



The California Independent

PROFESSIONALS IN AUTOMOTIVE SERVICE

NOVEMBER/DECEMBER 2005

Help Guide the Look of ASCCA!



Automotive Service Councils of California
AUTOMOTIVE SERVICE PROFESSIONALS

Potential new logo for ASCCA

Throughout the year, your Membership Committee has been dealing with an association issue many of you have probably had to deal with yourself – the fact that many people, even those in our industry, get ASC confused with ASE (the testing group). After considerable debate, the Committee decided that it is not in our best interest to change our association's name from the Automotive Service Councils of California. So, your Committee concluded that simply referring to the Automotive Service Councils of California as ASCCA would do wonders to differentiate ourselves from ASE.

Once that debate was concluded, we still had to come up with a way to make our logo reflect ASCCA and not ASC. In order to update our logo and bring it in-line with current industry trends and make it more customer-friendly, your ASCCA staff consulted a logo design specialist. After months of trial and error, your Membership Committee would like to bring to you a logo that we think you'll like and agree that reflects the environmental consciousness of ASCCA shops, distinguishes us from other industry associations, as well as displays our new acronym, ASCCA.

However, before deciding on the new logo **WE NEED YOUR INPUT!!!** Although we, the Membership Committee, like the look of the new logo, this association is made up of over 1,800 members. So, we want to know your opinion on the new logo and take your thoughts into consideration to see if we should have our designer alter or change the logo in any way.

You can view the logo in the Members' Only section of the ASCCA website, www.ascca.com. While you are looking

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ASCCA Says Thank You!

ASCCA would like to thank its 2005 Board of Directors and Committee members for their unfailing dedication and positive input over the course of this past year.

Each of these ASCCA members has chosen to "step-up to the plate" and gives ASCCA, their fellow members, and their industry "their all." By "their all" I mean they have sacrificed several weekends, several evenings, time with their family, and focus on their shops and personal lives to better serve ASCCA. Each one of these outstanding ASCCA members has chosen to give of themselves because they believe in ASCCA, its work, its ethics and its benefit to the automotive industry.

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President's Message



Bob Constant
State President 2005

The View from the Sunset

Amazingly, this is my final "President's Message" for the *Independent*. The year has flown past faster than expected. ASCCA has accomplished a lot this year, and we have improved our stance within the automotive industry community and with the governmental agencies that regulate us. Communications have increased and improved between the professional and volunteer leadership of ASCCA and our members and chapters. There have been clarifications and revisions of policies and procedures to smooth out operations of the association and to improve your ASC Educational Foundation.

Workers' compensation rates dropped in time for the July renewals and we are looking forward to another sizeable decrease at the end of this year. Your professional and volunteer leadership has traveled up and down the state to visit chapters and pass on information you need to improve your business and the old feelings of camaraderie are alive and well. The year is ending on an upward swing thanks to the efforts of everyone involved. ASCCA has come a long way in a year and you have reason to be proud.

When we look at the future of ASCCA it is clear we must continue our efforts to improve the environment our members operate in. The influence of our message must be spread further across the spectrum of industry and government. The automotive repair industry in California appears to be unaware of the potentially disastrous impact of the CARB 15 year and 150,000 mile warranties on our future. Your association is on the leading edge of the fight to defeat these capricious acts by out of control bureaucrats. Stay tuned as your help will be needed in the future on this and other issues.

Much has been made this year over HR 2048, the Motor Vehicle Owners' Right to Repair Act currently in Congress. Our industry has representatives on both sides of this issue. Congressional hearings have resulted in several attempts to mediate an industry settlement, but for a myriad of reasons, including the egos of some participants, settlement is still out of reach. This does not mean it is not possible. While understanding the value of strong disagreement and debate, our industry must demonstrate the ability to agree to disagree and continue to work together whenever possible for the betterment of all.

Along the same line of thinking, ASCCA must continually seek out other organizations to join forces with such as NFIB, ASE, education providers, governmental agencies, etc. Our core purpose calls us to elevate and unite automotive professionals. The organizations we join with must embrace the same positive attitude and agenda we

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Executive Director's Report



Shelly Levy
Executive Director

The year is swiftly drawing to a close and the usual end of year time of reflection is upon us. I have enjoyed serving as your Executive Director this year and am approaching my one year anniversary with ASCCA in this capacity with a sense of accomplishment and also the realization that there is still much to do.

I would like to take this opportunity to thank the 2005 Board of Directors and the 2005 Chapter Representatives for their help and support this year. I have appreciated the work that Bob Constant has put in as President and I am looking forward to welcoming Dan Fogle on board as President for 2006. Teamwork is vital in any enterprise but is central to our mission in the association community.

I'd also like to thank those chapters who allowed me the privilege of speaking at chapter meetings in order to directly communicate with the membership. It is through events like this that we maintain an open communications link and it's helpful to see each other as people, not just words on a page or an email. Your hospitality was appreciated and I hope to visit those chapters I was unable to get to yet in the coming months.

Thanks also to the hard working staff here at ASCCA. Elizabeth Hicks and Shauna Scott have gone above and beyond the call of duty on more than one occasion and I appreciate their dedication and their belief in what they are doing on your behalf. It's a joy to work with people who have a personal sense of obligation to the membership as opposed to people who just punch a clock.

The leadership and membership of ASCCA took a brave step this year and put a significant amount of work into redefining the mission and objectives for the association. A new vision was put in place and much work is going into identifying the specific steps we must take in order to achieve those goals. Our focus in 2006 will be on pursuing the implementation of licensing and certification, continued vigilance in the government affairs arena and the establishment of a new education program to assist our members. We are continuing to build the future one brick at a time.

Wherever the future leads us we will go confidently together to face it. We choose to live by the following values identified in our vision statement – integrity, compassion, individuality and continuous self-improvement. Everything we do as individuals and as a group must live up to those standards. The mere fact that we claim continuous self-improvement as a core value of the association dictates that change will be an on-going feature of our membership. It's difficult to set out values and expectations and it's even harder to actually live up to them; yet, I believe we are up to the task.

