

# STATE OF THE INDUSTRY 2013

## Welcome Colleagues

To the Year of Change

**Thank You Bob**  
**&**  
**Elite Staff!**

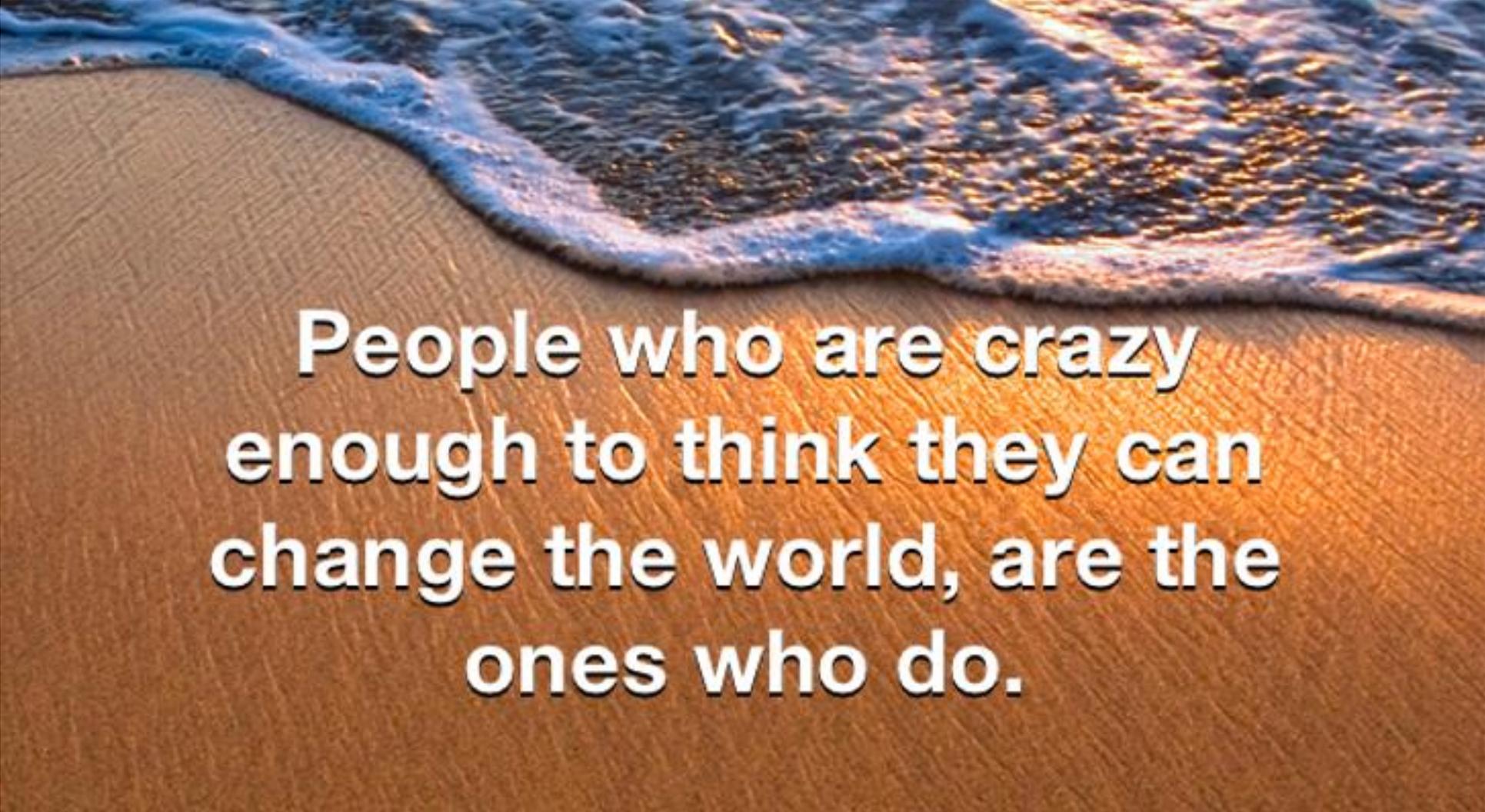




This is me on  
a walk

I am an Outdoor Cat  
Not an Indoor Cat





**People who are crazy  
enough to think they can  
change the world, are the  
ones who do.**

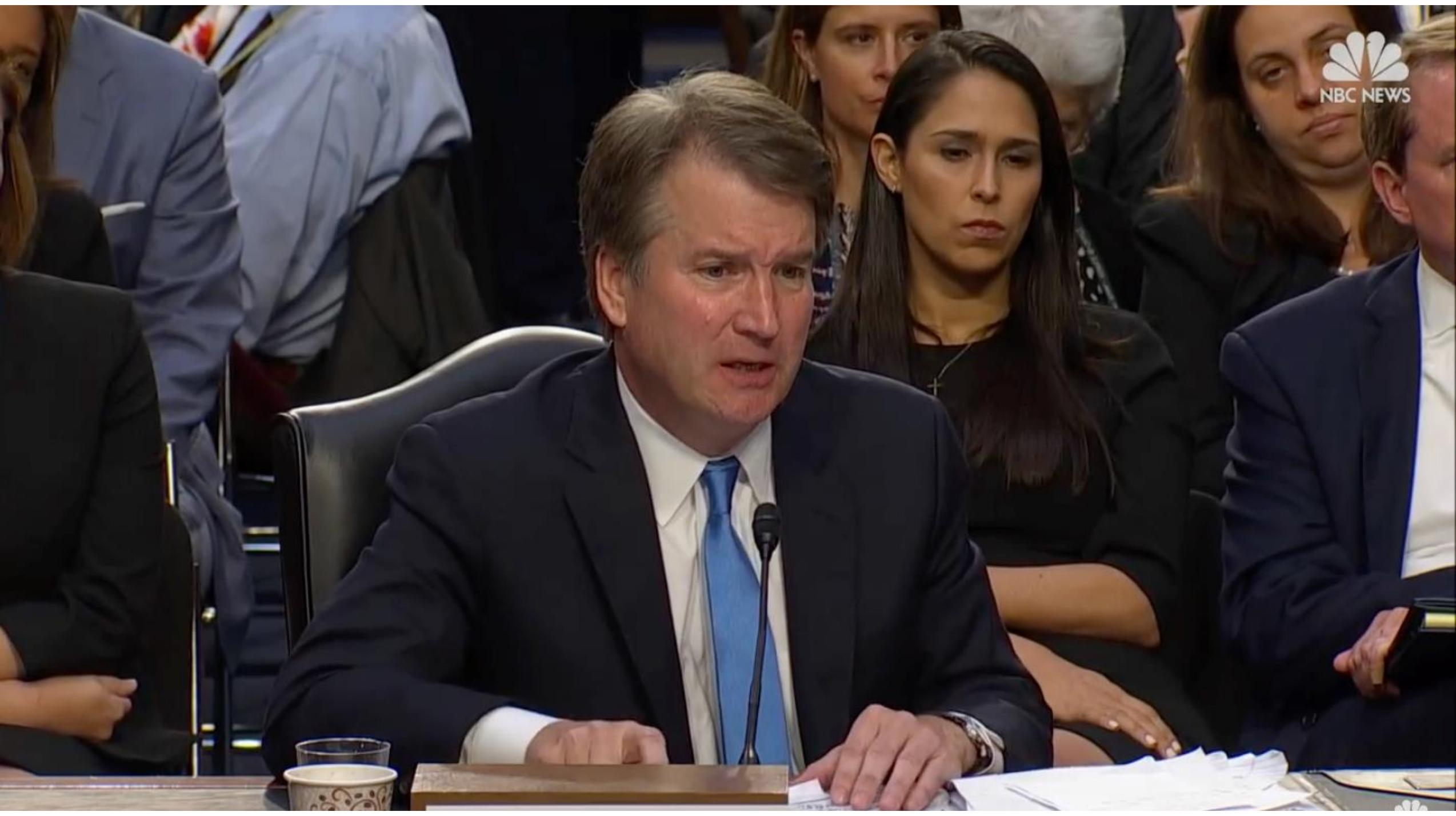


# **Top Events in 2018**

*Sorry* WE'RE  
**CLOSED**















A large graphic featuring the number '20' in a bold, blue, sans-serif font. The background is black with a pattern of dark blue triangles pointing in various directions, creating a textured effect behind the numbers.

20

YEARS STRONG

## U.S. business cycle scorecard

	Start of cycle	Early cycle	Mid cycle	Late cycle	End of cycle	Recession
Inventories		●	○			
Consumer durables		●	●			
Housing			●	●		
Prices			●	●		
Bonds			●	●		
Monetary policy			●	●		
Equity profitability			●	●		
Leverage			●	●	○	
Economic trend			○	●	○	
Credit			○	●	○	
Sentiment				●		
Business investment				●	○	
Employment				●	○	
Equity direction			○	●	●	
Economic slack				●	●	
Volatility				○	●	
Cycle age					●	
<b>Votes for each stage of business cycle</b>	0	2	9	13.5	6.5	0

Legend: ● = most likely stage of business cycle; ○ = alternative interpretation.

