Aftermarket Distribution Summit

Amelia Island, Florida
September 9-13
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2017 is flying by quickly and it’s hard to believe that we are half way through the year. I want to recap the events of the spring and let you know what we are working on for the remainder of 2017.

I feel like we were just at HDAW17 battling the elements and travel delays. None of which deterred us from a great opening reception, strong one-on-one meetings, product expo and another exceptional all-industry HDAW. CVSN is proud to be one of the three owners of this event and we value our partnership with HDDA/Auto Care and HDMA. We are currently in the planning stages of HDAW 2018 and are looking forward to making the event even bigger and more exciting.

In April CVSN and GenNext hosted our second and now annual Distributor Training Expo event in Atlanta. This year we trained 175 distributor managers, counter personnel and outside sales people. We also had an increase in supplier representatives in attendance representing 23 companies.

The suppliers in attendance were once again overwhelmed by the attendees seeking knowledge of their products. One supplier told me “the amount of people that you see in this short of time, I mean you can’t beat it”. Next year’s event will be once again held in Atlanta. More information will be available soon. Please visit the CVSN website to reserve your spots for this GREAT training opportunity. Be aware that spaces are limited and time does seem to fly.

As always I look forward to seeing everyone at CVSN’s Summit. This year we are at the Omni hotel in Amelia Island, Florida this September 9-13, 2017. We have a lot of great events planned and as always a great speaker line up. Monday morning we are featuring Rocky Romanella, 3sixty Management Services, LLC and former CEO and Board of director of UniTek Global services, as our keynote speaker. He will be followed by Todd Buchholz, co-founder of Two Oceans Management, LLC and Nicholas Kralev, author and entrepreneur specializing in diplomacy and air travel. Tuesday we have Richard Hadden,
a certified Speaking professional with focus on leadership and employee Engagement. These four gentlemen have generously submitted supplemental articles in this edition of the insider on what they will be talking about.

What a busy year we are having and its only halfway through, Have a safe and prosperous summer and see y'all in Florida.

EDWARD NEELEY
President of Truck Supply Company of S.C.
CVSN President
Somehow, I got the job of overseeing all things that involve legislation and government regulation for CVSN. I think this happened one day when I left the Board meeting to go to the men’s room. Truthfully, I volunteered, and for the past ten plus years it has been one of the most exciting things in my career. Doing something for your industry is an amazing honor. And being on the edge of key decisions is as exciting as it gets.

When I volunteered, I never thought that we would still be fighting for the same issues. However, the effort by the OE truck manufacturers to make us irrelevant in the aftermarket is ongoing, and will continue long after I have left the stage. What it comes down to is a series of battles. Vince Lombardi once said that “…winning isn’t everything, it’s the only thing…” That may be true in football, but it doesn’t seem to work in our case. Winning the battle is the just beginning and not the end of the process.

With respect to right to repair, we are coming off two major victories. First, we were able to get Massachusetts to include heavy duty commercial vehicles in their right to repair legislation passed in 2013. Then, in 2014, we successfully negotiated a Memorandum of Understanding with the Engine Manufacturers Association, which represents the commercial on-highway truck and engine manufacturers. In addition, we were also able to get certain suppliers to work with independent service shops and fleets to support their products.

As important as all these victories were, what came next was really the heavy lifting. Getting the OE’s to actually abide by the law and the MOU has proven to be the real challenge. We have worked closely with the National Automotive Safety Task Force to confront the OE’s on missing software that should be provided under the law and the MOU. I would estimate that we now have about 70% compliance with the law, but only 60% compliance with the MOU. The MOU has some additional requirements that are not in the Massachusetts law. Some of the OE’s are telling us that additional software is being written to accommodate the rest of the requirements, but we believe that more can be done by the OE’s and done faster.

As a result, I will be testifying on June 6th in Boston in favor of MA H3757. This bill authorizes an investigation with respect to compliance by vehicle manufacturers to
the original Right to Repair Bill passed in 2013. It is being supported by CVSN and AutoCare. This decision to testify is a bold move by our coalition. In the eyes of the EMA, it is a direct violation of the MOU. It could result in them withdrawing from the MOU. In our opinion, it is not a violation of the MOU, since the OE’s are not yet in compliance and that is a requirement for us to not supporting legislation.

If the OE’s withdraw from the MOU, they are still required to support the Massachusetts law. Much of the software is already available and would probably continue to be made available. In addition, there are several bills similar to the Massachusetts law that are in committees in other states. Up to now, we have not supported these, but if the EMA withdraws from the MOU, we are ready to support this additional legislation. I am in regular communication with those who are pushing this additional legislation.