Thank you for your membership in ASCCA. Each member is important and cared about. We are setting about the arduous

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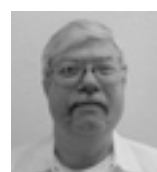
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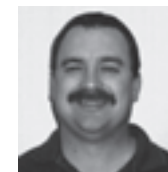
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Insurance News

Understanding the Mysteries of Experience Rating: As it Relates to Your Workers' Compensation Insurance

Over the last couple of years we have gotten a number of questions about the California Experience Rating System and the reasons for having the system. Experience rating was created by the regulators-Department of Insurance (DOI), Workers' Compensation Insurance Rating Bureau (WCIRB) and the Department of Industrial Relations (DIR) – to reward or punish employers for their safety efforts or lack of safety efforts. It is a strongly held belief of the regulators that individual employers will only spend money on safety if there is a reward or punishment.

The WCIRB collects individual loss, payroll and policy information from each employer in California. This data is reported on a regulated basis once each year whether an employer has an experience modification or not. Using this data the WCIRB recommends and the DOI approves expected loss rates, which based on payroll for each employer by class allows them to know what the average losses should be for each employer.

Using this average data and payrolls an employer is issued a mandatory experience rating for a period of one year if they meet the minimum qualifying premium. Currently this is around \$20,000 per year and varies each year. The goal of the system is to exempt the smallest employers due to the fact that only one loss could impact them in an unfair manner. It is also a goal of the system to have an equal number of employers under or over 100%.

Each employer's actual loss experience over a three year period is compared to the expected loss in their class codes on their policy and if the losses are equal to the expected losses then the Experience Modification will be neutral or at 100%. If losses are less than expected then the experience modification will be a credit and reward the employer. If the losses are greater than expected then the experience modification will be a debit and will increase premiums for the employer. The experience modification is recalculated each year with the qualifying premium, expected loss rates,

losses and payroll adjusted by deleting the oldest year and adding the next year in line.

When losses are declining in the state and rates are declining as they are currently, the average losses also decrease to reflect the improvement in loss ratios. If an employer's losses stay the same then the experience modification will usually increase. If the losses decrease then usually the modification will also decrease. The goal again is to encourage employers to have active safety programs designed to prevent losses and active claims management programs designed to return employees to work as soon as possible and to decrease the cost of claims.

Currently the WCIRB and the DOI are reviewing some changes in the system

beyond the normal yearly adjustments. There have been no changes to the basic mathematics of the formulas and the balance in the state has changed to the point where the average experience modification is now 94% state wide. The major proposed change will be how claims are discounted for severity in the formulas. Currently claims over \$2,000 are discounted based on the theory that the size of the claim is uncontrollable to a large extent, but that the actual claim happening is not. Proposed changes to the formula will change this level to \$10,000 and will have the impact of increasing most experience modifications issued after January 1, 2006 a few points. This will in turn move the average experience modification in California back to 100%.

There is never a good time to make this type of change and we are sure many employers will feel that this is just another way to increase premiums. The regulators on the other hand feel they have an obligation to the employees of California to do all in their power to prevent injuries and to control claim costs. The one positive, if there is one in these changes, is that they are being considered when rates are declining

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California's Flood Season Started November 1st!

The recent Hurricane Katrina and Rita disasters have put flood control in the media and political spotlight for now, but local attention will fade until California faces its own flood emergency, which it does at least once every decade.

Weather forecasters say this winter will bring an increased likelihood for "Pineapple Express" storms, which have its origins in the Hawaiian tropics. Warm storms, such as these, can pose the greatest threat to California's flood-control system. For example, in January 1997, such a stretch of warm storms brought one of our state's worst floods in recent memory. One thing that is certain is that **warm and wet storms, such as these, bring a high potential for flooding.** The storms have two compounding effects:

- 1) Precipitation falls as rain instead of snow in the mountains, increasing the run-off into the local rivers.
- 2) The rain will melt the snow at lower mountain altitudes, adding even more liquid water.

Water resource agencies in California must fight a constant battle between public safety and water supply demands. The state needs an adequate amount of water for urban and agricultural customers, but must also try to predict and maintain enough capacity in the state's reservoirs for excessive and unpredictable storm run-off.

Contact the ASCA Insurance Services office today to see how **LITTLE** it can cost to secure flood coverage this season. Call Lorraine Stevens toll-free at (877) 250-1979 or on her direct-line at (916) 609-8402.

*The information in this article came from the *Sacramento Bee* and *Komo 1000 News*.

The ASCCA Website is available for you 24/7!
Please visit www.ascca.com for all the latest association information!

Increase Sales by 10% the Easy Way

Computers, and shop management software in particular can generate a lot of data. But if you never take time to step back and evaluate the data, then the system is not providing you with its real true value. The value in the system lies in the information, the trends and the averages, which will allow you to evaluate your business and make intelligent, rational business decisions. Here's some simple things that you can do to increase your sales by ten percent, without raising your labor rate a nickel.

There are basically only three ways that we can increase sales in an automotive repair shop:

1. Increase the number of customers we service each day. (Car Count)
2. Increase the average ticket size for each customer. (Average \$/RO)
3. Increase the markup of parts and/or labor. (Gross Margin)

Pretty simple, right? But you'd be surprised at the number of shop owners that can't, off the top of their head, tell you what their average daily car count is, their average sale per repair order, or their gross margin on parts and labor.

So the good news is that if we focus on just three measurement criteria, we can probably do a better job of managing our business. And the extraordinarily good news is that if we can make a 3% improvement in each area then we can make a 10% improvement in our total sales, and more than half of that 10% will fall directly to our bottom line.

Car Count

Every good shop management system has a marketing system. Learn to use it. Follow up with your existing customers and remind them that it is time to come

back in for an oil change, alignment, transmission flush, cooling system service etc... Your customers can never come back to your shop for maintenance if you don't tell them they need the maintenance in the first place!!!! Run a special for getting ready for winter. Postcards are cheap. Send 500 out to your best customers about having their vehicle inspected and prepared for winter and see what kind of response you get.

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- Environmental Laws
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Here are just a few California shops that believe this workshop is where the turnaround starts.

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What Happened to My Car Count? Building and Stabilizing Your Shop's Car Count

The monster playing the starring role in the recurring nightmare of most shop owners is "car count." Where did it go? How do I keep it? How do I get more of it? How do I stabilize it? It's down this week, why? It's up this week, why?

Car count management seems harder today than ever. Things that used to work don't seem to anymore. It feels like there is some powerful force trying to push our car count down and with every passing week "the force" exerts even greater downward pressure.

We assign names to this force trying to push our car count down. Sometimes we think it's a bad economy, then it's gas prices or car dealers, state governments, extended warranties, competitive shops, customers' buying habits or voodoo curses. With the possible exception of the voodoo, all these things are real and impact the lives of shop owners. However, none of these things, individually or collectively, is "the force."