Source - RBC Global Asset Management

# Major economic indicators still in expansion mode

RBC Wealth Management U.S. economic indicator scorecard

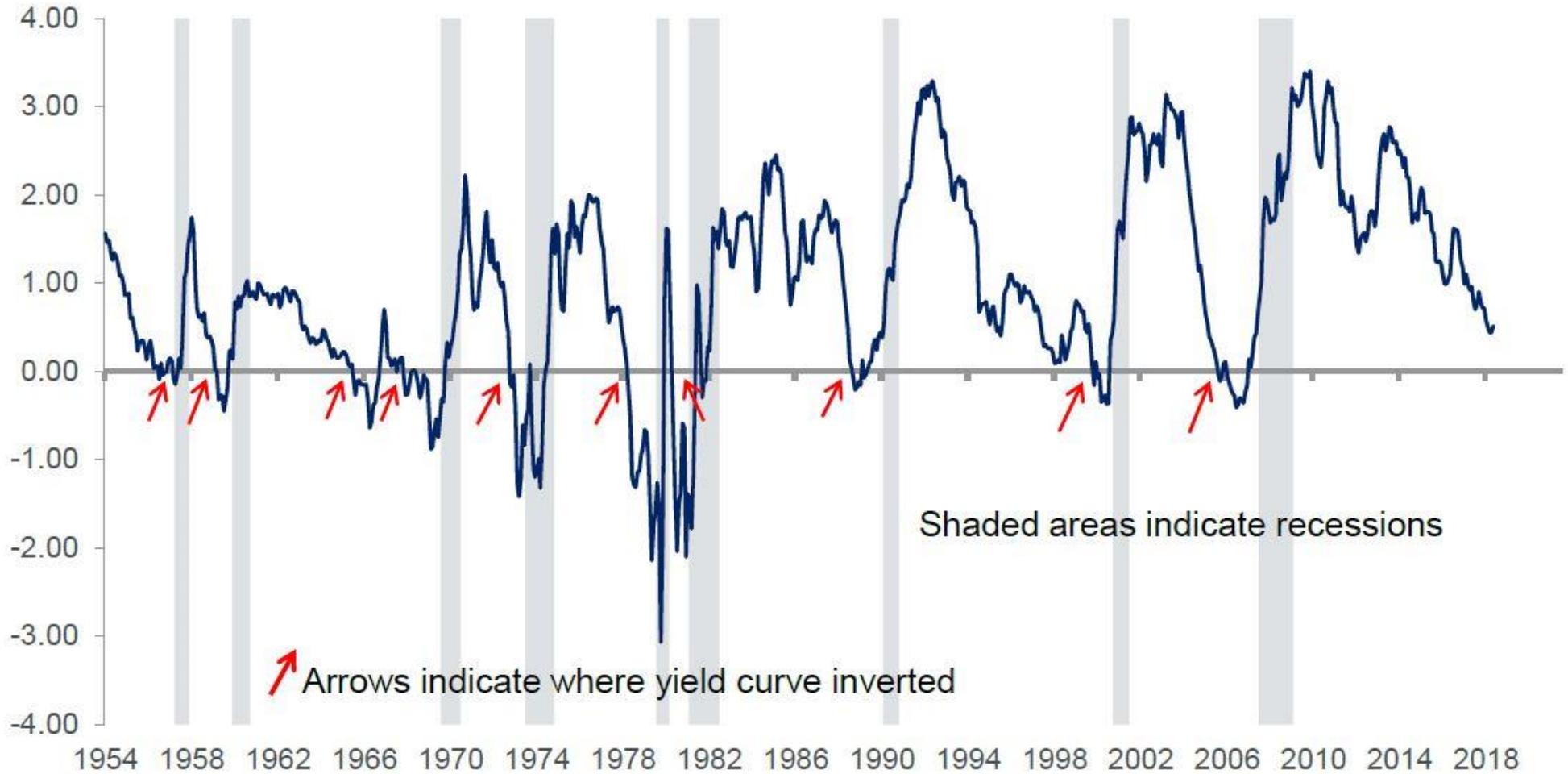
Indicator	Status		
Yield curve (12-month to 10-year)	✓	–	–
Unemployment claims	✓	–	–
Unemployment rate	✓	–	–
Conference Board Leading Index	✓	–	–
ISM new orders minus inventories	✓	–	–
Fed funds vs. nominal GDP growth	✓	–	–
<b>Expansion</b> <b>Neutral</b> <b>Recessionary</b>			

