

WINTER 2003

55th Annual Conference Keynote Address

**CUSTOMERS –
LOVE 'EM OR
LOSE 'EM**

***Entrepreneur and investor Ron Monarch
reminded ETI members that the
customer is always right.***



Ron Monarch

"The customer is always right" is an old adage. Even though that may not be the actual case, it is a good attitude to adopt. Keynote speaker Ron Monarch, entrepreneur, investor and former president of Mitchell Information Systems, put it another way in his insightful and humor-laced presentation, "Customers — Love 'em or Lose 'em." Monarch provided examples of how certain companies have done both. "The customer is always the customer," he postulated, "but not all customers are alike. And in the end, the customer always wins."

The Customer Always Wins

This was a way of encouraging, in fact exhorting, companies and individuals who expect to solidify a customer base — and then to expand it — that customers must be profiled, studied, understood and served according to their wants and needs.

Monarch chortled at customer service messages that are feeble attempts to personalize and speed responses to telephone inquiries. He cited the use of ex-

tended menus that extract such detailed information from a caller as an account number, only to have a live voice finally arrive to immediately ask for the account number and then re-request all information that was already given to the automated menu.

He urged all ETI members that have such systems in place to revamp or to discard them as they are self-defeating.

Insider Ideas ... Winners!

Monarch went on to describe opportunities within the company, as well as out of it, that can lead to company growth. He cited, among others, American Airlines and Hertz for insider improvisations that led to impressive external growth.

American Airlines coupled the knowledge that fewer than 20 percent of its phone calls were actual ticket orders with research that showed that about 85 percent of callers had access to computers. American put ticket prices and purchase procedures online and it proved to be

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Japan Tech Week 2002

The most exciting event in years, make plans now to attend in 2003

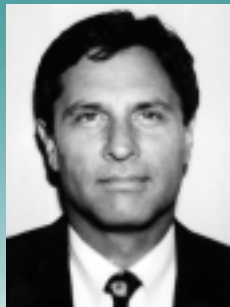


News & Views

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PO BOX 13966 ■ 10 LABORATORY DRIVE
RESEARCH TRIANGLE PARK, NC 27709-3966
PHONE 919-406-8844 ■ FAX 919-406-1306

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Robert L. Wilson
Sensors Inc.

ETI ... The Place to Be in 2003

Enhanced membership value, heightened visibility on key issues, member growth and financial stability will position ETI as an industry force in 2003.

Our responsibility and our mission in 2003 are to **ENHANCE MEMBERSHIP VALUE** while increasing membership size and ensuring financial stability of the Equipment and Tool Institute. Those are goals to which we are committed and from which we will not waver.

We will enhance membership value by building on and promoting the Institute's core strength — its technical assets:

- ▼ Detroit and Japan Tech Weeks have become the envy of the industry. They are "must" events because of the technical and planning value of their content.
- ▼ ETI has become and will strive to continue being a key contributor to regulatory actions involving the California Air Resources Board (CARB), the Environmental Protection Agency (EPA) and other key agencies.
- ▼ Improving the National Automotive Service Task Force (NASTF) matrix by breadth, depth and ac-

curacy will be a top priority project in 2003. Implementing a question-and-answer dialogue with vehicle manufacturers will be a major assist to achieving this goal.

- ▼ Transitioning the TEK-NET library to an electronic format — ultimately in preparation for providing Internet access — is another key project.

The ultimate mission of these actions is to establish ETI as the place to go for technical information.

Financial Stability

Ensuring long-term financial stability will continue to be a priority. Our goal is to build net equity that places ETI on an equal footing with organizations of similar size: member equity that is over 26 percent of total revenue.

Marketing Programs

In 2003 we will enhance content of existing programs and also seek out new projects of significant value to members. As an example, the statistical reporting program is being broadened to include underhood products.

This is significant step.

The 2003 Annual Meeting will incorporate refinements that ensure its relevance to today's forward-looking Institute membership structure.

Heightened Awareness

We will strive to improve communications, both internally among members and outside the organization, to heighten awareness of the Institute and its accomplishments. Engaging a broader segment of the membership in these leadership activities will be an important goal.

There are opportunities to work with other organizations where strength in numbers will benefit the industry as a whole. ETI will be engaged in those activities where appropriate. At the same time, this will give ETI an opportunity to attract new members. Expanding ETI's scope and its membership is critical to our future strength and growth.

This will be an exciting year for ETI and its members. I look forward to participating in the continuing renaissance of the Institute and to serving you — the members. ■

Full text of Technical Manager Charlie Gorman's report at the 55th Annual Meeting is available on the ETI Web site, etools.org. It is information packed!

Solving Problems — Sharing Solutions

Guided Diagnostics ... Tomorrow's Here!

Guided diagnostics are the wave of the future. They could replace the need for repair manuals, paper references of all kinds and eliminate a lot of decision-making. When will they arrive? They're here!

Picture an automotive service system where malfunctions are self-diagnosed, temporarily self-corrected, and the technician is advised how to effect a long-term repair. Parts are ordered automatically, and after the repair the vehicle does a quality check to ensure the malfunction was properly corrected. Most of the repairs in this scenario would entail only the replacement of modules or making adjustments to self-correcting modules.