At ATI, we understand completely this force pushing against your count. Our 70 or so ATI employees have worked with thousands, upon thousands, of shops in every part of the country for 30 plus years now. We get it. And happily, once you understand the real reason why car count is such a challenge you will then find simple, direct, reliable and affordable ways to make more money in a stable car count environment.

What has changed?

The average U.S. car in 1980 threw off 3.4 times more repair dollars than did the average U.S. car in the year 2000*. Yet, there are more total auto service dollars generated today in the U.S. than ever before! Why is that? We've had a dramatic reduction in available repair revenue but more total auto service revenue dollars are now generated. Something has changed!

Cars are more reliable today; no new news there. However, the degree of this shift and its impact on the traditional repair based auto service business model is more profound than shop owners may realize. As cars became more reliable through the 1990s the frequency of

"repair events" decreased dramatically. The following chart quantifies this change.

Change in Reliability by Number of Problems per 100 Cars

Car Type	1983	2000
American Cars	106	18
European Cars	53	20
Asian Cars	39	12

Consumer Reports, March 2004

The rhythm of our shops was based on the mechanical problems of our customers' cars. A breakdown or problem was the trigger for a revenue opportunity and that nature of car problem controlled the size of the repair order. We call this an "Event Driven" business model. That is, an event (car problem) outside the control of the business triggers the revenue generation sequence for the business. This permitted a reasonably successful business model for shops in a marketplace in which unreliable cars broke reliably. Our business model in the 1980s: we planted ourselves somewhere and waited for them to bring us their broken cars.

To better grasp the scale of this change think of this reduction in "events" as the exactly proportionate reduction in phone calls from your customer base to you requesting work. For example, for every 106 calls from our American car owner customers in 1983 the phone would only ring 18 times in 2000! And even fewer calls in 2005. The good news today is that the total auto service market is bigger than it has ever been; now approaching 300 billion dollars a year in the United States. That's bigger than the computer hardware business or the nationwide pharmaceutical business! It's not shrinking, not failing and not going away. There are more cars on the road today outside of their warranty coverage period than ever before. What has changed is the "work mix" and the priorities of your customer base. The problem is that we have not adjusted our aim accordingly.

It's like you're a driver, a great driver in fact, in the Checker Auto Parts 500 out

at the PIR but you're driving the family mini-van. You may be the best driver on the track and mash down the gas pedal for all you're worth; but you aren't going to win (or look all that cool). There is a better way. The secret to car count management, control and stabilization is in shifting your business model; not in running more advertising or taking out a bigger yellow pages ad.

Today most shops continue to try to push an event driven business model uphill. This is a very, very difficult challenge. At ATI our forecast is that cars will continue to become more reliable until the ratio of repair dollars available in the United States compared to maintenance work dollars settles in around 15% repair to 85% maintenance. The market has already reached a 25/75 ratio of repair dollars to maintenance dollars.

Shifting Your Business Model

What does it mean to shift your business model? It means to make fundamental changes to how your business works and is presented to the market place such that it's easier to grow and control car count while making a better profit on each repair order.

One of the most powerful characteristics of the "new" model for car count management is to reshape your business from an "Event-Driven" business model to a "Schedule-Driven" business model. In a schedule-driven model your business is based on generating a much larger portion of maintenance work, the scheduling of which is done by you, not by your customer or a problem with their car. While the revenue dollars available from repair have been shrinking the revenue dollars from maintenance have been growing, along with that your customers' appetite for a convenient experience is growing.

Car dealers have modified their auto service business model from a warranty station based model to a schedule driven, relationship based customer service model. Today a car dealer's revenue mix is over 70% maintenance work and less than 30% repair work (including all warranty work)! Today, parts and service generates about 11.8% of the average car dealer's revenue but represents 48% of their total profit, more than the profit total from new and used cars combined! Car dealers increased their service revenues by over 50 billion dollars* between 1984 and 2000!

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Legislative Update


HR 2048 – The Motor Vehicle Owner's Right to Repair Act –

A hearing was held recently on Capitol Hill and both proponents and opponents of HR 2048 were in attendance to give their side of the story. Over the summer some relatively intense negotiations were entered into by the players in the industry to see if a non-legislative solution could be crafted to satisfy both sides. These discussions were entered into in good faith by all parties, but in the end a few key issues remained unresolved. In response to these negotiations, the National Automotive Service Task Force (NASTF) group is looking at formalizing its operation and becoming more proactive. ASCCA is continuing to participate in the proceedings and listening to all sides. Please stay tuned for more information as it becomes available.

BAR Sunset Review – Mr. David Howe of the consulting firm, Strategica, was hired earlier in 2005 pursuant to legislation enacted during the Sunset Review Process to act as an Enforcement Monitor to review the BAR and its operations. He met with ASCCA Executive Director, Shelly Levy, and ASCCA members Carol Bartels and Lynne Cardwell earlier in the summer and has spent a considerable amount of time drafting his first report to the legislature. Ms. Levy and several other industry representatives had the opportunity to meet with Mr. Howe and discuss key components of the report just last week. We will be following up with some written comments and also appearing at a hearing at the Capitol on December 7, 2005, regarding this matter. We will post a PDF copy of the official report on our website, www.ascca.com, once it is received by ASCCA Headquarters.

Legislature Set to Reconvene – The Legislature is set to reconvene in January and the yearly process of wading through the bills to see what may affect ASCCA members will begin in earnest. Our bill tracking service will remain on our website so you can track legislation and see the text of position letters we send in on different pieces of legislation. If your chapter has a website you might consider linking directly to that page so your chapter members have quick access to issues that may affect them. Rumor has it that Democrats and others emboldened by recent troubles of the Governor are going to be making a run at overturning some of the workers' compensation reform package passed in 2004, which has resulted in a significant decline in rates. We will keep you updated as the situation unfolds.

Grass Roots Program – In 2006, ASCCA will set about formalizing its grassroots program in California. Please start talking about this now as we will be looking for key people in each chapter to "adopt" their local Representative and Senator. Please watch for more information on the program as it is developed. ASCCA's influence in the Capitol is directly linked to the amount of constituent involvement we have. If you already have a good relationship with a legislator in your area, please contact Shauna Scott at (800) 810-4272 and let her know and she will assign you to that individual straight out of the gate.