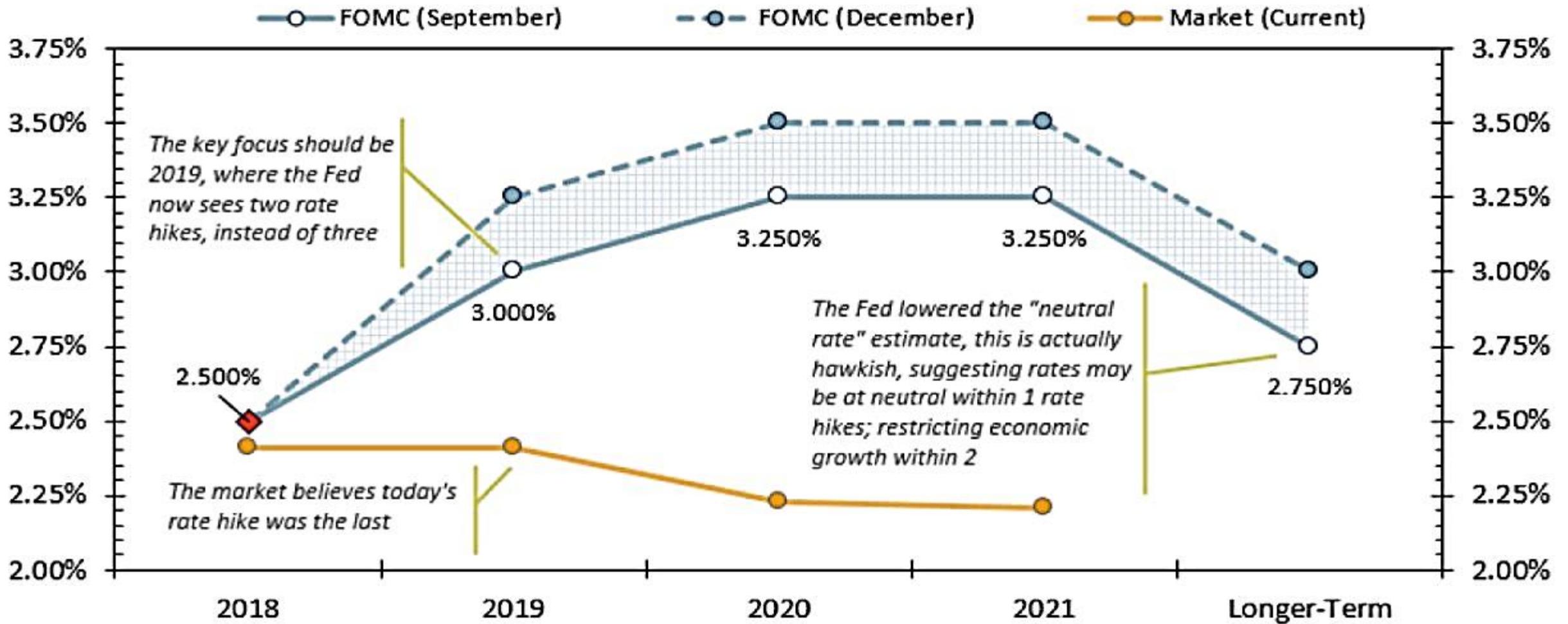
No U.S. recession in sight so far.

