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LETTER FROM THE PRESIDENT

Andy Robblee
President of Six Robblees’
CVSN President

What a year! Hurricanes, earthquakes, fires, terrorism, security breaches, shootings, anthem protests, harassment lawsuits, political turmoil and throw in a solar eclipse to name just a few. Maybe not as life-threatening as the prior list, but seemingly as crisis oriented are the distress calls about employee turnover, asbestos lawsuits, customer complaints, price increases, driver shortages, delayed shipments, drug test failures, product damage, online competition and computer glitches. For those of us running a truck parts distributorship, we call that Tuesday.

But with the end of one successful year, we jump on the hope of another one right around the corner. What will 2018 bring? More of the same? I can certainly hope not. Sure, I’ll take the same sales number (or slightly higher), the same team of employees and the same product/market mix. However, if I want 2018 to be any different from 2017 I better be intentional about making it so. Can’t rely on new customers falling from the sky, can’t expect all employees to be self-starters and can’t assume competition is bored and complacent. If next year is going to be better, we must be proactive in making it better.

CVSN is all about making next year special. A lot of effort has gone into making sure Heavy Duty Aftermarket Week (HDAW) in January will bring you and your team maximum return. Motivational speakers, education sessions, product expo, purchasing deals and industry networking make this a must-do week for anyone wanting to move forward in the aftermarket.

Already planned and in process is the Distributor Training Expo (DTE) coming in April. If you haven’t signed your team up, get on it. Where better to get outstanding product training for your sales staff. I’m sure not the training guy, so it’s an easy decision for me to send our team. Are you? If not, let the experts do what they are paid to do.
And in the “it’s never too early to start thinking about the fall” category, the CVSN Summit will once again be a place where executives from both the supplier community and the distributor community gather to network and create opportunities that shake the world. Make sure to leave room in your calendar next September to attend what is one of the more enjoyable yet productive weeks of the year. I’ve checked the forecast, no hurricanes scheduled for Braselton, GA.

So as we close one year and open the next, is it going to be more of the same from you or are you ready to jump in and make waves? CVSN is ready to partner with you so you don’t have to go it alone. Together, let’s make 2018 a year to always remember!

Andy Robblee
President of Six Robblees’
CVSN President
After months of gathering information from several distributors and repair shops, we have sent a letter to the Engine Manufacturers Association requesting that they engage their members to correct identified deficiencies in the software they are offering that is not compliant with the Right to Repair Memorandum of Understanding. We are hoping that this notification will be sufficient to result in changes to the software, and we will not need to move to a more formal process of dispute resolution as spelled out on the MOU.

Additionally, the Massachusetts legislature has initiated a request to vehicle manufacturers for them to report on their compliance with the Massachusetts Right to Repair law.

On another subject, we have asked AutoCare to check with the EPA for clarification of the recent regulations on the sale of R134 Freon. The clarification is directed at whether distributors will be required to maintain a file of certification certificates on any customers who buy 30# cans of Freon. Customers are required under the new EPA regulations to only sell these larger quantities of Freon to customers who have the correct certification to use the product. However, it is unclear whether we will be required to maintain a copy of all the certifications. The new regulation takes affect on January 1, 2018. For more information on this new regulation, please go to the website,

https://www.epa.gov/section608/refrigerant-sales-restriction

MARC KARON
President Of Total Truck Parts
CVSN Right to Repair Chairman
2017 has flown by quickly and it’s hard to believe that HDAW18 is right around the corner. GenNext is proud to be one of the sponsors for the leaders of tomorrow (L.O.T) reception which will be held from 4:30-5:30 on Monday January 22 in the Mirage’s St. Croix A&B.

GenNext hosted a successful speed mentoring session at VIPAR this past October and will be hosting one at the HDA Truck Pride Annual Meeting in April.

