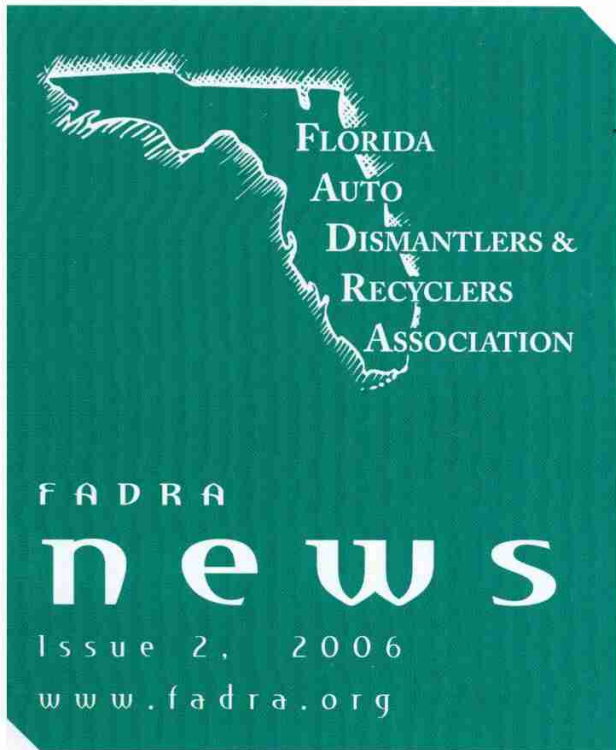


Typical Article by Ron Used in Various Publications
Florida Auto Dismantlers & Recyclers Assoc. 2006



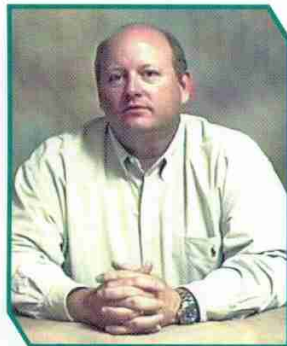
July 13-17, 2006
FADRA Convention Cruise
Information: Kim O'Dell, 407-647-8839

September 27-30, 2006
ARA 63rd Annual Conference & Exposition
Hyatt Regency Hotel, Indianapolis, IN
Information: ARA 888-385-1005/703-385-1001

President's Message

by Jim Butler, Butler Auto Recycling

It has certainly been an eventful year so far. We came through a very tough legislative session in March and April. Even though the mercury switch bill didn't pass this year, this issue will return and we have made some important alliances that may help us win next time. We also have had some fruitful discussions with law enforcement that may help secure an auto salvage license in the near future.



Also in April we, of course, experienced IT. Those of you who attended will never forget it, and those who missed it, you should try to get to Texas next year, because it is truly one of the great events of our industry. Bill Weaver has hit on a superior concept that draws professionals from all over the world, and he makes it work with his unflagging energy and good cheer. Bill was a whirlwind of energy throughout the show and everyone shed off his unique passion and heartfelt concern for our industry. I want to thank Bill for bringing IT to Florida,

both because it supports our industry in this state and because we had such a wonderful time.

Of course, Bill leaves a lot of the "minor" details to the volunteer members, and I want to thank the FADRA Board and staff for the many hours of work they put in to make this a success. Terry Thompson and Mike Gagel especially outdid themselves in laying the groundwork for the show events and the auction. Our staff, Kimm O'Dell and Bobby Davis also worked very hard during the show.

Similarly, I want to thank the Reed family who agreed to host IT at their beautiful yards in Sebring. This was a big event for a small town, and Sebring's mayor came by during the show to thank us for coming to the area. The Reeds endured closing their yard for business for three days, putting up tents and trade show booths and computers, and registration in their counter area, and they maintained their patience and good cheer throughout. FADRA, and Florida auto recycling yards, could not have asked for more favorable representation than Jim's Import and Jim's Auto Salvage. Jim, Dale, Cale, and all of your great family, thank you for your hospitality and commitment.

"Butler" continued on page 5

Ron Sturgeon's Management Insight Tools You Must Consider to Control Profits in 2006 – And Beyond

By Ron Sturgeon, at Autosalvageconsultant.com

Since this is a three-part article, please watch for the remaining portions over the next two issues. As I travel internationally consulting, I continue to come across the same problems time and time again. The biggest problems I see are (in no particular order of importance):

1. A total lack of, or very poor, systems in place.
2. Poor purchasing.
3. No performance pay.
4. More employees than the amount of monthly revenue can justify.
5. No financial metrics.