Source - RBC Wealth Management, Bloomberg, FRED Economic Data St. Louis Fed

# Inversions lead recessions by about a year

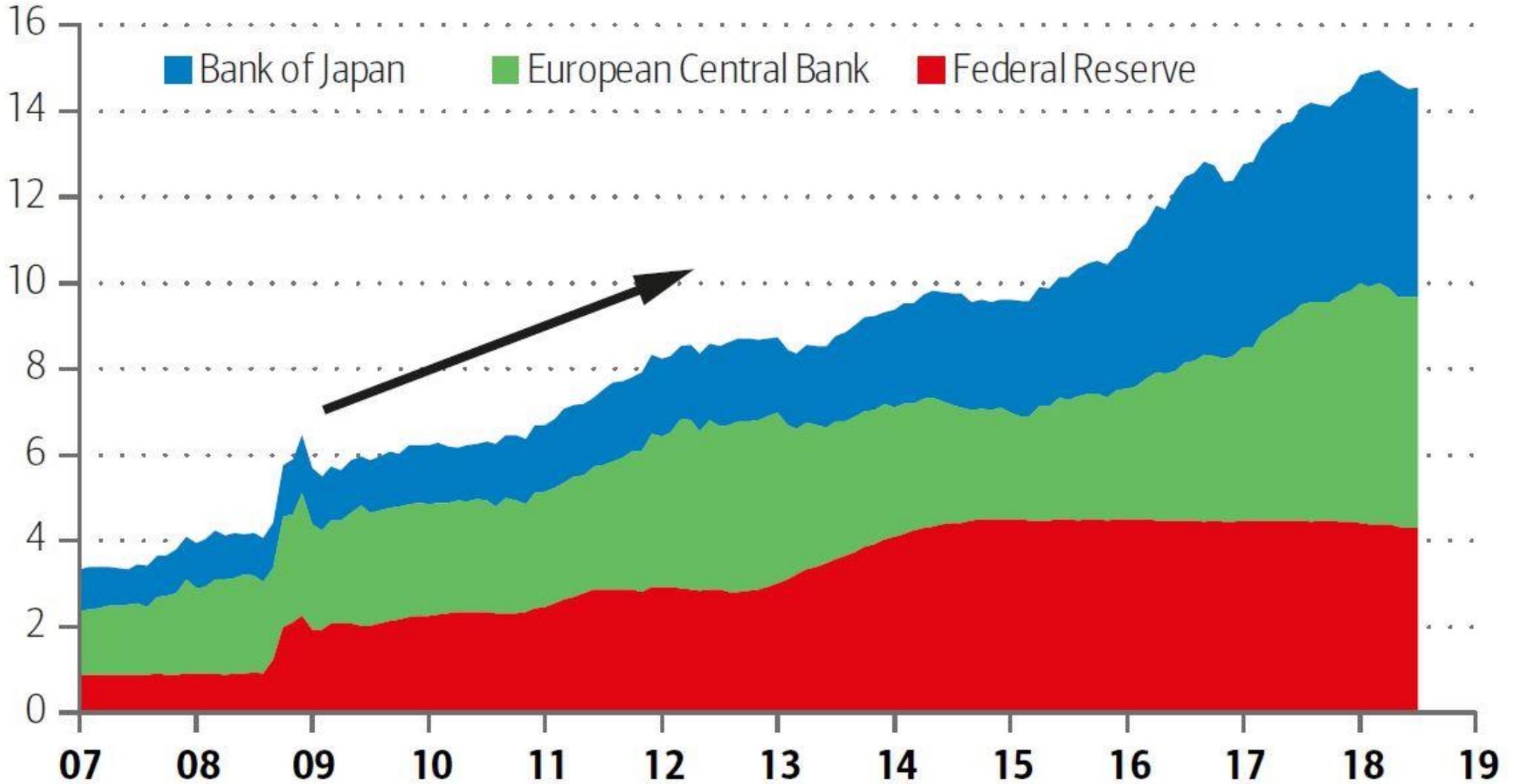
Yield differential between the U.S. 10-year and 1-year Treasury (%)