ETI Technical Manager Charlie Gorman described such an ideal world in setting the stage for his panel discussion on guided diagnostics.

Gorman said that on-board diagnostic (OBD) systems are designed increasingly to do exactly what the name implies — perform diagnostics on-board, which will make life easier for technicians. If that does not happen,



Charlie Gorman. "When the ultimate goal of OBD is reached, the system will be the decision maker. The technician will follow menus provided by 'directed diagnostics.'"

two possibilities present themselves: 1) the OBD systems with supporting tools and information are not adequate to the task; or 2) technicians do not possess the knowledge and skills to properly apply the information and tools that are available to them.

If the unquestionable direction to have vehicles diagnose and temporarily correct themselves is pursued to its ultimate goal, it won't matter if traditional information systems and tools are not robust enough or if an individual technician is not sharp enough.

When that ultimate goal is reached, the OBD system will be the decision maker, and the technician will follow menus provided by the guided diagnostic system.

When will this scenario become a reality? It's well on its way and exists in large part today. A panel discussion revealed what several companies are doing to make tomorrow's diagnostics a part of today's experience.

The VW/Audi Solution ... VAS 5051 And VAS 5052

An advanced, faultfinding, diagnosis system for VW/Audi dealers created compliance problems with CARB and EPA information rules. The result is two similar systems with different levels of automation.

Computer power and availability are in increasingly abundant supply, while top-level technicians are in shortening supply. VW/Audi decided that using all available computer technology should become a priority in



Peter Stuyck. "The VW/Audi directed diagnostics system was ruled too expensive for independents, so a less automated version with similar capabilities was created."

solving automotive service problems. The result for VW/Audi dealerships is a guided diagnostics system that is sophisticated beyond traditional expectation. It's known as VAS (Volkswagen/Audi Solution) 5051.

VAS 5051, however, created a compliance problem with the EPA's imminent Information Rule. It was judged to be expensive for the independent market, so VW/Audi created a less expensive, equally capable piece of guided faultfinding equipment. The result is VAS 5052.

The difference is the degree of automation involved between the two systems, as well as the price difference — about \$14,000.

Peter Stuyck, editor of Service Publications at VW America, pointed out in an eye-opening presentation that the 1974 Golf I had one control module that was without interlinking capability. By 1999 the Golf IV had five control modules with 32 interlinking possibilities. It also incorporated a Controller Area Network (CAN) bus. The upscale 2002 Phaeton has 40

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modules with billions of interlinking possibilities. It uses an optic bus and telemetric diagnosis. In other words, it's a whole new world in diagnosis.

"Repair manuals are no longer sufficient to fix cars right the first time," Stuyck stated, which is why VW/Audi developed the VAS 5051 for its dealerships. It is a PC-based device that has an imbedded, scan tool functionality, various other test instruments, and repair information, including wiring diagrams and TSBs, and the information is interactive with OBD systems. VAS 5051 is the year 2002 ultimate guided faultfinding diagnostic system. It reportedly works great for VW/Audi dealerships.

The problem is that it doesn't meet an important pending CARB/EPA requirement for the independent sector of the automotive service market: "reasonable cost." The VAS 5051 costs a little over \$20,000.

VW/Audi then created a system that would give independents something of equal information capabilities at less cost. The result is the Electronic Repair and Workshop Information (*erWIN*) system, featuring VAS 5052. This system's information capabilities are equal to VAS 5051, but the imbedded instruments are not included and certain automatic look-up features now require manual action. The cost is about \$6,000. CARB and the EPA have not given formal approval to that number as "reasonable cost" yet.

What *erWIN*, VAS 5051 and VAS 5052 might do for the independent market is to cut a path through the jungle of automotive diagnostics that others are sure to follow. Can generic equipment makers rise to this level? Historically, when man sees a mountain, he wants to climb it.

The Wave of the Future

Information provider Mitchell 1 sees guided diagnostics bringing a wave of change that will reshape the service industry.

"The wave of the future" is how Ron Garrett, director of OE relations and new markets at Mitchell 1, sees guided diagnostics impacting the automotive aftermarket. "Guided diagnostics will change how the service industry sectors perform their roles," he said.

Garrett also reminded the audience that the hypothetical scenario

described in Gorman's introduction is already in existence, though not fully operative. "It's called 'telematics' and it is here," he said.

Garrett traced the rate and extent of recent change in automotive service. He pointed out how the role of his own company has been transformed into being a "homogenizer" of information.

"Seeking the data and preparing it for print was the major function in the not-too-distant past," he said, adding, "The principle challenge now is to get OE information into a common format for ease of use by independent service providers." That includes the timely delivery of service/repair data, TSBs, wiring diagrams, labor times and training materials.

Service dealers must have standard formats for retrieving information. Vehicle OEMs do not de-

liver it in a standard format, so Mitchell 1 and other intermediate information providers will make that their major mission. The delivery method to the service dealer in turn will change from print to CD to DVD.