April is going to be a busy month for both CVSN and GenNext as we once again team up to host the third annual Distributor Training Expo in Atlanta. With two successful years behind us we have even bigger plans for the 2018DTE. We plan on training 200 distributor managers, counter personnel and outside salespeople as well as add a keynote speaker to the venue. Jim Pancero will Keynote on Saturday, April 21st during the General Opening Session and will also host two breakout sessions, one for counter sales people, and another session for supervisors, managers and owners. This truly adds value to the already popular event and with over ¾ of the spaces filled we are expected to sell out soon.

If you haven’t registered yet please do so ASAP. Management put a cap on the number of distributor attendees to budget and plan for the event. DTE has had a steady increase with 150 distributors in 2016, 175 in 2017 and now 200 in 2018. There is no guarantee that we will expand for 2019. The event has been sold out with a waiting list each year and there’s no doubt it will sell out again in 2018. If you are a supplier, this is a great opportunity to train 200 people over the course of a single weekend.

Learn more and sign up at the links below:

Distributors: https://miregistration.net/gncvsndist/
Suppliers: http://www.miregistration.net/gncvnsupl

Lastly, it’s that time of year where we’re all understandably busy, but it’s also certainly a time we look forward to. Have a great holiday season and don’t forget to get some rest and stay safe. We’re looking forward to a very prosperous new year!

JEFF VOLPE
Marketing Director
CVSN
In May 2017, consultant Deloitte estimated that 10% of global GDP would be built on top of blockchain (BC) applications... but was a little light on specific industries or timeframes. This ambitious claim was made because of the transformative nature of this technology and the effect it will have on nearly every industry segment. For logistics and transportation, it will have a huge impact... promising to shake up all channels and functions within this $8 trillion worldwide industry.

**What Blockchain Is (Hint…It is NOT Bitcoin)**

Simply, a blockchain is like a database... it’s a way of storing records of value and transactions. However, calling blockchain a new type of database is like saying email is a new way of sending letters. While blockchain is a database, that definition doesn’t explain the true genius behind the way the blockchain stores records of value and transactions.

Where the blockchain offers significant potential is in transactions where parties don’t trust each other. There are many instances in trucking where two parties do not trust each other or the need to verify someone is very high. Examples include:

- Freight brokerage
- Safety and CSA compliance
- Payment transactions
- Fuel/parts/service purchases
- Driver ELD/employment records
- Freight payment
- Bills of lading processing
- Factoring
- Truck maintenance records
- Shared assets among different parties
- Asset tracking
- Chain of custody for freight
- Insurance records
- Claims
- Food safety
- Cross border customs documentation
Blockchain and the IoTT...Internet of (Truck) Things

Internet of Truck Things (IoTT)

BC technologies could be the silver bullet needed by the new IoT-enabled predictive maintenance industry. Blockchain technology can be used in tracking billions of connected devices, enabling the processing of transactions and coordination among devices.

This decentralized approach eliminates single points of failure, creating a more resilient ecosystem for devices, inventory (and trucks) to run on. The cryptographic algorithms used by blockchains would make a blockchain-based Internet of Truck Things (IoTT) possible relatively soon to assist:

- Connected Vehicles
- Truck and Component Condition
- Smart Appliances
- Supply Chain Sensors (pallet or even individual item level)

I really think that blockchain technology is the missing link to settle scalability, privacy, and reliability concerns in the Heavy-Duty truck parts and service markets. In its simplest form, parties within an extended supply chain add "blocks" of information to the broader chain. The blocks can identify as much information as the stakeholders deem necessary for the transaction to progress and be consummated.

Cheating is virtually impossible, because each step in a transaction, whether open to the public or restricted to specific stakeholders (the latter being what is envisioned in trucking) is witnessed and agreed by everyone in the chain.

At the heart of a blockchain's appeal is the development of so-called “smart contracts,” or self-executing contracts that do not require a third party to validate. As envisioned, contracts could be converted to computer code, stored, then replicated on the system and supervised by a network of computers that run the blockchain.