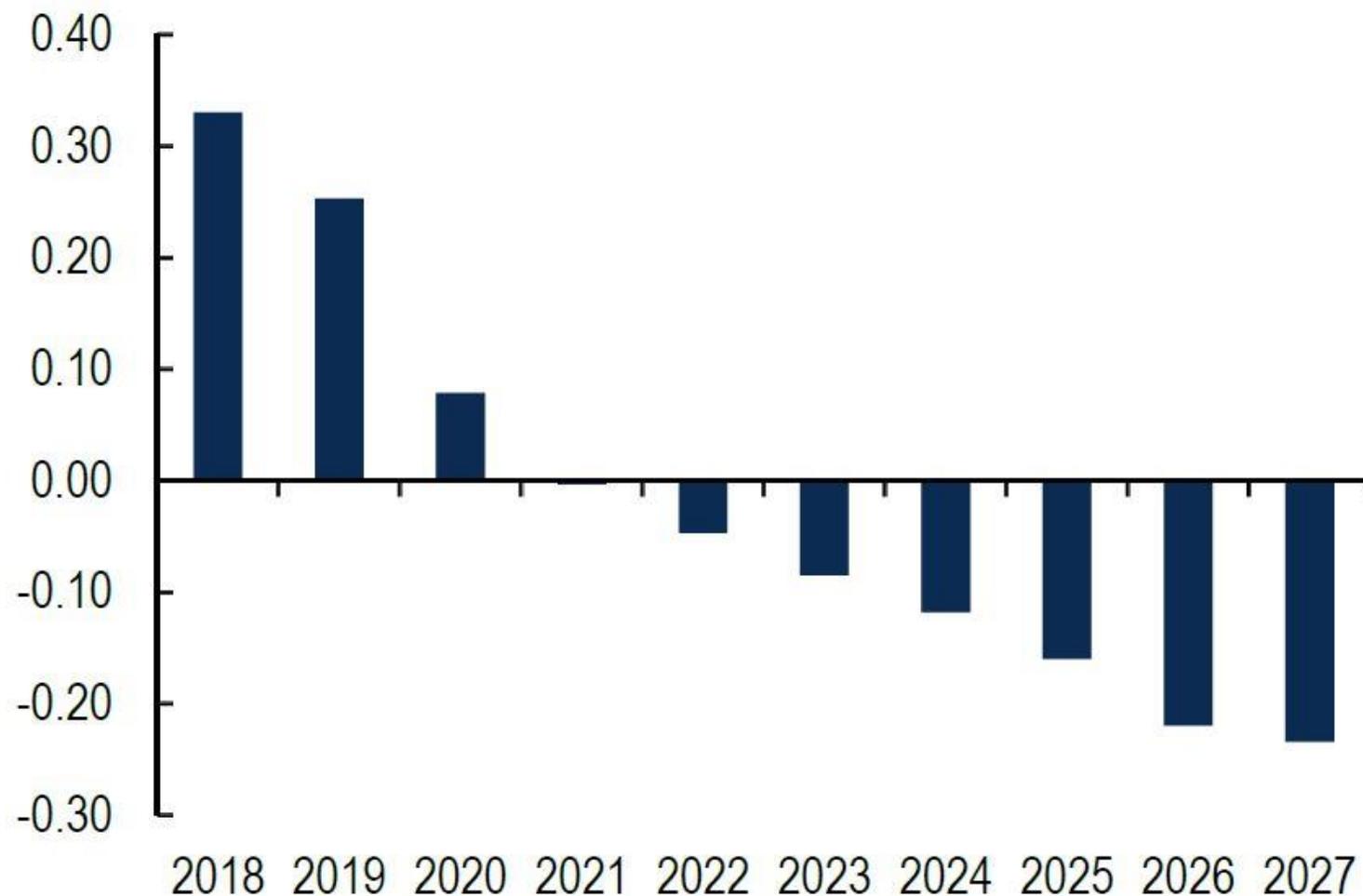


# Central bank balance sheet

U.S. dollars (trillion)