New Opportunities For Scan Tools

As old problems get easier to solve many new problems (opportunities) also arise so that progressive toolmakers will benefit from the move to guided diagnostics.

"Are vehicle computer systems getting more complex and, therefore, more difficult to repair? Or are they getting more advanced and, hence, easier to repair?" Those were the questions posed by Keith Kreft, vice president of advanced service concepts, Snap-on Diagnostics.

There is no easy answer but the presentation and the lively discussion that followed made several things clear: 1) More systems will present more problems, therefore, more opportunities for aftermarket scan tool makers; 2) Old problems are getting easier for scan tools to solve, but the rate of change in automotive systems is creating new and more difficult problems; 3) Guided diagnos-



Ron Garrett. "Guided diagnostics will change how service industry sectors perform their roles."



Keith Kreft. "More systems will present more problems and, therefore, more opportunities for aftermarket scan tool makers."

tics brings serious concerns about the cost of complete systems for independent automotive shops, the ease of use for independent shops that service a broad range of makes and models, the absence of common terms and a common-user interface, and separation of service information and OBD protocol documentation.

"There is still a significant gap between guided diagnostics and self-diagnosing vehicles," Kreft concluded. Opportunities are many for equipment makers and information providers.

"Homogenizing an avalanche of automotive system changes and diagnostic information is an opportunity-laden challenge to all ETI members," he said. "ETI is promoting the use of standard formats and delivery methods. But it is important to remember that technology leads standards — not vice versa."

Collision Repair ... OEs Move In



Larry Carter. "As vehicle makers move to bring body repair back to the dealerships, new opportunities open for ETI Collision Group members."

Vehicle manufacturers increasingly are moving to bring collision repair back to the dealerships. Car-O-Liner President Larry Carter moderated a panel discussion on why vehicle makers want the business back in their own service bays and how they intend to

get it there. Toyota and GM revealed their plans and their progress.

Ensuring that vehicle owners — especially owners of new vehicles — can have certified technicians using OE-quality parts and top-grade equipment to perform body repairs is the stated reason. Control of the entire process through certification is the target. "This presents ETI Collision Group members with a new set of marketing opportunities," Carter said.

Toyota's Certified Collision Center Program

Collision repair initiative focuses on productivity and profitability. On-time quality repairs build customer satisfaction and loyalty.

"It's not good for a dealer to have to tell a Toyota owner with a banged fender to take his vehicle elsewhere for repairs," said Roger Foss, Customer Service Division, Toyota USA Inc. "So we developed Toyota Certified Collision Centers (TCCC)."

This program is intended to encourage dealers to get into the body shop business on drivable hits and to show how following the Toyota system can create greater revenues and generate customer loyalty, while increasing profits.

Strict requirements are at the core of the TMS-USA Collision Repair Initiative, which could result in equipment sales possibilities for ETI members and increased parts sales for Toyota.

Modern equipment and knowledgeable, skilled technicians to use that equipment to maximum potential of productivity and profitability are key ingredients for success — not just at Toyota, but throughout the service industry.

Foss described the three phases of the TCCC program:



Roger Foss. "More than 1.8 million Toyota owners need body/paint services each year."

Phase I – Body Shop Certification Program

- ▼ Establish standards for proper body shop operation
- ▼ Offer support programs and incentives for existing shops to meet these standards
- ▼ Market Toyota Certified Collision Centers to insurance companies and to retail customers (Toyota owners)

Phase II – New Body Shop Development

- ▼ Promote and assist car dealer investment (equipment and personnel) in the collision repair business
- ▼ Develop turnkey support packages for new entrants

Phase III – Create Affiliated Independent Body Shops

- ▼ Expand certification and support to selected independent shops
- ▼ Ensure that affiliates meet the needs of existing dealers and comply with all of Toyota's operating standards

Why is Toyota launching this initiative? Foss put it this way: 1) More than 1.8 million Toyota owners need body/paint service each year; 2) \$2.6 billion was spent on Toyota vehicles for body/paint service in 2001;

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3) Toyota dealerships with body shops (455 total and 109 TCCC qualified) perform only 16.9 percent of all U.S. collision repairs on Toyota vehicles; and 4) Only 40 of 240 Lexus dealers have collision repair centers — four good reasons why OEs and dealerships will be moving into the collision repair business.

Goodwrench Body Shops

GM's answer to full customer service and to serious penetration of the collision repair business is a network of Certified Goodwrench Auto Body Centers.

"Good service, based on after-the-sale programs, helps to build repeat sales of cars, and body shop programs are an integral part of our initiative to deliver customer satisfaction," said Ron Doerr, marketing manager for Body Shop Business, GM

Corp., as he opened his presentation at the Annual Meeting. He went on to detail the steps his company is taking to retain customer loyalty.

Doerr said the GM body shop expansion and certification program resembles the Toyota program, "except that it is probably being done on a larger scale."

Only 50 percent — approximately

3,900 — of GM car dealerships are in the body repair business and just somewhere between 15 percent and 20 percent of GM vehicle owners get bodywork performed at those dealerships.