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Mechanic Killed When Struck In Head

The site of the incident was a small auto shop specializing in import vehicles. The shop yard was cluttered with disabled vehicles and miscellaneous debris.

A 52 year-old mechanic died when a vehicle he was working on slipped off a jack and struck him in the head. The victim had lifted the vehicle with a large bottle-type hydraulic jack and blocked only one tire with a piece of wood.

While the victim was lying on a creeper replacing a leaking hose underneath the vehicle, it slipped off the jack and struck him in the head. The area of the shop yard where the vehicle was being repaired had a slight incline. The paramedics administered CPR and transported the victim to the hospital, where he died shortly thereafter.

Cause of Death: Blunt trauma to the head.

RECOMMENDATIONS/DISCUSSION

1. Ensure all jacked loads are properly supported before beginning work.

Most jacks are designed to lift heavy objects, not support them. Proper use of a jack involves knowing the weight limit and proper placement of the jack. Once the jack lifts the object, then the object must be supported by either a jack stand or cribbing. Cribbing is the process where blocks of wood are placed under an object to support it in an elevated position. Had jack stands or cribbing been used, this incident might have been prevented.

2. Ensure all vehicles are on level floors before elevating them.

Jacks are designed to lift a load straight up. It is essential that the surface the load is on is level. An unlevel surface will allow the center of gravity to shift rapidly to the down side. Any movement caused by the work being performed on the load could also cause the load to slip off the jack, especially if it is not properly secured by jack stands or cribbed. Had the victim used a jack on a level surface this incident might have been prevented.

3. Ensure all employees are properly trained and supervised in safe use of tools in their trade.

The configuration of a load being lifted can require special placement of jacks before lifting a vehicle. The vehicle in this incident required special placement of the jack. Training is the most effective way to attain knowledge of special precautions and supervision is an effective method to ensure the proper procedures are used. Had the employer trained and supervised his worker, this incident might have been prevented.

LFL 1001

ASC Educational Foundation

Thanks to many, the Golf Tournament held at ASCCA's 65th Annual Meeting was a success. The day started out glorious, but turned chilly by the time we were done. Some of us hacked up the course and some of us did well. But, we all had a great time and the Educational Foundation was the real winner. After expenses, the Educational Foundation earned \$2,209 for its General Fund!

The Foundation would like thank the following people, groups and businesses for participating in the tournament and/or sponsoring the holes:

Forest Hill Auto Service
Orinda Motors, Inc.
Educational Seminars Institute
ASCIS
Honda Hospital
Salel Automotive Service
Quality Automotive
Mitchell 1
Chapter 48 – North Orange County
GDA Enterprises
Mahneke Motors
Ayers Automotive
Kavanagh Motors
NASTF
Jacobs & Gregory

We would also like to thank the following golfers for participating:

Dan Biggs
Mack W. Ruff
Fernando Garibay
Lou Fiero
Rich Ames

Bill Litz
Kevin Litz
Ernie Meranda
Jon McConnel

We would also like to thank Elizabeth Hicks for all of her efforts. She created the flyers and hole signs, collected the money, coordinated with the golf course, took our pictures and got them developed and put into nice photo holders BEFORE we finished golfing. Great job Elizabeth!

But the biggest THANK YOU goes to GLENN DAVIS! Glenn got the ball rolling (toward Elizabeth) on the Golf Tournament. He supported the staff when needed. He was a hole sponsor, as well as a golfer. He sponsored the lunches that came with the golf package. He also sponsored the ASCCA hats, towels, sleeve of golf balls, etc. We all loved our "goodie bag" complete with ball markers engraved with the ASCCA logo. Great job Glenn, thank you very much!

Scholarship News

On a separate note, scholarship applications were sent out at the end of the summer. As of the end of October, headquarters had only received two applications. Therefore, we have extended the original deadline for submission from the end of November 2005 to the end of December 2005. If you did not receive an application, please visit www.ascca.com under the "Education" link.

Continued from pg. 6

Car Count

How to Solve Car Count Problems: What Problems Are We Solving?

The dramatic shift in our business over the last 20 years from a repair based business to a maintenance based business has thrown us all out of whack. Almost all shops run "Event-Driven" business models, so it was inevitable that car count would drop in direct proportion to the number of events. In response to this shop owners have had to try more and different methods to manage car count, often navigating very unfamiliar waters of advertising and marketing. In our advertising and marketing efforts we attracted customers too often by selling price and specific job types; rather than convenience and long-term relationships. This resulted in limited or failed attempts to enhance net car count, but was quite effective in reducing average ticket value and lowering key operating margins.

Today's shop owner has three primary car count management challenges:

1. Achieving the target: bringing in the right number of cars each week to run a profitable business.
2. Bringing in the right customers: you must attract customers that want to buy and pay for what you can sell profitably.
3. You must stabilize your car count: Erratic car count, up one week, down the next, will make shop productivity and therefore shop profit nearly impossible to sustain.

All three challenges must be met to ensure good profits and retire with some wealth. The key is this: These challenges will not be met and sustained unless your shop's business model is re-engineered to become a schedule-based model with 60% or more of your revenue coming from maintenance work.

Summary

The first step is key – we must first understand the true nature of the changes in our industry and re-engineer our business models accordingly. Imagine if IBM insisted on selling typewriters instead of becoming a personal computer company. Imagine if shops keep trying to make a living by fixing cars when the revenue from repairs is drying up faster than an Arizona parking lot after a sprinkle. All markets change and all business models must change within

Continued on page 14

ASC Educational Foundation Scholarship Fund Contributions 2005

Name	Chapter/Business	Amount	Designated Scholarship
Larry & Laurie Moore - Larry's Auto Works	42	\$100	Jim Hunt

Legal Forum

Ask Katie & Dave

Dear Katie and Dave:

I am looking to open another shop in the next county. Since it has been a long time since I opened my first shop, I am not really certain what permits and other things I need to open the second location. Can you help me?

Signed,

Expanding In What Is Said To Be A Slow Economy

Dear Expanding:

You are in luck. Thanks to the internet, the saying, "We are the government and we're here to help," just might be right for some things. One of them is trying to run down who to talk to about what permits you need. The State of California has a website www.calgold.ca.gov where you can find easy access to information about who to talk to locally about permits and how to locate them. It is also pretty easy to use. Even those who have been in business for many years might want to check this out and see if they have everything. We have checked out the site and it is easy to use.