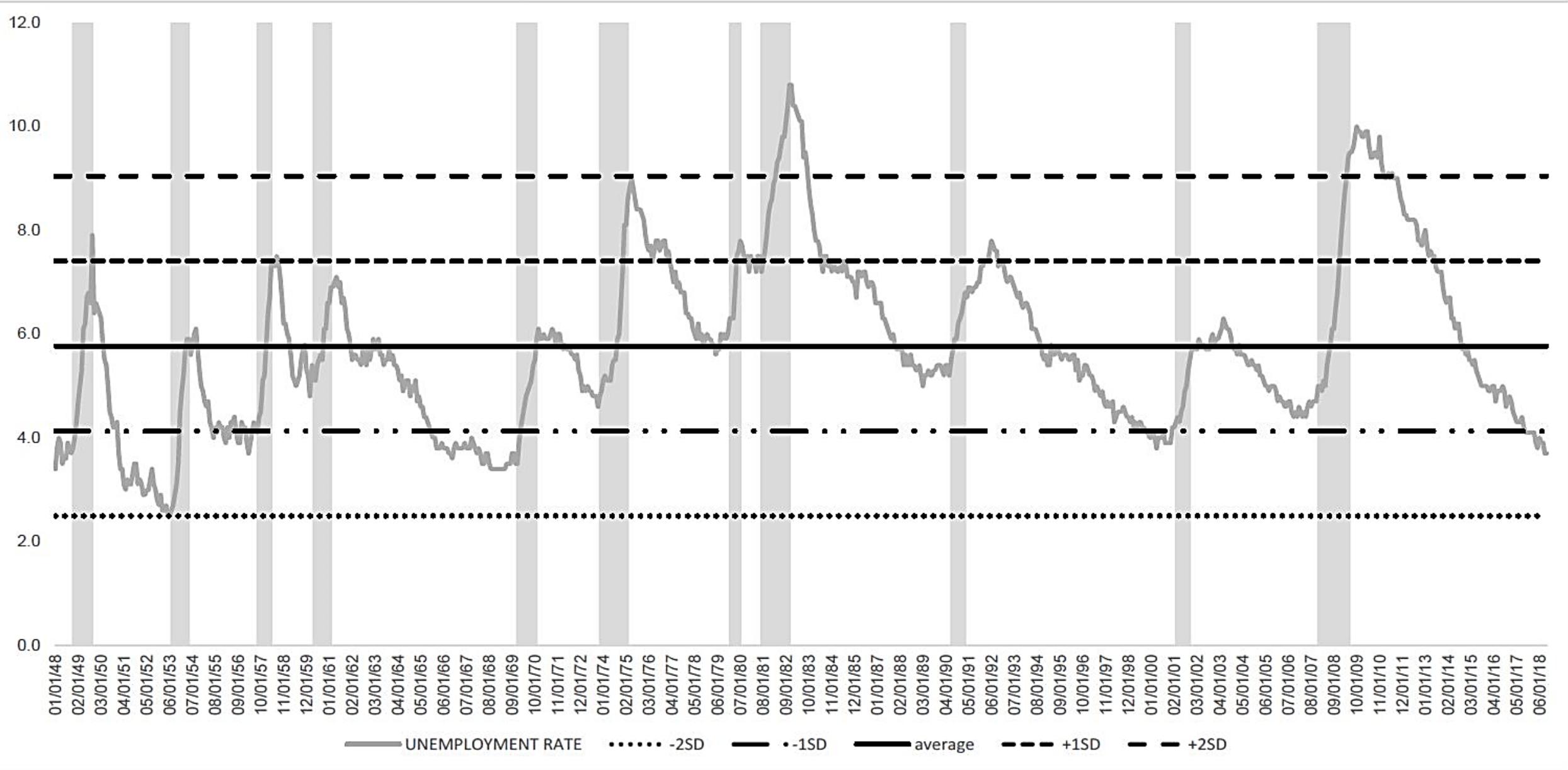


**Chart 4: Impact to real GDP growth from tax reform over the next 10 years (growth rate relative to baseline, pp)**



Source: BofA Merrill Lynch Global Research

# Unemployment Rate Still below 4%

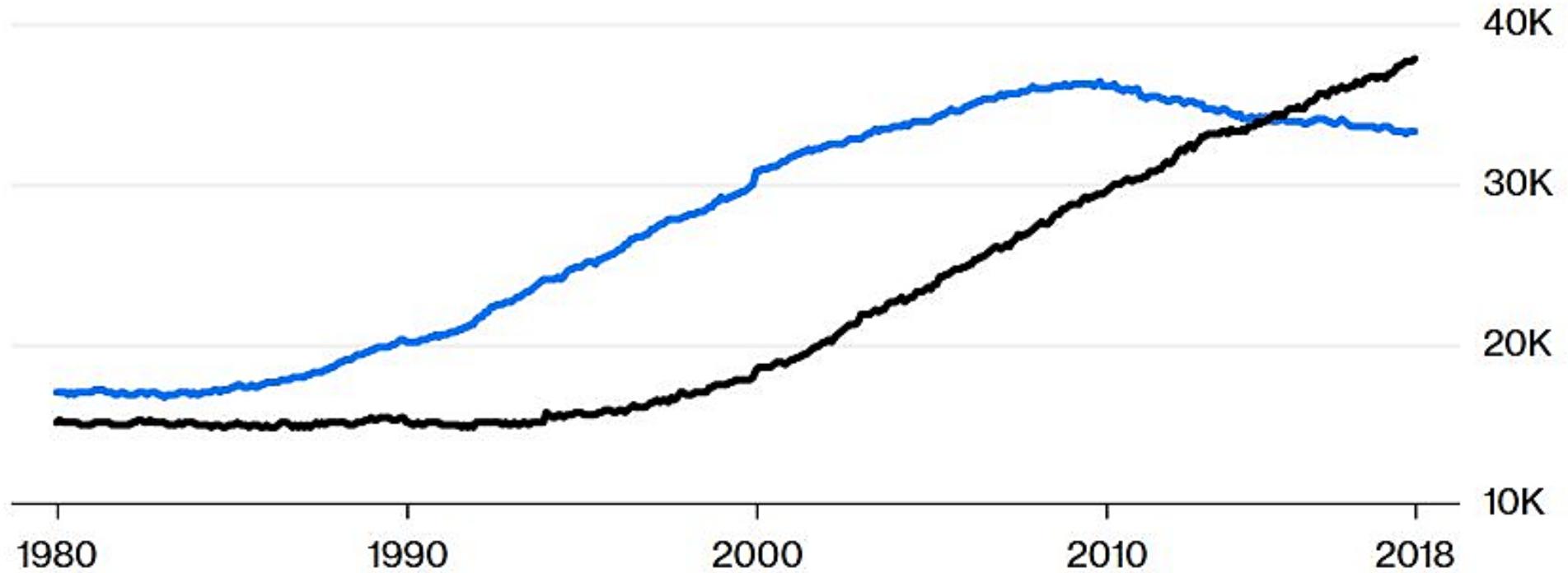