You must prepare yourself and your yard for positioning. If you are not ready to position yourself when a windfall, or better yet, an opportunity presents itself, then your windfall or opportunity will soon be eaten up with the inefficiencies in your yard. All will be lost and you will be back to square one.

Systems – In order for a system to be effective, it must be scaleable. This means the system will work equally well if the monthly sales volume is \$25,000 per month, \$150,000 per month, or even \$350,000 per month.

If your systems are not scaleable, then at some point they will breakdown under the volume and stop working. When this occurs, some or all employees must stop performing their primary function, whether it be selling, delivering, dismantling, etc. and go into the special project mode.

In the special project mode, we must design and implement a new system or worse yet, clean up and rearrange the old system. This activity almost always causes a reduced service level, loss of focus and the end result is a loss in business. When you lose business, it is always more difficult to get it back the second time than it was to achieve it in the first place.

Nearly every place I visit I find what I call, "The Make System," of placing vehicles in the yard. Chevrolets are up on the hill, Fords are down in the valley, Chrysler products are over by the creek, and so on. This system does not work and is not scaleable. No matter what size area you designate for a particular make or model, you will invariably obtain more of that make or model than will fit in the area, and too few of another. Next thing you know, all the makes and models are mixed up again.

I believe this system originates from either not having a yard management system already in place or not trusting the information in it. A much better system would be to label each area with a sign. For example: YA for yard area A, YB, YC and so on. Then, make up signs for rows 1, 2, 3 and so on. Place a stock number on each vehicle, and then enter the vehicle and its location

in the yard management system. Know that this is a scaleable system. No more wasted time, lost sales, or vehicle damage from moving vehicles around to get all of a particular make or model in a designated area. You do have a yard management system, don't you? If you do not, this is the first system you need to install. You will find it gradually more difficult to stay in business during the 21st century without a computerized yard management system.

If you do these things, you will be prepared to position yourself to take advantage of any opportunity or make the most of a windfall if one comes along.

Remember, only you can make BUSINESS GREAT!

Don't forget to go the website for my new book, 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!

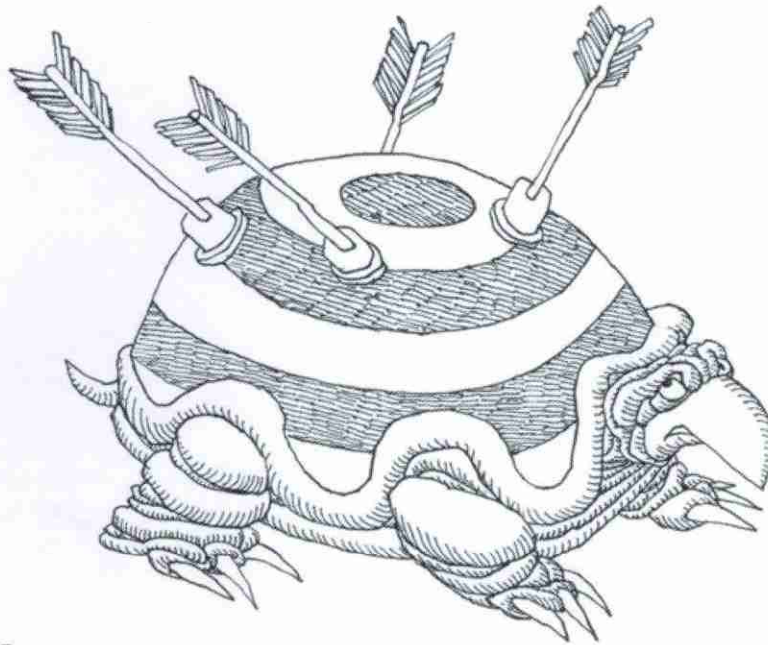
AutoSalvageconsultant.com was formed in 2001 to help recyclers improve their businesses. With over fifty years of experience in three staff members, the group is THE definitive source for recyclers' management and training needs. The founder, Ron Sturgeon, is past owner of AAA Small Car World. You can 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. You can reach us at 5940 Eden, Haltom City, TX 76117, or by calling or emailing Mike Gibson or Tammy Sturgeon. Mike can be reached at 817-925-0061 or mikeg@

autosalvageconsultant.com, and Tammy can be reached at 817-999-1224 or tammysturgeon@all-import.com. **FT**

Slow Target - Because he hadn't hit a sales goal in more than a year, Pete had become a slow target for some other aspiring employee who wanted his position.



Gahan Wilson

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. The book will be out in the summer of 2005. It includes over 300 pages with

over 1200 Business and Deal Terms defined, from an entrepreneur's diary that you won't get from school or a dictionary. Visit www.greenweenies.com for more info, and to sign up for the free illustrated Green Weenie, delivered via email.