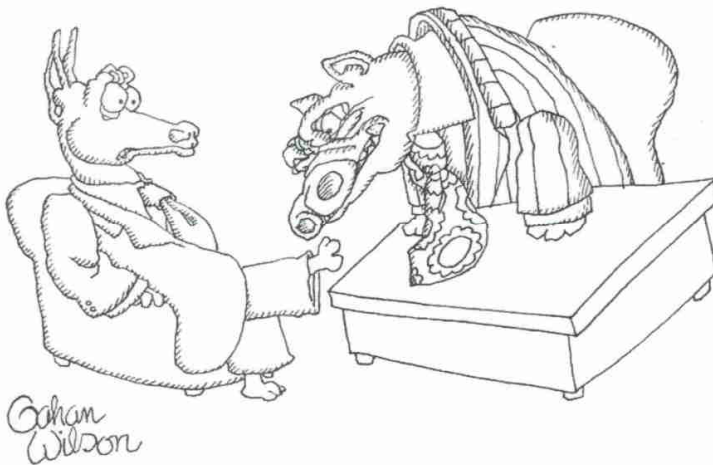
If your business has maintained a sustained period of non-growth, chances are that your sales force has fallen out of the habit of asking for the sale. □

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## Toon In: Leg Sniff

The early stages of hiring an important employee when all parties are trying to determine if he will be a good fit. When dogs have just met and are trying to decide if they will get along, they sniff each other in sensitive areas. It's also used routinely in acquisitions, lending and looking for partners, as everyone wants to do a leg sniff early on to see if they like the players.



One of the illustrations by Gahan Wilson, with definition, from Ron Sturgeon's latest business book, *Green Weenies & Diligence—Insider Business Jargon—Raw, Serious and Sometimes Funny*, available summer 2005. This 300-page book includes over 1200 Business and Deal Terms defined. It's an entrepreneur's diary that you won't get from school or a dictionary. Visit [www.greenweenies.com](http://www.greenweenies.com) to sign up for the free illustrated Green Weenie, delivered via e-mail.