Smart contracts enable the exchange of money, property, shares, or anything of value in a transparent and conflict-free way, while avoiding the services of an intermediary. Like a traditional contract, these new compacts would define applicable rules but could automatically enforce those obligations.
Smart Contracts Are the "Holy Grail" of the Blockchain Concept

It is no secret that global supply chains running on legacy systems often get bogged down in the back-and-forth of obtaining multiple approvals for transactions... and are vulnerable to loss and fraud. A blockchain prevents this by providing a secure and quickly accessible digital version to all parties in the chain.

By charting each step of a transaction in the form of blocks that are validated before they are added, a blockchain process cuts the time lag incurred in achieving extended visibility and reduces the risk of information being corrupted as it moves through the chain.

Worldwide leaders that have explored a blockchain for transportation have done so gingerly (to say the least):

• Danish ocean carrier Maersk Line - the world's largest container shipping company (88,000 employees in 130 countries, $34 billion revenue) is probably the furthest along, having completed a test of managing Maersk's cargoes using blockchain in collaboration with IBM.
• Retail behemoth Wal-Mart is testing blockchain technology, mostly to track food shipments with its suppliers.
• Japanese automaker Toyota Motor is considering a blockchain technology to track auto parts from the point of manufacturing to assembly plants in other countries.

What Blockchain Isn't (see Bitcoin Above)

I've heard a blockchain referred to in typical Chicago terminology as "the thing that enables the thing." Cubs syntax notwithstanding, the description is fairly accurate. Because it isn’t a product or service, a blockchain doesn’t replace technologies currently in use. Rather, it augments existing business-to-business integration systems while creating a shared visibility overlay.

The challenge for developers and users will be to determine where a blockchain fits within the framework of the current IT mosaic.

As with other somewhat ethereal processes, the jury is out on how a blockchain would actually perform. A present-day blockchain cannot handle a lot of data and is not scalable. Attaining the ultimate objective of executing smart contracts will depend on Congress, states, or the courts writing and interpreting laws granting them legal authority, a process that could take years.
How Soon, How Much?

This is a true turning point. What we are talking about is doing away with traditional trusted multi-party relationships that have existed for centuries (and settled things with a handshake (or fistfight)), and replacing them with trust in inconceivably complex technology.

With the initial hype surrounding blockchain beginning to wane, more companies will develop solid opportunities for blockchain commercialization. Though a lack of standardization in technology and skills may present short-term challenges (see BiTA below), expect broader adoption of blockchain to advance steadily as companies push beyond these obstacles and work toward integrating and coordinating multiple blockchains within a single value chain.

Real Cost Reality Check... While most blockchain codes are open-source and run on low-cost hardware and public clouds, the full integration of blockchains into existing environments will require both resources and expertise, which don’t come cheap. What’s more, supporting new blockchain-based business platforms will not be free. Blockchain technologies, like the systems and tools that users need to interact with them, require IT maintenance and support. Finally, because they are still new, for some time blockchain platforms will likely run in parallel with current platforms, which may add short-term costs. So, no, blockchain is not free.

Heavy Duty Truck Leadership

The Blockchain in Trucking Alliance (BiTA) is helping to bring together companies in the trucking ecosystem where blockchain will impact their organizations:

- Common Standards... Lead, develop and embrace a common framework and standards from which the industry participants can build revolutionary applications.
- Collaboration... Develop a platform for dialogue and a thought leadership panel of influential entities around blockchain in logistics.
- Education... Promote education of blockchain technologies in the logistics industry.

BILL WADE
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Every deal has five basic obstacles: no need, no money, no hurry, no vision - and no trust.
CVSN is proud that 3 of 5 finalists for the 2017 Distributor of the year award are CVSN Member Companies. Good luck to all these great organizations. You are all winners just by being nominated for this prestigious award.

It is said that "You are known by the company you keep"

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The calendar may say December, but Heavy Duty Aftermarket Week (HDAW) co-chairs Troy Zurbuchen and Matt Forner say interest for next January’s event are nearing a fever pitch.