There are many who have supported this effort for our industry and deserve your thanks. Dave Scheer and now Greg Klein from Inland Truck Parts have provided us immeasurable support with guidance on the software. Frank Camerota will be working with me in Massachusetts, where he has locations. Dave Olsen, from Transaxle, has agreed to join the effort and will be an indispensable addition to our team. Finally, I want to thank the CVSN Board who has totally funded this effort and AutoCare who has provided us legislative guidance.

MARC KARON
CVSN Right to Repair Chairman
There is a lot to be excited about this year with GenNext and CVSN. After the Vipar Annual Conference and successfully hosting our first “Speed Mentoring Program” with 20 mentees and 10 mentors, HDA Truck Pride picked up the torch and hosted another round of Speed Mentoring at their annual conference this past May.

Here is a quote from Edward Kuo that helped put the HDA Truck Pride mentoring session together.

“Our Speed Mentoring sessions – both at VIPAR and HDATP – have received tremendously positive feedback. From the younger executives participating, it was an opportunity for them to interact with and ask questions to some of the industry’s most respected icons – something that would be difficult to accomplish in other forums. On the other side of the table, the mentors participating left the session energized by the conversations they had with the future of the industry, and most proactively expressed their desire to participate in Speed Mentoring at future events.”

GenNext and CVSN had another successful Distributor Training Expo (DTE) this past April for the second straight year. With growing the distributor attendance from 150 to 175 attendees and the supplier companies from 14 to 22, the overall experience was once again raved about from both the distributor and supplier attendees.

“I think it was a great event. Very successful,” said Nick Seidel, vice president at Action Truck Parts and GenNext. “When the distributors are happy, the vendors are happy.” - Truck Parts & Service Magazine

Each supplier chose to use their training time differently. Some put an emphasis on parts identification and component design, while others provided guidance for online catalog use and ordering tricks. Individual aspects of the event were appreciated as well. The one-hour Gold training sessions
posted an 89 percent approval rating (40 percent excellent, 49 percent good) and the 30-minute Silver trainings had a 90 score (33 excellent, 57 good). The trade show netted an 88 percent approval score (40 excellent, 48 good), with 73 percent of attendees claiming their time allowed on the floor was “just right.”

We are in the planning stages of the 2018 DTE event and the GenNext and CVSN groups are very excited for what is to come as we plan to grow the show to 225 distributor attendees next year.

NICK SEIDEL
Action Truck Parts
Vice President - GenNext
I’m delighted and looking forward to being part of the CVSN Summit in September. As a speaker and experienced business professional, my goal will be to challenge you to think of your business and your relationships with your key constituents in new ways.

As lifelong learners, we are compelled to see important things in a new light and our quest should be to go where the puck is going not to where it has been. This has also been a prevailing theme in my career. From part-time trailer loader at UPS to President of The UPS Store and later UPS Supply Chain Solutions, this approach has helped me shape simple yet thought-provoking lessons into tangible results. I challenge myself and others to not stop at the first right answer and to consider these same things as they are managing their operations. It also is what led me to write my book “Tighten the Lug Nuts.”

As you are reading the signs of your industry and looking for ways to stay ahead of the pack in a dynamic market, I encourage you to holistically look at your business through the lens of what I call, Balanced Leadership™. These are principles to manage by that, I believe, help optimize business performance while satisfying the needs of your customers, your people and your stakeholders. After 40 years, I continue to use this philosophy. For me, it has become invaluable, because I see so many leaders who focus only on one area of their business – usually the bottom line. By using such a myopic approach, these leaders are neglecting two very important business components that drive true success: the people and the processes.

Balanced Leadership

It doesn’t matter who you are or what your job and level, as a leader you are responsible for balancing the needs of your three constituent groups: your people, your customers and your stakeholders.

- Balanced Leaders think like a customer and ensure their people think like a customer.
- Balanced Leaders act like an owner and understand the business and what makes it profitable.
- Balanced Leaders ensure their employees and stakeholders feel valued.

But where do you start? Which is the most important? How do you keep them equally in balance?

While I’ll discuss each in detail during the summit, let me address your most important constituent – your customer.
For without them, your business wouldn’t exist.

**Think Like Who?**

Think like a customer. It a simple statement – pretty straight forward. But how do you breathe life into this concept for your customers to experience it and your people to understand it? The answer is fairly simple: It’s essential to create a brand identity from a customer perspective and then get your team to execute the organization’s customer strategy.

Here’s an example from my days at UPS Supply Chain Solutions. We were focusing on customers in the healthcare industry, and as a solution was being developed in concert with a large customer, the question was asked: who is the customer? Some in the group responded, “the patient.” Others said, “the healthcare provider” or, “the vendor network.” Still others felt that the customer was, “the hospitals, clinics and pharmaceutical companies.”