"It's a big market," Doerr said. "Only the biggest and best shops will survive in it. Our answer is the Goodwrench Auto Body Center program. Only those who can meet GM's strict qualification standards will be authorized to use the Goodwrench label."

At the time of his presentation, Doerr said only 60 dealers had completed the Goodwrench qualification program but many others were in the process of becoming certified. There are still many opportunities for equipment makers who could help that crowd meet qualification standards.

To develop its comprehensive technical, management and marketing program, GM turned to a group of third-party consultants. They pinpointed six areas of emphasis: equipment, facilities, customer handling, business processes, on-site instruction, and training.

Like Toyota, GM is also seeking independent service providers for its body shop network to deal with the overall volume challenge. The certification process for independents that want to join is stringent.

"There are 217 million vehicles out there, and

41 million will hit something in a given year," Doerr said in depicting the volume of work that exists in the market. He added that the Goodwrench Auto Body Center concept will provide complete technical information, quality OE parts that fit without rework, and remove the hassle from procurement. The result: shop profits and customer satisfaction. ■



Ron Doerr. "The Goodwrench Auto Body Center program offers a means for us to certify the entire repair process."

Customers

from page 1

an instant winner. It's now commonplace, but at the time it was a giant leap.

Hertz #1 grew from a service clerk realizing that a large part of the reservation business she handled derived from the same body of customers. She put each company's routine background data on file and reservations sped through as quickly as they called in. The result: Hertz #1. It went from one reservations clerk's initiative to a companywide marquee.

Live With the Customer

"Solve the customer's problems, not just your own," Monarch said. Drawing on his own automotive aftermarket experiences he noted that the customer might not always be able to communicate his needs clearly, which lays out a greater and special challenge. "You must live with the customer as if you were the customer. You must understand what he does, hour by hour and day by day. Share his every problem."

Monarch concluded by reminding the audience, "The customer may not always be right, but the customer always wins. Show 'em love, or lose 'em." ■

*Mark
Your
Calendars*

**2003 Detroit
Tech Week**

**Monday, June 16 –
Friday, June 20, 2003**

Recruiting and Retaining World-Class Technicians

Eight experts discuss the continuing importance of technicians to the growth of the automotive service industry and cite programs to recruit, train and retain.

Technology is accelerating advances in sophisticated on-board diagnostics, as well as menu-driven, guided diagnostics. Knowledgeable technicians, however, with head and hand skills are still the key to productivity and profitability in service bays, which is where all automotive service revenues are generated.

Attracting and motivating new entrants by broadcasting the many available career opportunities needs improved efforts. Initial schooling and on-going training are essential, and improved working environments will also go a long way toward attracting and keeping quality personnel.

Mark Hall, account manager for Delphi Integrated Service Solutions, moderated a panel of eight industry leaders. Each told of the mission and contribution of their respective organizations to close the gaps in the alarming shortfall in career, world-class technicians.

Malcolm Barrett, Ford Motor Co.

"The service bay is where the gigantic revenues of the entire automotive service industry are generated and where profits are made. Staffing up with knowledgeable and skilled technicians is a basic building block of this industry. OEs, equipment makers, parts distributors and service providers all have a stake in ensuring outstanding personnel are attracted to service bays," Ford's Malcolm Barrett told ETI members and guests.



Malcolm Barrett. "Staffing up with knowledgeable and skilled technicians is a basic building block of this entire industry."

Ford estimates that 35,000 new technicians are needed annually, and the effort to fill the need for new talent begins at the dealership. A recruiting tool kit provided by Ford corporate contains an A to Z menu. After top-notch talent is spotted and landed, retention initiatives include a hierarchy of honors status, travel awards and compensation benefits.

Roger Foss, Toyota Motor Sales USA Inc.

Toyota/Lexus estimates a 58 percent growth in its technician population between 2000 and 2010 and it intends to grow its own talent in the Toyota mold.

"The industry has only itself to blame for its talent shortages. We've done a miserable job of telling young people about career opportunities in automotive service," Toyota's Roger Foss charged.

Toyota sends its own instructors to

trade schools and other secondary schools to ensure that interests and skills relating to Toyota and its products are properly presented. It also established the University of Toyota in 1998, with the mission to improve performance of corporate and dealer personnel.

Toyota's T-TEN program is for technician development. It takes two years to earn the T-TEN degree. Rising to Master status — the top in the technician hierarchy — takes five years. Toyota promotes a team concept that involves service writers, parts specialists, etc., in competitive exercises.



Roger Foss. "The industry has only itself to blame for its talent shortages."