The site mentions who to contact for fictitious business name filings, but is not clear on who needs to file for a fictitious business name. What seems like a simple question can be a little more complicated. If you are using your name – for example Jacobs & Gregory Auto Repair - you do not need to file for a fictitious business name, because you are actually using your name in the business. But, if Bob Constant was to buy Jacobs & Gregory Auto Repair and want to keep using the name, he would need to file a fictitious business name statement. And, if he then expanded the business to the neighboring county - he would have to file a fictitious business name statement there, too.

If you have incorporated your business – for example, The Greatest Auto Repair, Inc., and you are going to use that name for your business you do not need to file a fictitious business statement. Remember, as far as the government is concerned the corporation is a separate "person" and as long as it uses its own name everything is okay. You can also use a fictitious business name for a corporation. For instance, if you were having "one of those days" when you named your corporation and you called it Mad Max Mechanics, Inc. you might want to file a fictitious business statement and run the business under Best Auto Repair.

When choosing a name, make sure to check the telephone directory and other information to make sure you are not using a name that is already being used by someone else. Also, if you choose a name that implies there are other partners who are not named - such as Jacobs & Daughters Auto Repair or Gregory & Associates Auto Repair – you need to file a fictitious business name statement.

For those of you who have filed a fictitious business statement for your business, remember it needs to be renewed every FIVE years.



"Be Car Care Aware" was created to educate consumers about the benefits of regular vehicle care, maintenance and repair. The campaign was in response to a call for action from industry leaders seeking to capture a share of the estimated \$60 billion in annual unperformed vehicle maintenance. The consensus was that a collaborative marketing and public relations outreach initiative, speaking as a single unified voice, would build awareness and understanding to prepare consumers to make sensible decisions about their vehicles. As knowledge builds, consumers will take action, thus reducing vehicle neglect, reversing unperformed maintenance and increasing the sales of automotive parts and service.

The campaign budget for 2004 was \$500,000 and the return on investment, based on the media value of consumers reached through the publicity campaign was \$10 million. The next phase of the campaign is to reach even more consumers through the media and focus consumer attention on independent repair shops.

Remember, April is Car Care Month! For more information on the "Be Car Care Aware" campaign and how you can participate, please visit <http://www.carcarecouncil.org/Industry/industry.shtml>.

~ AAIA

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Industry Meetings Calendar

The following are meetings ASCCA encourages you to attend, as their outcome directly affects you and your industry. Please note that all meetings are subject to change without notice and you are advised to check on meeting times and locations the day before the event if you plan to attend.

CARB Board Meeting

Thursday, December 8, 2005
9:00am – 3:00pm
Cal/EPA Headquarters, Byron Sher Auditorium
1001 I Street
Sacramento, CA 95814
Please contact Lori Andreoni at landreon@arb.ca.gov for questions.

Inspection & Maintenance Review Committee

Tuesday, December 27, 2005
9:30am – 4:00pm
Cal/EPA Headquarters, Coastal Hearing Room
1001 I Street
Sacramento, CA 95814
You can also view the meeting via the web, just visit www.calepa.ca.gov/broadcast
Please contact Pam Clymer pclymer@arb.ca.gov for questions.

BAR Advisory Group

Tuesday, January 10, 2006
9:00am – 3:00pm
Ontario CA
Location TBA
Please contact Shelly Levy for questions regarding this event at (800) 810-4272.

BAR Advisory Group

Monday, April 10, 2006
9:00am – 3:00pm
Contractor's State Licensing Board Headquarters, Hearing Room
9821 Business Park Drive
Sacramento, CA 95827
Please contact Shelly Levy for questions regarding this event at (800) 810-4272.

BAR Advisory Group

Monday, July 10, 2006
9:00am – 3:00pm
Contractor's State Licensing Board Headquarters, Hearing Room
9821 Business Park Drive
Sacramento, CA 95827
Please contact Shelly Levy for questions regarding this event at (800) 810-4272.

Parts Buying Online Grows Slowly

Roughly 72.2% of repair shops expect their level of online parts purchasing to increase this year, according to a new market research report published by the Automotive Aftermarket Industry Association (AAIA).

While growing, the AAIA found the overall level of online parts purchasing to be less than 20% of overall buying, compared with 80% through traditional channels. Foreign vehicle-focused shops generally purchased larger percentages of their parts online than domestic based shops.

Typically, domestic based shops purchase 1-10% of their parts online, while foreign based shops purchase about 21-30% of their parts online.

~ AAIA

Non-Deductibility Statement

Pursuant to IRS regulations you are hereby notified:

Contributions or gifts to the Automotive Service Councils of California are not deductible as charitable contributions for Federal Income tax purposes. However, your dues may be deductible under other provisions of the Internal Revenue Code except for that portion which is allocated to Association political and lobbying expenses.

ASCCA estimates that the non-deductible portion of your dues attributable to political and lobbying expenses for the 2005 year are as follows:

ASCCA Lobbying:	3%
Total Non-Deductible Portion of Dues:	3%

Please consult your tax advisor for further information.



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Staying Safe

Workplace Fire Safety—The Basics

Within seconds, a small, fire can become a life-threatening, business-busting, financially devastating event. Within seconds!

Think about the loss of your business or worse, the people you have in your employ ... including, perhaps, your spouse or your children. Think of your customers. Think of yourself.

Fire is deadly serious business, and for that reason, this article contains no clever headings. No cute stars or bullet points ... just a bit of information that may prompt you to investigate how to develop a comprehensive fire safety plan for your business.

Here Are A Few Thoughts To Get You Started

1. Survey Your Building: Start with the basics – what do you have and what do you need? Grab a notebook and take a walk through your building. Note where your fire alarm systems, smoke detectors,

sprinklers, fire extinguishers, manual pull alarms and fire doors are located.

2. Create a Floor Plan: Draw a basic floor plan for each area or floor of your building. Indicate the location of all fire exits, manual pull stations and extinguishing equipment. Post the floor plan throughout the building, marking YOU ARE HERE on each plan. Make sure to clearly mark all the fire exits. (Note, elevators are never used during a fire evacuation.)

3. Develop a Safety Plan: Your plan can be as simple as a one-page flyer, or as involved as a bound document that details an elaborate safety plan. The point is to give yourself and your employees the best chance to survive if a fire should occur.

4. Select an Evacuation Meeting Place: Choose a location well away from the building for everyone to gather in the event of an evacuation. Choose someone to count heads and, if you have more than a few employees, make certain that your responsible person knows the schedules of the other employees.