At times, all may be right, but in this particular solution and for this strategy, the question had to be answered before they could move forward. Who is the customer? Once you establish this critical point, then you can establish some very important next steps in the process:

- What are you solving for?
- What won’t you compromise?
- What are your boundaries?
- What keeps the customer awake at night?
- What are the key metrics that you will hold yourself accountable to?
- What does good look like?

There are many other examples, but this is a fundamental question that must be answered to ensure everyone is in sync.

For us in UPS Supply Chain Solutions, and in particular our health care vertical, it became our mantra and part of our branding: “It’s a Patient, Not a Package.” Now, the branding is: “United Problem Solvers.” That’s thinking like a customer!

**Constantly Question Your Status Quo**

For you to think like a customer, you have to think and be a solutions provider. Ask yourself, how do I help my customer by providing them the best possible solution? It starts with asking your customer, “What keeps you awake at night?”, that begins the solution process. You’ll need to think about new opportunities to participate in the aftermarket industry or create new solutions … new ways of doing business that don’t currently exist.

Think like a customer by approaching each challenge as a true solutions provider. By watching you and seeing your example – your people need to embrace this concept.
so they will think like a customer in all they do. Doing so will help your team view the business from the eyes of the customer. This mindset and vision will better guide their decisions and actions.

Someone is going to be the best, so why not you and your team? Make sure you are tightening lug nuts in your control as you lead by example.

Rocky Romanella speaks, consults, trains and advises on leadership development, customer service and business optimization. The author of TIGHTEN THE LUG NUTS: The Principles of Balanced Leadership can be reached by email at rromanella@3sixtymanagementservices.com. The book can be purchased as well on the website www.3sixtymanagementservices.com.

3SIXTY Management Services, LLC are business leaders who help companies enhance their growth momentum through our Balanced Leadership™ Model using an assertive approach to execution and accountability. Contact the team at: www.3SIXTYManagementServices.com.
I’m delighted to present to CVSN at a critical time for the U.S. economy and for the transportation sector. I’m especially pleased because my father made his career in transportation. He joined the U.S. Navy at age 17 and after serving in World War II on a destroyer tender, joined the Wabash Railway, and went on to positions with Norfolk & Western, Delaware & Hudson, and Sealand. When I was a kid, it seemed that the containerization revolution was taking place in our living room. It was not unusual for dinner to be interrupted by calls from shippers looking for their freight, sometimes Ford Motor Company wondering who misplaced their cars!

Efficient transport is crucial to the U.S. economy, and every economist in the world is wondering whether the U.S. can return to the robust growth rate of the 1980s and 1990s. I’ve been lucky – or not so lucky – to have a front-row seat at some of the key economic and financial crises in recent years, at the White House, on Wall Street, in corporate boardrooms, and in the halls of academia. In these positions, I’ve traveled the world trying to understand the forces that shape nations and their economies. I’ve lectured on the beaches of Abu Dhabi, only to be interrupted by fireworks and the arrival of the emir. In Anchorage, Alaska a spooky hotelier interrogated me about UFOs in Area 51 (since I worked in the White House, he figured I was in on the conspiracy). I’ve been screamed at by a White House chief of staff, and the governor of Idaho thanked me by handing me a 30-pound box of raw potatoes. I look forward to sharing with you some of what I’ve learned but also to share with you my best judgment on where the economy is headed next and what it means for the hard-working people behind the wheels of trucks, trains, and barges.

President Trump arrived in Washington in an era filled with intrigue, distrust, and big ideas. In my work, I’ve tried to bring people together over ideas. I was pleased that my latest book The Price of Prosperity received strong endorsements from advisors to both Donald Trump and Hillary Clinton, and was the subject of a PBS Special Report. Still, the questions ahead are challenging: Can President Trump create an infrastructure revolution, without driving up the deficit? Can the Federal Reserve Board prod the economy to recover, while nudging interest rates higher? Will the Fed keep its independence or be turned into a tool of the White House? Will a “get-tough” attitude with China, Canada, and Mexico derail trade, or open up new opportuni-
ties? Will the U.S. build up bigger and bigger debts without tackling entitlements? By “connecting the dots” of the world economy, I will try to help you develop a timely vision for the economy, the financial markets, and the transportation sector. I look forward to meeting you!

Todd G. Buchholz served as White House director of economic policy, managing director of the legendary Tiger hedge fund, and was awarded Harvard’s annual teaching prize in economics. The Wall Street Journal named his latest book, *The Price of Prosperity*, a “must read.”

*The Price of Prosperity: Why Rich Nations Fail and How to Renew Them*  
@EconTodd
THE POLITICAL CLIMATE AND THE FUTURE OF U.S. FOREIGN POLICY

NICHOLAS KRALEV
Executive Director
Washington International Diplomatic Academy

I was happy to accept the CVSN board’s invitation to speak at your summit in September and look forward to discussing the current political climate in Washington and its impact on both national security and global stability.

