

AAIA Spring Leadership Days
May 4-6, 2011
San Antonio, TX
Committee Meeting Highlights

Education Committee

- Approved two new projects toward meeting professional development strategic long range plan objectives: an annual Head of the Class award to recognize companies that invest in employee training and education, and a career awareness campaign with priority tactics to promote the aftermarket as a career opportunity
- Presentation by Rich White on the Green Initiative; committee members are excited about complementing the career awareness campaign with the aftermarket green message
- Report on the current AIA education initiatives
- Discussion on AAPEX Learning Forum plans

Leadership Development Network Committee

- The committee gave feedback on their new orientation program and agreed that it was positive and insightful. LDN feels that this orientation is something that all new committee members should experience before joining a committee. It was also discussed that this orientation should be held a day earlier, or via a conference call Webinar before Leadership Days.
- The committee agreed to extend the new LDN term from one year with an option to renew for a second year, to two years with an option to renew for a third.
- The new LDN Committee term is now considered a year-long Next Step Program, so the committee won't seek out Next Step Participants this fall. There will still be an AWDA Next Step Program, completely funded by the AWDA board. The program will consist of AWDA warehouse distributor members only. LDN will help AWDA put together an orientation for their Next Steppers.
- Brian Cruickshank announced that the University of the Aftermarket will once again award LDN with a full scholarship to Leadership 2.0. Bill Flaherty was chosen to represent LDN for the next session.

Government Affairs Committee

- AAIA led efforts to enact Motor Vehicle Owners Right to Repair Act during 2011 continue to be a high priority for government affairs committee. There was brainstorm around Right to repair legislation HR 1449 being introduced in the House on April 8, 2011 as well as the recent introductions in Connecticut, New York and Oregon.
- AAIA continued to stay involved with state initiatives aimed at reducing the amount of copper in brake pads. Committee members discussed their efforts in regulators in the states of Washington and California on implementation of copper brake bills that were enacted last year. AAIA has met with the state's Department of Ecology to discuss our concerns regarding the anti-competitive nature of this exemption to the independent aftermarket. The committee also has worked with the Northwest Automotive Trades

Association; AAIA was fully involved in legislation introduced in Oregon that would require brake pad manufacturers to reduce the level of copper in their products to 5 percent by January 1, 2021. Through these efforts and those of the vehicle and brake manufacturers, the original bill was amended by the sponsor to exempt brakes built for use on vehicles manufactured prior to the January 1, 2021. The bill further provides protections for distributors and retailers that did not knowingly sell non-compliant brake pads and provides for a similar compliance systems as those enacted in the State of Washington. The brake pad bill was approved by the State Senate on May 4th and is now headed to the House.

- AAIA Government affairs committee has taken leadership role in challenging a release from Honda that disparaged the use of aftermarket parts and misled consumers into thinking that they must use the dealer and OE parts or risk voiding the new car warranty.
- Spurred by strong support by AAIA volunteer leadership and the establishment of the 365 Club, the Automotive Aftermarket Political Action Committee (AAPAC) continued to demonstrate strong growth in 2010. The fundraising efforts were reported:
 - AAIA raised \$43,662.24 in PAC contributions during 2010, making this one of the best years on record for fundraising. This year, the PAC has taken in just over \$3,000 thus far, primarily from AAIA staff.
 - The PAC obtained a major assist from the Auto Parts Alliance which raised over \$11,000 at their annual meeting in Hollywood, Florida at the beginning of December.
- The AAPAC Task Force is also focusing efforts on growing the Automotive Aftermarket Political Education Committee which can be used to raise money for the PAC. Unlike the PAC, money from the PEC cannot be used for political contributions, but can be used to raise PAC money. Also, the PEC can accept corporate money whereas the PAC can only accept personal money. The PEC account was severely drained due to the aggressive PAC fundraising efforts over the past year.
- The Government Affairs Committee reformed its task force to develop a fundraising plan for the upcoming Fall Leadership Days.
- There was brainstorming about the launch of a major grassroots initiative seeking to increase participation by AAIA members on legislative and regulatory issues impacting the independent aftermarket. The effort will include the following elements:
 - Redesign the AAIA government affairs web site to ensure the availability of information for the industry on critical issues and develop tools that can be easily utilized by members of the industry that wish to take action on government initiatives.
 - The AAIA government affairs staff will implement an effort to build a database of grassroots activists at AAIA member companies. These individuals would undertake grassroots training and would coordinate responses within their companies regarding a call to action on a legislative initiative on either a federal or state level.
 - AAIA plans to coordinate the development of the grassroots effort with an initiative currently being undertaken by the Alliance of Automotive State Aftermarket Associations intended to build the legislative capabilities of state associations.

- AAIA worked with a coalition of small business groups to overturn health care reform legislation enacted during the 111th Congress. In addition to staff lobbying, AAIA's members used the Legislative Action Center to send emails to their elected officials urging repeal of the 1099 requirement. The effort was successful as Congress voted overwhelmingly in April to overturn the requirement.

Marketing and Member Relations Committee

- The committee is creating a "new hire"/Aftermarket 101 packet/video/webinar for the aftermarket to share with people entering the industry, as well as a recruiting tool for upcoming graduates looking at the aftermarket as a career choice. The webinar could also potentially include information on AAIA and other industry associations, as well as details on achieving AAP and MAAP credentials. A task force was created of nine committee members to facilitate this initiative.
- GameChanger Innovations gave an overview of the 360 review of the "Be Car Care Aware" (BCCA) campaign, requested and funded by the AAIA Executive Committee, and shared extensive consumer research conducted by the company. A task force was created of six committee members to be involved in the next phase of the campaign, with a meeting already scheduled for early June.
- The committee was updated on the AAIA green initiative, printed portfolio and timeline, and viewed the new five-minute green video. Five committee members will help with the next phase of the green initiative - helping with the outreach and sharing of the message, and collecting individual companies' specific stories and green efforts.
- The name of the 4/45 Impact Award was changed to the Four for the Future Impact Award, and the maximum eligible age was lowered to 39. Winners will now have Insider articles after their award is honored, and the award will begin being marketed in July 2011. The subcommittee will narrow down the field to 10 finalists, whose bios and information will be sent to the board in advance of Fall Leadership Days in September in Minneapolis. The four winners will be selected by the board during the September meeting.