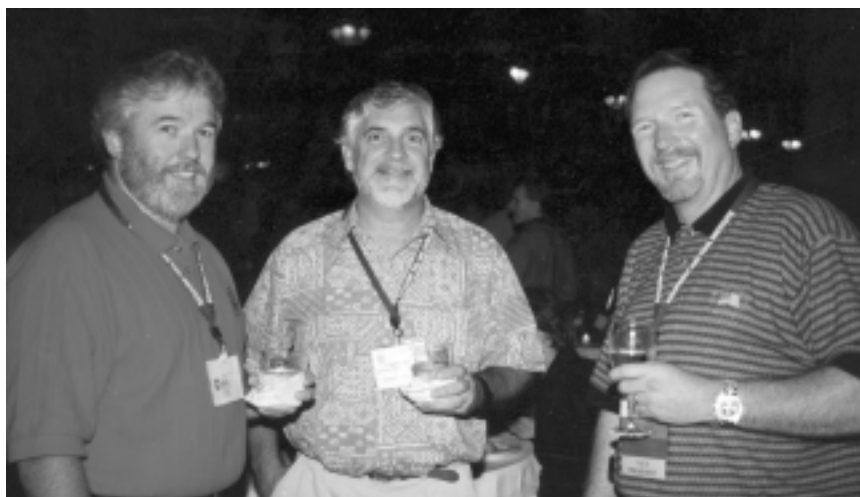
George Arrants, Snap-on

"Too many instructors are far away from involvement with the automotive industry. Therefore, they don't know what the industry needs. We have to get industry input into school

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TECHNICAL STUFF –

American Honda's Wes Arnold and Charles Black take a timeout from technical discussions with Greg Potter, Snap-on Diagnostics.



STATISTICAL REPORTING PROGRAM – A new feature of the Annual Statistic Report will include data from the Underhood Group. The planning committee drew names of potential participants from a database of 72 companies. Attending (L to R): Garret Miller, SPX; Rob Wilson, Sensors; Mark Hall, Delphi; Greg Potter, Snap-on; Bill Eernisse, Rotary Lift; and Charlie Gorman, ETI.

FAC IN 7 CRO



THE LAST HOLE – At the 18th hole, Garret Miller and Joran Olsson, who is waving his hand.

INFORMATION ACCESS GURUS –

Spokesmen and policymakers from five aftermarket associations relax after discussing recent rulings on access to technical information: (L to R) John Cabiness, AIAM; Charlie Gorman, ETI; Charles Roberts, ASE; Wayne Juchno, STS; and Bill Haas, ASA.



CES THE DWD



AN INTRUDER? – Joran Olsson, Pro Spot, joins in a discussion with spouses of ETI executives: (L to R) Lorraine Carter, Car-O-Liner; Judy Nicholson, Garmat; and Sandi Kreft, Snap-on.



le are (L to R) Larry Carter, Bill Eernisse
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COFFEE BREAK – Discussing events and issues of the day are (L to R) Mark Hall, Ron Doerr, Charlie Gorman, and John Elias.



THE HENNESSY BUNCH – A major gathering within “The Gathering” was comprised of officials and wives of the Hennessy Corp.: (L to R) Chuck Cunningham, Ron Newton, Kevin Keefe, Wanda Newton, Judy Cunningham and Jim Shook.

Technicians

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George Arrants. "We must take the initiative to form partnerships with schools to get industry input into their programs."

programs. We have to take the initiative to form partnerships," stated Snap-on's Business and Education Partnership Manager George Arrants. Arrants spent 12 years as a school instructor before joining Snap-on. While he admitted he did a lot wrong during that time, the main thing was not getting involved with and working close enough to the industry. Snap-on uses industry partnerships with schools as a major instrument in its training regimen.

Arrants highlighted the mission of the National Automotive Technicians Education Foundation (NATEF), where he serves on the Board of Trustees. NATEF has established standards spanning curriculum, instructor qualification and up-to-date equipment inventory for training schools. Earning certification by NATEF brings many benefits to a school, and it establishes a status level that increases the potential to be awarded, among other things, government and industry financial grants. Certification also raises the possibility of attracting top students, as well as placement in jobs after graduation.

"NATEF is becoming the needle and thread of putting it all together

in automotive training," Arrants concluded.

Improving the Shop Environment

Technicians can be drawn to and retained in a professional and productive work environment.

Matt Webster, vice president of sales and marketing at Rotary Lift, offered a vision of the service bay that would make technicians more productive, professional and profitable. He offered an opinion that not enough focus is placed on service bay design. Shure Manufacturing President Dan Richardson followed with a presentation that complemented that opinion. "Improve the work environment to improve the quality of the technicians that can be attracted to and retained in the service industry," he said.



Matt Webster. "Merging and integrating information technology, electronics and communications into the service bay lift would elevate the work environment."

Webster's vision would make the lift the central focus of service bay design. By merging and integrating information technology, electronics and communications into the design of service bay lifts, the lift would become the command and control center.

Lifts equipped with a database of service information would be capable of generating complete ROs, ordering parts, reading trouble codes, of-



Dan Richardson. "To improve the quality of service, the quality of technicians and the image of the industry, improve the workplace."

fering diagnostic tips, serving as a library for TSBs, and operating specifications. Rotary calls this "techtivity™." This command center approach and the techtivity concept would throw a spotlight on the service bay as a place for bright young people to build a career.

Rotary took the first step down this path with its first-generation "Inbay" lift. The second generation will use wireless technology for voice and data transmission. It will be Web-based and fully integrated.