My keynote address falls on September 11, and the attacks on that day 16 years ago taught us in the most painful way that what happens thousands of miles from our shores affects us at home. Before 9/11, we thought that the two oceans of either side of the country protected us from attacks. Yet a relatively small group of fanatics hiding in the caves of Afghanistan, a failed state ruled by the Taliban, killed almost 3,000 of our people.

One of the main conclusions the U.S. government drew from that devastating terrorist act was that the way foreign countries are being governed can have an impact of America’s security. The George W. Bush administration was the first to make that link, noting that poor living conditions, desperation and disenfranchisement abroad drive people to terrorism and other criminal activities that harm the United States.

As former Secretary of State Condoleezza Rice told me once, before 9/11, “nobody thought that we’d have to worry about the fifth-poorest country in the world, an ungoverned territory or a failed state.” Urging and helping other countries to improve their governance “is not a matter of largesse and compassion -- it’s a matter of security,” Rice argued. “Ungoverned and poorly governed countries and spaces that can’t act as responsible sovereigns end up giving their territory over to terrorists, drug traffickers and human traffickers. And those are then dangerous places from which a lot of transnational threats emerge.”

In addition to using military force, the Bush administration made a significant investment in diplomacy, which increased further under the Obama administration. Washington bet that broader and deeper global engagement aimed at making the world more stable would keep security threats away from the homeland. As a result, the country’s foreign affairs budget, while still 12 times smaller than the military budget, reached historic highs of over $50 billion.

Now the Trump administration has proposed a 30-percent cut to that budget. It has also expressed dislike for the way U.S. diplomacy has been conducted for decades, and for the established global order. How will that affect America’s global leadership
and the work of our service members and diplomats? Even more important, how will it change the lives of Americans at home?

I look forward to addressing these issues with your members in September.

NICHOLAS KRALEV
Executive Director
Washington International Diplomatic Academy
Every year, respected business sources like Fortune, Glassdoor, J.D. Power, and Business Week, rank, in a seemingly endless variety of ways, the top performers in their chosen industry or market. We see the “Most Admired”, “Best Places to Work”, “Highest Shareholder Return”, “Greatest Customer Satisfaction” awards, and the list goes on.

Have you noticed, as I have, that there’s often a lot of overlap among these lineups? Marriott, Delta, Nordstrom, Starbucks, Google, and a few others seem to make multiple appearances among all the lists of superlatives.

This phenomenon has been going on for a long time, and it got my business partner, Bill Catlette, and me thinking, more than 20 years ago, that there might – just might – be a connection between the kind of workplace an organization offers, and its long-term potential for business success.

And as it turns out...there is a connection. A pretty strong one.

Our research over more than two decades has shown that organizations who relentlessly pursue a strategy focused on Employee Engagement and workplace quality can expect to see stronger business outcomes than their competitors who don’t.

In short, creating a focused, engaged, and capably led workforce, is one of the best things you can do for your bottom line.

Or, as we’ve been saying since our first book came out in 1998, Contented Cows Give Better Milk. And no, we’re not suggesting the people in your workforce are cows. But what we are saying is that in the same way that contented cows do give better milk (and that’s established science), satisfied, engaged employees give better performances. And that always finds its way to your bottom line.

So what makes a great place to work? At first, you might think it’s things like free food, nap rooms, state-of-the-art workplace gyms and childcare, or bring-your-pet-to-work days. Closer examination reveals that it’s not so much the creature comforts that attract, retain, and engage the best talent, but instead, it’s one word – leadership.

Leaders in what we call “Contented Cow Companies” know, among other things, that in order to get the most, willingly and enthusiastically, from everyone on the payroll, you have to do the following:

1. Hire the right people, based first on attitudes and values, and then and only then, on the skills and experience they bring to the job. Unless you’ve hired people who have the potential to be happy, productive, and successful working for your company, they don’t stand a chance. And neither do you.

2. Get people Committed, with a Capital C, to the mission of the enterprise. It’s not
about a “mission statement”, but rather, about every single person on the payroll being intimately familiar with (because their leaders have shown them) the business’s top priorities.

3. Enable people to do their very best work. Show them how their work matters. Provide the right training. The right tools. The right systems, processes, and leadership. Get out of their faces, and let them do their work.

4. Show your employees you care about them. That’s right. You have to care about them. I didn’t say coddle. I said care. Because people simply reserve their very best effort for a leader who cares. Simple as that. Contented Cows Give Better Milk. Focused, engaged, and capably led workers produce better outcomes. This is a business issue, and it represents a strategy that you, as a leader, can pursue with pride and confidence, while serving the shared interests of your employees, your customers, and your investors.

RICHARD HADDEN, CSP

*Richard will be speaking on Tuesday September 12th from 1:30 - 2:30.*
For more information and registration forms, visit
http://www.cvsn.org/2017-summit

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