The 13th annual event has already sold out exhibit space for its product expo, and early distributor registration rates are ahead of last year’s pace. Combined with a revolutionized educational schedule and two new networking and training features, HDAW 2018 and its theme of ‘People, Partners, Profit’ is generating a lot of early excitement throughout the independent aftermarket.

“I think we’re both very excited. This year’s event is going to be a little different and a little out of the box compared to past years and I think people are going to enjoy it,” says Forner, director of Aftermarket sales at Grote Industries. “We believe our theme is appropriate for the industry and we’ve tried to wrap a hole series of TED-type talks around those themes.”

HDAW 2018 will be held Jan. 22-25, 2018 at the Mirage in Las Vegas. Like past years, the event will begin after the conclusion of Heavy Duty Aftermarket Dialogue with an all-industry welcome reception on Monday, Jan. 22.

It is the next day that Forner and Zurbuchen say attendees will experience exciting changes to the program. Instead of the 60- and 90-minute educational sessions of the past, HDAW 2018 will feature one keynote presentation during its opening general session on Jan. 23, then will follow with shorter, more pointed 20- to 30-minute presentations by a variety of speakers over the next two days. Each presentation will directly address the event theme, with each presenter working to offer aftermarket businesses guidance for improvement and business success in the aftermarket’s increasingly competitive landscape.

“I think if I could describe it in three words it would be adventurous, inspiring and exciting,” Zurbuchen, president of Midwest Heavy Duty, says of the updated schedule. “We are trying to change the format a little to provide greater value for attendees … so far, everyone is very excited about what we’ve done.”
Additionally, the educational session improvements aren’t the only updates to the program. HDAW organizers also have introduced Reserved Meal Table and Hands-On Training programs to the 2018 event.

Regarding the table program, organizers says suppliers participating in the one-on-one meetings during HDAW now have the option to schedule four extra meetings in a more intimate surrounding instead attempting to schedule another meeting within the Mirage. Organizers say a private area in the Mirage Grand Ballroom is now set aside with reserved tables during the scheduled breakfast and lunch times on Tuesday and Wednesday.

“We think it’s going to be something attendees haven’t seen at HDAW yet to date,” Zurbuchen says.

The hands-on training program also is available to suppliers and distributors, and HDAW organizers say the program was introduced to allow distributor attendees who do not attend one-on-one meetings to instead attend six pre-scheduled, 20-minute private sales training sessions at supplier booths on the Product Expo floor from 9 a.m. to 12 p.m. Wednesday, Jan. 24. The Hands-On Training program is limited to 15 suppliers.

“We want to provide more touches for everyone,” says Forner. “Our goal is networking and putting distributors and suppliers together as much as possible.”

“In the past you’d see people kind of get into day three and then hit the slump,” adds Zurbuchen. “We wanted to change that and keep everyone engaged through Thursday.” the educational session improvements aren’t the only updates to the program. HDAW organizers also have introduced

Forner adds, “We want HDAW to constantly try to move our industry forward.”

LUCAS DEAL
Editor
Randall-Reilly Publishing
Heavy Duty Aftermarket Week (HDAW)
January 22 – 25, 2018
Mirage Hotel & Casino
Las Vegas, Nevada

HDA Truck Pride Annual Meeting
April 4-8, 2018
San Diego Marriott Marquis & Marina
San Diego, California

CVSN/GenNext Training Expo
April 20-22, 2018
Hyatt Regency
Atlanta, Georgia

Heavy Duty Aftermarket Canada (HDAC)

Hilton Suites
Markham, Ontario

CVSN Aftermarket Distribution Summit

September 8-12, 2018
Château Élan Winery & Resort
Braselton, Georgia

VIPAR Annual Business Conference October
October 14-19, 2018
JW Marriott Marco Island
Marco Island, Florida
Château Élan Winery & Resort
September 8th-12 2018
Braselton, GA


more information coming soon
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