Richardson used extensive graphics to point out that the industry has allowed some service bay conditions to deteriorate. Poor shopkeeping and lack of equipment maintenance are the obvious signs. This hurts the image of the industry, places recruitment and retention programs at an instant disadvantage, and hinders productivity. He made it clear that ETI members have the greatest possibility to change all of that and to lift the service industry to a new level of professionalism.

Shure is advancing a program called Technical Customer Care Centers (TC3) "to improve quality of service and the quality of the workplace," Richardson said, adding that TC3 will

help recruit and retain technicians as well.

Using photographs he made his point dramatically, demonstrating how the use of technology and creative design makes car dealership service areas merchandising showcases for customers and productive/profitable work areas for top technicians.

Technicians: Where They Come From, What They Want and Why They Stay

Two professional organization managers whose members are technicians offer data on wants, needs and expectations.

There are several professional organizations to which automotive technicians belong. Two of those organizations, the Service Technicians Soci-



Wayne Juchno. "More training opportunities and the guarantee of information access are important to technicians."

ety (STS) and Automotive Service Excellence (ASE), sent high-level staff members to the ETI roundtable on recruitment and retention of technicians. STS Managing Director Wayne Juchno and Charles Roberts Jr., director of industry relations for ASE, offered valuable data and insights based on surveys and experience.

Juchno presented survey data to demonstrate what three things technicians need and expect:

- ▼ Access to technical information, which is a paramount concern and one of the reasons technicians join STS;
- ▼ On-going training, of which a certain amount is expected to be employer provided; and
- ▼ Image enhancements — like most career people, top-level automotive technicians expect awards, incentives and recognition that they are engaged in a profession that is important to the strength and growth of the economy.

Juchno said the average amount of training STS techs report receiving is 37 hours per year. Eighty-one percent believe that isn't enough in the rapidly changing environment of sophisticated automotive systems.

Only 23 percent reported receiving a direct reward or special recognition for continuing training, most of which was manufacturer supplied — vehicle OE or equipment maker. The remaining 77 percent expressed a desire for some type of recognition. ASE is the paramount organization for the certification of automotive technicians. Roberts pulled no



Charles Roberts Jr. "Service stations were once the incubators for automotive service specialists, but no more. Schools are now the birthplace of top talent."

punches in stating that recruitment of top talent is an industrywide problem, adding that retention runs a close second. "Service stations were once the incubators of automotive service specialists. No more," he said. "Schools are now the birthplace of top talent." This leans favorably into ASE's involvement with the NATEF, which certifies the automotive programs at schools. Various studies were cited to show that employers prefer to hire ASE certified technicians. ■

Institute Adds Eight New Members in 2002

The Equipment and Tool Institute added eight new members in 2002, despite the trend toward consolidation of companies in the automotive aftermarket. It also represents a net gain over the prior year.

The new members are:

- Assenmacher Specialty Tools
- Autocom Diagnostics
- Automotive Electronics
- Environmental Systems Products
- Gale Banks Engineering
- Hewlett-Packard Co.
- Sapphire Software
- Worldwide Environmental Products

The Institute is pleased and proud to add these companies to its roster of leading automotive tool and equipment suppliers.

The ETI Yearly Report

I/M Update & Outlook

OBD II is at center stage. It's still somewhat controversial, but it's the program being installed where expansion of testing is the order of the day in the United States. There are international opportunities, too.

"It's the most significant change to I/M testing since the start of in-use vehicle emissions programs in the 1970s. It's OBD II, and it has international implications and opportunities," said Rob Wilson, I&M Subcommittee chairman, in presenting ETI's yearly update report.

This ETI Special Report is the industry's authoritative white paper on I&M developments. It covers each state's program and structure, names key personnel and suggests the course of future programs.

While most state I&M expansion efforts in the United States will be OBD II-only programs, the technology remains somewhat controversial. OBD II does not provide tail pipe emission data. It relies on the ECM for evaluation of a vehicle's emission system. The test is simpler, consumer friendly, and offers possibilities of better tracking of repairs, as well as improved throughput.

But long-term durability and reliability of on-board sensors remain a question in some quarters. Various studies relating to vehicle age and high mileage continue.

2003 Start Ups Scheduled

Seventeen states had implemented OBD II at the time of the ETI Annual Meeting and another 16 have scheduled implementation in 2003, includ-



Rob Wilson. "Most I&M expansion programs in the United States will employ OBD II-only tests."

ing California, Massachusetts, New Jersey, New York and Pennsylvania. It is not all smooth sailing, however, as the frequency of testing and other program details could affect start-up dates.

Tail pipe testing is still a critical component of the entire emissions test program as 29 tail pipe programs in place are expected to continue — 13 of those are centralized, 14 are decentralized and 2 are hybrid networks.

Tail pipe protocols range from two-speed idle to a variety of ASM configurations and to loaded transient

mass tests. Remote sensing for "clean screen" is used in Arizona, Illinois and Missouri, and it has been advanced in Colorado where attainment is likely. Gas cap testing to curb evaporative emissions has a place in many state procedures. Late-model exemptions are increasing in length and use.