5. Practice Evacuations and have EVERYONE Play: Once you have defined your evacuation plan, selected your headcounter and picked a location for everyone to gather, practice company evacuation procedures on a regular basis – at least twice a year. Let your employees know that fire makes no exceptions and you won't either. Everyone plays so everyone lives.

6. Treat Every Alarm as an Emergency: Teach your employees to respond immediately to any fire alarm. A blasé employee is a danger to you and to himself or herself. The sound of an alarm should always prompt immediate action and quickly moving feet. No exceptions!

Businesses in the automotive industry are understandably busy keeping their doors open, but safety is also a vital component to your financial health. For more general information on fire safety, read the National Safety Council's recommendations for business emergency response plans at: <http://www.nsc.org/issues/emerg/99esc.htm>.

Auburn McCanta is Founder and Executive Director of HASPA, The Homeless Advocates and Service Providers Association, Inc., a nonprofit Association formed to give support and education to those who help our most fragile and needy citizens. Auburn is also a national award winning author. For more information about the author, please visit her website at www.haspa.org.



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Using Safer Automotive Cleaners

Every year more than four million spray cans or bottles of aerosol automotive cleaners are sold in California. They are used in over 31,000 auto repair shops to clean brakes and carburetors, to degrease engines, and for general purpose degreasing. Many of these aerosol cleaners contain toxic solvents that can cause cancer, reproductive damage, and other long-term health effects.

Some improvements have been made such as the California Air Resources Board ban on the cancer-causing solvents methylene chloride, perchloroethylene, and trichloroethylene, and the removal of hexane, following the California Department of Health Services, Occupational Health Branch's (OHB) health advisory that warned of new cases of nerve damage among mechanics.

But most aerosol cleaners still contain toxic solvents, and other hazards still need to be addressed. Diesel exhaust and asbestos also pose health hazards, and repetitive use of tools and unsafe jack stands can cause disabling injuries.

What We Did

To address the problems with aerosol products, OHB collaborated with a non-profit organization, the Institute for Research and Technical Assistance, on a study funded by the U. S. Environmental Protection Agency. Working with 18 auto repair shops, we identified and tested safer, alternative aerosol cleaners to see if they were effective substitutes for the more toxic cleaners the shops were using.

To learn more about health and safety hazards and workers' compensation claims in the industry, we reviewed data from Cal/OSHA inspections and a large California insurer. We also interviewed auto repair shop employers, members of the International Association of Machinists and Aerospace Workers, local hazardous materials inspectors, and others.

Our purpose was to learn about current practices and knowledge regarding use of automotive cleaners; effective ways to promote the safer aerosol cleaners; and how to develop comprehensive approaches to help employers prevent injury, illness, and pollution from auto repair hazards.

What We Learned

Our study showed that water-based aerosol cleaners work as well as solvent-

based aerosols for cleaning brakes, degreasing engines, and for general purpose cleaning, and that the costs of the cleaners are comparable. We also found that aerosol cleaners formulated with soy and acetone are effective, safer alternatives for cleaning carburetors or fuel injection intakes.

Interviews with key auto industry representatives reinforced the need for safer aerosol cleaners. We learned that shops are using many products that contain a variety of toxic solvents. Workers and employers appear to have limited knowledge of the health effects of the solvents, and many are not aware of key workplace regulations on the use of toxic materials.

We learned that automotive repair industry workers' compensation costs for a large California insurer, from 1993 to 2002, were approximately \$60 million for over 10,000 claims. From 1993 to 2003, Cal/OSHA inspected 520 auto repair shops and cited a total of 1,729 violations in 411 of the shops. Seventeen percent of the inspections were in response to serious injuries, and the average penalty was \$3,253. Informing the industry of these facts should emphasize the importance of implementing strategies to prevent injuries and illnesses.

Spreading the Word

OHB is working with local hazardous materials inspectors, Cal/OSHA, Cal/EPA, and others to distribute two new educational publications to workers and employers in auto repair shops across the state.

Aerosol Cleaner Use in Auto Repair explains the short- and long-term health effects of toxic solvents found in many aerosol automotive cleaners, and promotes the use of safer, alternative cleaners to protect the health of workers and community residents. *Injury, Illness, & Pollution Prevention in Auto Repair* discusses common health and safety hazards, their costs, and how to develop and implement a comprehensive plan to protect health and the environment.

For questions concerning the information provided in this article, please contact the Workplace Hazard Helpline at (866) 282-5516.

"Occupational Health Watch," California Department of Health Services, Occupational Health Branch, Fall 2005

Continued from pg. 2

President's Message

do. Both ASCCA's membership and leadership are composed of strong willed, honest and independent business people. With your continued guidance and input, we will seek other like-minded entities to insure the future of our businesses.

One last thing – chapters must have a representative attend our Team Weekends or else the voice of those ASCCA members is much harder to hear. The bottom line is all of us want to join others with similar views and ethics and move in a common direction, but we have the responsibility to share our views with each other. If we don't we run the risk of failing in our mission.

It has been my sincere pleasure to serve as your ASCCA 2005 President. Dan Fogle, our ASCCA 2006 President and Shelly Levy, our ASCCA Executive Director, will guide us to even greater heights of achievement in this coming year. My prayers are with you, one and all, and from the bottom of my heart, thank-you for a most memorable year.

Chrysler Sells Over 300,000 Hemis

Reflecting consumer demand for increased power in their vehicles, Chrysler reported that sales of its Hemi engine have topped 300,000.

The V-8 Hemi engine was introduced in the 2003 model year and Chrysler says that on average, 46% of customers choose the 5.7 liter Hemi engine when it is available for their vehicle.

The most popular model for the Hemi engine is the Dodge Durango, with 54% of buyers purchasing the Hemi.

~ *Automotive Booster, November 2005*

FACTOID

A recent survey conducted by Cars.com shows that about 20 percent of women rank fuel efficiency as a top priority in the car-buying process. Fuel efficiency ranks above other major influences in cars, such as safety, body style, carrying capacity and options.