Technology Standards and Solutions Committee

- Pricedex Chosen to Lead Product-Specific Attributes
 - The Technology Standards Committee completed a competitive evaluation process and secured funding from the AAIA Board for the development of industry-wide, product-specific attribute definitions. Pricedex Software, in partnership with Direct Communications Inc. (DCI), were chosen to provide project management and technical support. The project will reach the end of the documentation and preparation phase by September 2011
- MOTOR Will Accelerate New Vehicle Release with 4-phases
 - Agreement was reached on an important proposal to change and accelerate the way new light duty vehicle applications are released into the ACES Vehicle Configuration Database (VCdb). After extensive industry input and deliberation, a 4-phased approach was approved that will allow MOTOR Information Services to release a new model application with as little information as the Year, Make, Model and Submodel with basic engine size and type information. This revised process is expected to introduce new vehicles weeks or even months earlier than is possible with the current method of waiting until a vehicle can be 100%

complete at publication. This revised process is expected to be in place by the 4th quarter of this year and will be deployed on 2012 and 2013 model year vehicles.

- Web Services Framework To Define Collaborative Environment
 - The Web Services Subcommittee spent a thoughtful day defining the needed technical framework for an open aftermarket Service Oriented Architecture and development environment. The goal of the committee is to define a collaborative process for the development of a wide variety of web services re-using and conforming to previous AAIA standards and practices. The AAIA Web Services Framework will be published by September 2011.

Category Management Committee

- After ten years of collaboration in aftermarket, Point of Sale information is released for all (53) Categories (front of counter and hard parts)
- Over 1800 new stores have been added from Autopart International, VIP Auto Parts, CARQUEST independents and UniSelect USA bringing the total number of stores reporting to more than 21,000
- 4 Pilot projects will explore the feasibility of including: an Internet Channel; Measuring merchandising effectiveness; Returns data; and Market Basket Analysis (evaluating the total transaction size and it's components).

Market Intelligence Committee

- Industry Update - BB&T Capital Markets – presentation given by, Jonathan Carey
- Department Operations Review – MI Director and Committee Liaison - Ron Rossi
 - A list of 15 member services (5 new), were ranked by annual volume and presented for discussion.
 - Budget assumptions for the 2012 fiscal year were presented and discussed.
 - The following Aftermarket Insider articles were reviewed as sample documents for future articles:
 - *Top-10 List* with the Knowledge Center being featured as one of the ten.
 - *Inaugural AAIA/Northwood University BCI (Business Confidence Index)*.
 - *Asking the Experts: AAIA Key Issues Impact Survey* plus detailed survey results.
 - Members were reminded to review Knowledge Center and recommend improvements.
 - Members were asked to submit ideas for Aftermarket Insider Magazine.
 - Members to visit other committees to present MI committee purpose and to solicit ideas for new research. Jacklyn to chair a subcommittee to draft a five minute presentation.
- Multi-client research discussion – Committee Vice Chairman- Rick Schwartz and Bill Thompson defined the process:
 - I – Educate the committees that this service is available and how it works. Ask committees to identify a project of interest to them. Category Management has identified one such project.
 - II – The Market Intelligence Committee will then define the size and scope of the study as well as develop an RFQ. The RFQ would then be returned to the originating committee for review.

- III – The originating committee then approves the RFQ and solicits sponsors for the study. Note – As an incentive, study sponsors receive final report for some period of time (six months) before the report is published by AAIA as a salable product to members and non-members.
- IV – The study proposal complete with sponsors is reviewed by AAIA leadership and then fielded.
- The group wants to field test the process and have tangible results for discussion in September.
- CCPN Follow-up – Sub-committee Chairman - Jim Lang
 - CCPN is comprised of leading repair outlets and as such, serves best as a “focus group” to develop concepts and get insight into how the top shops operate.
 - Since CCPN is composed of elite shops, it is not appropriate to generalize to the total repair shop population from CCPN comments and perspectives.
 - The weaker shops, not represented by CCPN, are most vulnerable in the changing repair market and are those which provide the greatest opportunity to manufacturers and suppliers of parts and tools/equipment.
 - It was suggested the future of the independent aftermarket hinges on the “development” of weaker shops by making them more competent and effective.
 - It was further suggested that the CCPN Committee can assist in helping develop a “best practices” analysis of the independent repair market.

Show Committee

- The committee reviewed the reviewed the activity to date on all aspects of the AAPEX Promotional Plan. The committee will test the matching program and provide staff with comments.
- The committee was pleased to see that the show floor would be sold out. They all agreed that the ballroom was not an option. They asked that staff and show management make an extra effort to communicate clearly to all exhibitors the situation with the space.
- The committee agreed that we should post in the lobby level rules regarding spitting and early tear down. Staff and show management are to distribute panels translated with both messages. A suggestion was made to use the language that was used on signage in Beijing during the Olympics regarding spitting.
- The committee recommended that all of the show committee members be invited to participate in the strategic planning process for AAPEX. They all agreed that it was very important to pursue a strategic plan for AAPEX.