International Overview

Internationally, opportunities exist in Quebec beginning in 2003 and are in place in Mexico where small, loaded, mass measurement tests are being considered. In Europe, the EC continues to move toward adopting EOBD and Germany is on track for 2003 implementation.

In Asia, Korea had scheduled ASM and opacity tests for 2002-2004 and Japan has opacity on its agenda for 2005. China has moved to loaded mode testing with start up sometime in 2005.

In South America, Brazil is a focal point for BAR 90 and opacity testing with a start-up target in 2003.

Meanwhile, insiders in the United States see the EPA shifting attention to in-use testing under a program known as CAP 2000 for certifying make/model emissions performance. For a full I&M Update Report, log on to etools.org or fax a request to Jim Lawrence at 919-406-1306. ■

Addressing Current and Future Needs

ETI Mission Statement Refined

Searching to refine its mission statement to the expressed needs of current members and to the expectation of attracting new members, ETI crafted the following:

"Our mission is to advance the vehicle service industry by providing technical data and open dialogue between the manufacturers of transportation products, government regulators and the providers of tools, equipment and service information."

This mission statement is the net result of a business plan developed with the help of ETI's management group, MEMA Management Services Group (MSG). The business plan resulted from a challenge to better define what the members want and what

the Institute should do to make sure they get it.

The refined mission statement also serves to guide the current and future Board of Directors from leaning too far toward the individual wishes and activities of companies that apply for membership in the Institute.

ETI continues to be committed to the needs of service providers in the bays of independents, dealerships and franchise operations. It is they who ultimately provide safe, reliable and economical service to vehicle owners. In pursuit of its mission, ETI will unwaveringly be committed to ensuring that the vehicle owner/service provider interface is not lacking in productivity.

MSG is uniquely qualified to administer all activities that arise in ETI's pursuit of its expressed goals. MSG manages other major automotive aftermarket associations, which gives it a broad vision of the industry's direction and needs.

Measured by member and prospective member response, the refined mission statement is on target.

2002 ETI President Mark Hall led a discussion of the genesis of the mission statement during the members-only business session at the Annual Meeting. Insights on goals and plans were also shared. ■

2003 Leaders: ETI Officers Elected

Robert L. Wilson, Sensors Inc., was elected president of ETI at the 55th Annual Meeting. Wilson has progressed through the chairs and served as vice president programming for the 2002 meeting. He has been prominent in I&M Subcommittee actions for many years. In that capacity he authored the highly respected I&M Update Report.

A strong and dedicated slate of succession officers include vice president programming – Greg Potter, Snap-on; vice president marketing – William Eernisse, Rotary Lift; secretary/treasurer – Patrick Rice, Mitchell International.

Outgoing directors, whose services will be missed because they are not assuming new official positions,



A brief, but significant traditional event at the Annual Meeting was the passing of the gavel. Incoming 2003 President Rob Wilson (left) accepts the symbol of authority from Mark Hall, immediate past president.

are James Wanberg, OTC/SPX, a former president, and Bill Eyerdorf, a multiterm board member and long-time committee participant.

The new board of directors remains

diversified and strong, which will serve the established interests of the Institute well in 2003.

New vertical group committee chairs and technical chairmen were also announced:

Collision Group

Chairman: Joran K. Olsson, Pro Spot International Inc.

Undercar Group

Chairman: Kevin Keefe, Hennessy Industries Inc.

Technical Chairman:

Chuck Cunningham, Hennessy Industries Inc.

Shop Management Group

Chairman: Carl Rhodin, ERS Solutions

Technical Chairman: Ron Garrett, Mitchell 1

A Breakthrough Event

Japan Tech Week 2002

Format and agenda changes make the JAMA/ETI annual information exchange bigger and better than ever. The bar has been raised and planning for 2003 is already under way.

The largest ETI contingent ever went to Japan for Tech Week 2002, and in four days one of the most cooperative and equally informative Tech Weeks concluded. ETI members gave Japan's OEs insights to U.S. aftermarket information issues, such as NASTF, EPA, CARB, and Gold Scan Tool. In return ETI gained vital data for improving scan tool performance, plus an acknowledgment that both parties have much to gain from making communications less tightly controlled and less formal.

There were many expressions of thanks to ETI from each of the eight Japan Automobile Manufacturers Association (JAMA) OEs that participated.

A Turning Point Event

ETI Technical Manager Charlie Gorman, a veteran of many Japan Tech Weeks, saw the 2002 meeting as a break-through event. "I'm convinced," he noted in his summary report, "that we will look upon this Tech Week as a turning point for ETI and its members."

Gorman expressed conviction that JAMA's OE members now see more clearly the direct benefits of Tech Week. "This is the year that meaningful regulations and voluntary mandates finally convinced various JAMA members that it is important to cooperate with the information needs of U.S. aftermarket repair segments in general — and the ETI specifically."

The enthusiastic reaction to Tech Week 2002 promises to be more than a passing, one-time event. There are already indications that JAMA is anticipating Japan Tech Week 2003, which is expected to take place in the Los Angeles area in

November. In fact, during this year's wrap-up discussions JAMA brought up planning for 2004 and 2005.