~ AAIA

Continued from pg. 1

ASCCA Says Thank You

EDUCATION, TRAINING AND INFORMATION COMMITTEE

(Continued)

Bob Barkhouse
Larry Nobriga
Chris Cook
Chuck Baker
Mark Rosenthal
Larry Moore
Peter Alper

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Ken Fox
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Tom Cox

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Stuart Ferry
Bob Klingenberg
Larry Nobriga
Glenn Davis

ASC EDUCATIONAL FOUNDATION

Chair: Kris Cesena
Trustees: Dan Biggs
Bill Carpenter
Jeff Curry
Joe Forgacs
Michael Mahneke
Maylan Newton

ASCCA would also like to thank those of you who are on your local Chapter Boards and who serve your chapter by helping out in your community, providing scholarship opportunities for future automotive repair technicians, and living by the ethics this association was based on 65 years ago.

Continued from pg. 1

Help Guide the Look of ASCCA

the logo over, be sure to click on the e-mail link that allows you to send ASCCA Headquarters an e-mail regarding the logo. Tell us you love it – tell us you hate it (and how to make it better) – tell us you don't have an opinion just yet – **just tell us before December 31, 2005**, because the Membership Committee must make its final recommendation to the ASCCA Board of Directors come the beginning of January 2006!

Continued from pg. 3

Executive Director's Message

task of doing what we can do to better your lives both personally and professionally. We encourage you to step up to the plate in your local chapter and get involved. It isn't too early to begin considering running for the 2007 Board of Directors. Talk to your family, talk to your friends and then join us on the journey to a better tomorrow. You will be welcomed.

Continued from pg. 5

Increase Sales

Average Sale Per Repair Order

You should have a standard checklist of items that get inspected on each vehicle that enters your shop, every time. This checklist is your key to upselling additional work. Most customers want to maintain their vehicle in good operating condition. It's not only good for your business, but it is great customer service. No one wants a break down. Clearly spell out to your customers what was inspected, what is in good operating condition and what needs servicing. Yes it takes time, but the additional sales more than offset the time that the techs spend on the checklist.

Increase the Mark Up on Parts

You have to use a parts pricing matrix. I have written extensively on this in the past, if you would like more information please email me (my email address is at the end of the article). A parts pricing matrix will allow you to analyze your parts sales by parts cost, and in turn stream line the markup you get. With two recent clients we worked with, we took one from getting 30% gross margin on parts to 50%+ gross margin in a matter of 90 days. In a second case we took them from 33% gross margin to 50% gross margin – all because we automated the pricing function by using a parts price matrix.

If you track and measure these three simple statistics, you will find that your business will improve. Today's shop management systems are incredible tools to help you increase your top line, and if you hold your costs steady the money will flow directly into your wallet.

Rick Baker is with Advance Software LLC, a company dedicated to providing shop owners with profitable technology solutions. He can be reached at (860) 655-7109 or by email at rbaker@advance-soft.com.

Welcome New Members

Shop Name	Chapter
Rusty's Automotive	1
N.A.P.A.	5
A & E Automotive	8
DiMauro's Honda Service	8
Imported Auto Service, Inc.	8
Park Street Automotive Service.	21
C & E Auto Tech	48
About Service	50

Continued from pg. 4

Understanding the Mysteries

rather than in years past when rates were steadily increasing.

As we write this article on November 8, 2005, for inclusion in this month's magazine the DOI has not made a decision as to whether they will modify, deny or approve these changes. Your association owned agency is on top of the changes proposed as well as the recommended decrease in rates proposed by the WCIRB and under review by the DOI. As soon as we know the results we will send out information to the members as part of our ongoing efforts to keep you the members informed on insurance matters than can impact your business.

For more information call:

Chuck Coppage (916) 679-2951
Shannon Blakeman (916) 609-8396
Lorraine Stevens (916) 609-8402

Continued from pg. 9

Car Count

them; or else the business gets very, very unpleasant and unprofitable.

I'd like to personally invite you to attend one of our workshops. The workshop is called *Taking Control: Car Count and Cash Profits*. At this event I'll show you how other shops (including dealerships) are changing their business model to conquer the car count management challenges. I'll give you a lot of specific things you can do differently starting on **December 12, 2005** to immediately add three to eight profit points (that's \$20 to 50K a year in additional cash flow to you) to your bottom line. Please join us. For a schedule of workshops and more info please call **(866) 389-7999**.

*Adjusted for inflation
~ Ken Brookings, Automotive Training Institute

Industry and Endorsed Vendors Contact List

BAR, Chief:
 Dick Ross (916) 255-4565

BAR, Industry Ombudsman
 Rick Fong (916) 255-2893

California Chamber of Commerce
 Headquarters (916) 444-6670

CARB: General Number
 (800) 242-4450

EPA: Headquarters
 (202) 272-0167

ASC Insurance Services
 Chuck Coppage (916) 679-2951

ALLDATA
 Mauricia Lopez ... (916) 684-5200 x3008

Allied: call ASCIS

CA Preferred Credit Union:
 Bobbie Adams (415) 546-3980

CustomerLink:
 Jill Stenson (916) 781-4344

Heartland Payment Systems:
 Yolanda Heinz (888) 472-0065 x4722

Jacobs and Gregory:
 Katie Jacobs (951) 781-9091

Mitchell I:
 Mike McBurney ... (888) 724-6742 x6986

NOVA:
 Barbara Martin ... (800) 725-1243 x8519

PayChex:
 Rhonda Bunker ... (702) 933-6200 x3016

Thomson Delmar Learning:
 Jessica Cipperly (518) 348-2578

ConocoPhillips-Kendall Oil
 Bill Curry (310) 376-0179

Automated Marketing Group
 John Bamford (303) 543-9600

Classified Ads

Business Opportunities:

AUTO REPAIR SHOP

Huntington Beach is no longer granting licenses for new auto repair businesses, so don't miss this opportunity! This turnkey shop has an established 30-year customer base, full Snap On/Mac tool chest, & Modis diagnostic equipment! \$49,000.

MUFFLER SHOP

This clean and well-organized shop is located on a busy intersection in Westminster! In business for 35 years, the owner is eager to retire. \$60,000!

PERFORMANCE AUTO SHOP

Located within an Orange County auto center, this shop caters to performance imports! Owner financing available! \$99,000.

More Information:

SOUTHERN CALIFORNIA BUSINESS ADVISORS
 877-SoCalBiz

Chapter Meetings & Contacts

Bakersfield (58) — Meetings: 4th Wed., 7:30 pm, Hodel's Restraunt. Mbr. Info.: Bob Klingenberg at (661)631-5765.

Central Coast (52) — Meetings: 3rd Wed., 6:30 pm, place varies. Mbr. Info.: Fernando Garibay at (831) 758-8277.