Elements of 2002 Success

There were several significant changes to the Japan Tech Week format that contributed to this year's overall success.

- ▼ The meeting date was changed from December to November. This made it easier for U.S. companies to participate. December is a difficult month to travel at most companies.
- ▼ Instead of visiting each automaker's facilities, which consumes large chunks of time traveling, meetings were held at Japan External Trade Organization (JETRO) business centers in Nagoya and Tokyo. This made it



GETTING READY – Having landed in Japan, the U.S. contingent lines up for a photo op, (L to R) Garret Miller, Larry Mazur, Angela Mazur, Glenn Long, Denise Long, Ed Lipscomb, Charlie Gorman, Martin Larsson, Hamid Namaky, Mike Gessner, John Haralamos, Richard Amador, David Huang, Carl Rhodin, and Viv Shadwell.

possible to meet with all eight JAMA members in just four days. In prior years it took five days to meet with half of the vehicle makers.

- ▼ Focus was placed on completing information spreadsheets similar to those of NASTF, rather than seeking data on new model vehicles yet to be released.
- ▼ ETI asked for and received financial assistance from JETRO. This eased the cost burden of members who bore all costs associated with Tech week in previous years.

In addition, overall ETI members had 14 separate meetings with Japan business entities. In addition to the eight specific automaker meetings, there were sessions with the Japan Automotive Service Equipment Association (JASEA) and with the Japan Au-

tomotive Machinery and Tool Association (JAMTA).

Both organizations are interested in the success ETI has achieved in working with government agencies to cause a freer flow of information from car companies to service industries.

JASEA is a distributor organization that constantly seeks new suppliers. JAMTA is particularly interested in globalization, and as such must keep up with U.S. and European specs and standards. ETI offered insights to J 1699-3, J2534, MVCI/ODX and OA-SIS. JASEA, JAMTA, and ETI pledged to keep one another informed of their wants and needs.

The JAMA Wrap-up

Most important, however, all of the JAMA member meetings — individually and collectively — were on target, stressing the mutual advantages of sharing technical information.

Mitsubishi, Honda and Nissan now have a clearer understanding of U.S. aftermarket needs. Suzuki gained a new relevance for information exchange, updating its data in the NASTF matrix even while Japan Tech Week meetings were in progress. For years Toyota and Mazda have provided all requested information, allowing ETI to discuss refinements in the reporting formats with them. The other companies will eventually abide

THE HONDA PRESENTERS –
Pictured are Honda's
presenters at Japan
Tech Week 2002.



ETI AT HONDA – The ETI session with Honda places Charlie Gorman at center stage. Honda better understands ETI needs and has expressed intent to comply as a result of this meeting.

with these formats.

Additionally, ETI requested that JAMA make every effort to have its eight member companies improve communications with their U.S. subsidiaries. There was some informal acknowledgment that subsidiaries were not always in the loop. ETI specifically asked that subsidiaries be empowered with as much scan tool information as possible.

Improved communications, including ETI's ability to contact each automaker directly, will aid in planning for and execution of Japan Tech Week 2003. Nissan will be the host company. Planning meetings in the United States will be scheduled for mid-May and September. ■

This article is based significantly on a report filed by Charlie Gorman, ETI technical manager.

Who Traveled to Japan Tech Week

Ten ETI member companies sent representatives to Japan Tech Week 2002. Attendance reached record numbers amid an atmosphere of growing and continuing cooperation.

Japan's OE automakers now see a greater significance to the various U.S. regulations and voluntary compliance actions related to information access. ETI is increas-

ingly respected as a trusted custodian and adviser.

Organizations in attendance at meetings in Tokyo and Nagoya included Actron Manufacturing Co.; Autocom Diagnostics; Robert Bosch Corp.; ERS Solutions; Injectoclean; Innova Electronics Corp; Omitec Group; Snap-on Diagnostics; SPX Corp.; Vetronix Corp.; and Equipment and Tool Institute. Nineteen

managers represented these organizations, a significant increase from prior events.

Various changes in the Tech week format, as well as changing the meeting date to November, were listed as factors contributing to increased participation.

ETI Technical Manager Charlie Gorman labeled this year's event a turning point for the Institute.

56th Annual Conference 'Cooperation - Driving the Win-Win Solution'

To deliver the service our customers demand, cooperation between the auto manufacturers and the repair industry is crucial.

Plan now to attend this important event.

Wednesday–Friday, Sept. 17-19, 2003
Seaview Marriott Resort and Spa, Atlantic City, New Jersey

Equipment and Tool Institute 2003 Calendar of Events

Mid-Year Board and Committee Meetings

Monday–Wednesday, May 5-7
Santa Fe, NM

Detroit Tech Week

Monday–Friday, June 16-20
Detroit, MI — Crowne Plaza Romulus

Fall Board and Committee Meetings

Tuesday, September 16
Atlantic City, NJ — Seaview Marriott
Resort and Spa

56th Annual Conference

Wednesday–Friday, September 17-19
Atlantic City, NJ — Seaview Marriott
Resort and Spa

Japan Tech Week

Monday–Friday, November 17-21
Southern California