Central Valley (27) — Meetings: 2nd Tue., 6:30 pm, Early Dawn Cattle Co., Modesto. Mbr. Info.: Robert Raduechel at (209) 575-6326.

Coachella Valley (30) — Meetings: 2nd Tue., 6:30 pm, Augua Caliente, Rancho Mirage. Mbr. Info.: Fred Divine at (760) 343-1226.

East Bay (16) — Meetings: 2nd Tue., 7:00 pm, The Englander Restaurant, San Leandro. Mbr. Info.: Ron Bessette at (510) 774-3394.

Foothill (5) — Meetings: 1st Tue., 6:30 pm, Marie Callender's, Pasadena. Mbr. Info.: Jo Ann Fischer at (714) 773-0949.

Fresno (25) — Meetings: 2nd Thur., 7:00 pm, Ramada Inn, Fresno. Mbr. Info.: Ray Rasmussen at (559) 855-2398.

Gold Country (36) — Meetings: 2nd Tue., 6:30 pm, place varies. Mbr. Info.: Robert Brocke at (530) 477-5712.

Hemet (32) — Meetings: 2nd Tue., 6:30 pm, Sizzler, Hemet. Mbr. Info.: Phil Fournier at (909) 927-2102.

Inland Empire (14) — Meetings: 3rd Tue., 7:00 pm, Royal Cut Restaurant, Ontario. Mbr. Info.: Glenn Davis at (909) 946-2282.

Long Beach (18) — Meetings: 3rd Tue., (no mtg. July & Aug), 7:00 pm, Colonial Cafe, Long Beach. Mbr. Info.: Sam Baayoun at (562) 433-5523.

Merced (33) — Meetings: 3rd Tue., 6:45 pm, Eagle's Nest Restaurant, Merced. Mbr. Info.: Rick Schroeder at (209) 722-3856.

Mid Cities (1) — Meetings: Varies, call for info. Mbr. Info.: Russ Okimoto at (562) 926-7317.

Mt. Diablo (20) — Meetings: 3rd Thur., 7:00 pm, Mudd's Restaurant, San Ramon. Mbr. Info.: Barbara Livingstone at (925) 837-1000.

Napa/Solano Counties (9) — Meetings: 2nd Tue., 7:00 pm, Holiday Inn Select, Fairfield. Mbr. Info.: Tracy Renee at (707) 642-1900.

North Orange County (48) — Meetings: 3rd Wed., Embassy Suites, Brea. Mbr. Info.: Jo Ann Fischer at (714) 773-0949.

Orange Coast (50) — Meetings: 2nd Thur., 7:00 pm, Irvine Marriott, Irvine. Mbr. Info.: Rita Thomas at (949) 855-0590.

Orange County (49) — Meetings: 3rd Thur., 7:00 pm, Sterling Suites Hotel, Anaheim. Mbr. Info.: Ken Hamilton at (714) 535-4100.

Peninsula (23) — Meetings: last Tue., 7:00 pm, place varies. Mbr. Info.: Vallerie Williamson at (408) 264-9495.

Redding (99) — Meetings: last Wed., 7:00 pm, place varies. Mbr. Info.: Tim White at (530) 246-9277.

Sacramento (34) — Meetings: 4th Tue., 7:00 pm, Frasinetti's Winery. Mbr. Info.: Carol Bartels at (916) 332-1883.

San Diego (24) — Meetings: 3rd Tue., 7:00 pm, Mission Valley Stadium – Holiday Inn, San Diego. Mbr. Info.: Stuart Terry at (619) 287-9626.

San Fernando Valley (11) — Meetings: 3rd Tue., 6:30 pm, Odyssey Restaurant, Granada Hills. Mbr. Info.: Marilyn Shanley. at (818) 768-3656.

San Francisco (21) — Meetings: last Wed., 6:30 pm, Delaney St. Restaurant. Mbr. Info.: Paul Grech at (415) 474-7323.

San Joaquin Valley (6) — Meetings: 2nd Thur., 6:30 pm, place varies. Mbr. Info.: Andy Pollino at (209) 472-9866.

San Jose (42) — Meetings: 2nd Wed., 7:00 pm, Lou's Village, San Jose. Mbr. Info.: Valerie Williamson at (408) 264-9495.

San Luis Obispo (17) — Meetings: 3rd Wed., 7:00 pm, place varies. Mbr. Info.: Smitty Price at (805) 546-9892.

Santa Barbara (8) — Meetings: 3rd Wed., 7:00 pm, place varies. Mbr. Info.: Rachel Barajas. at (805) 682-9441.

Santa Clarita (3) — Meetings: Varies, call for info. Mbr. Info.: Kevin Browning. at (661) 251-6736.

Santa Cruz (15) — Meetings: 3rd Tue., 7:00 pm, Hindquarter, Santa Cruz. Contact: Nate Smith at (831) 476-1332.

Santa Rosa (28) — Meetings: 1st Tue., 7:00 pm, Coco's Family Restaurant, Santa Rosa. Mbr. Info.: Barbara Baker at (707) 546-4280.

South Bay (1940) — Meetings: 3rd Thur., 7:00 pm, place varies. Mbr. Info.: Peter Alper at (310) 328-1981.

South Los Angeles (10) — Meetings: 4th Thur., 7:00 pm, La Parrilla Restaurant, Los Angeles. Mbr. Info.: Les Les Morris at (323) 778-1014.

Tulare-Visalia (26) — Meetings: 4th Thur., 7:00 pm, place varies. Mbr. Info.: Jaimie Hammond at (559) 688-4713.

Ventura County (2) — Meetings: 2nd Tue., 6:30 pm, place varies. Mbr. Info.: Kathy Riggs at (805) 983-8100.

West Los Angeles (12) — Meetings: Varies, call for info. Mbr. Info.: Dee Cherko at (310) 837-0446.

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ASCCA Calendar

December 10 – 11, 2005

**ASCCA Team Weekend and
Orientation
4th Quarter Board of Directors
Chapter Representatives
Committee Meeting
Location: Embassy Suites Hotel
Los Angeles –
International Airport North
9801 Airport Blvd.
Los Angeles, California 90045**

March 18 – 19, 2006

**ASCCA Team Weekend
1st Quarter Board of Directors
Chapter Representatives
Committee Meeting
Location: Embassy Suites Hotel
Sacramento –
Riverfront Promenade
100 Capitol Mall
Sacramento, California 95814**

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