SD: Standard Deviation

# Boomers Dominate Job Growth, But Not for Much Longer

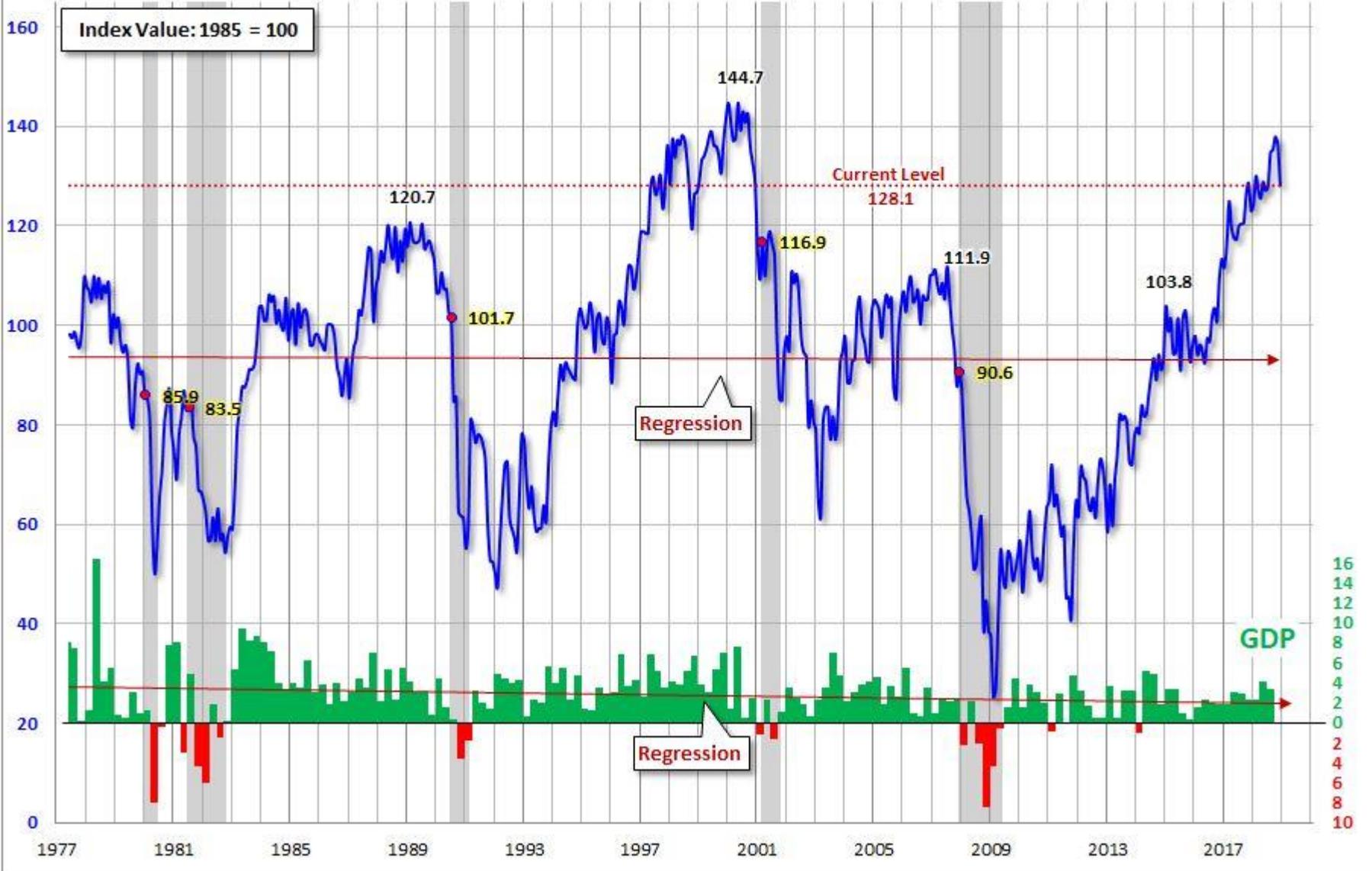
Their share of the workforce will start to shrink as soon as this year.

Workers 45 to 54 years old   Workers 55 and over



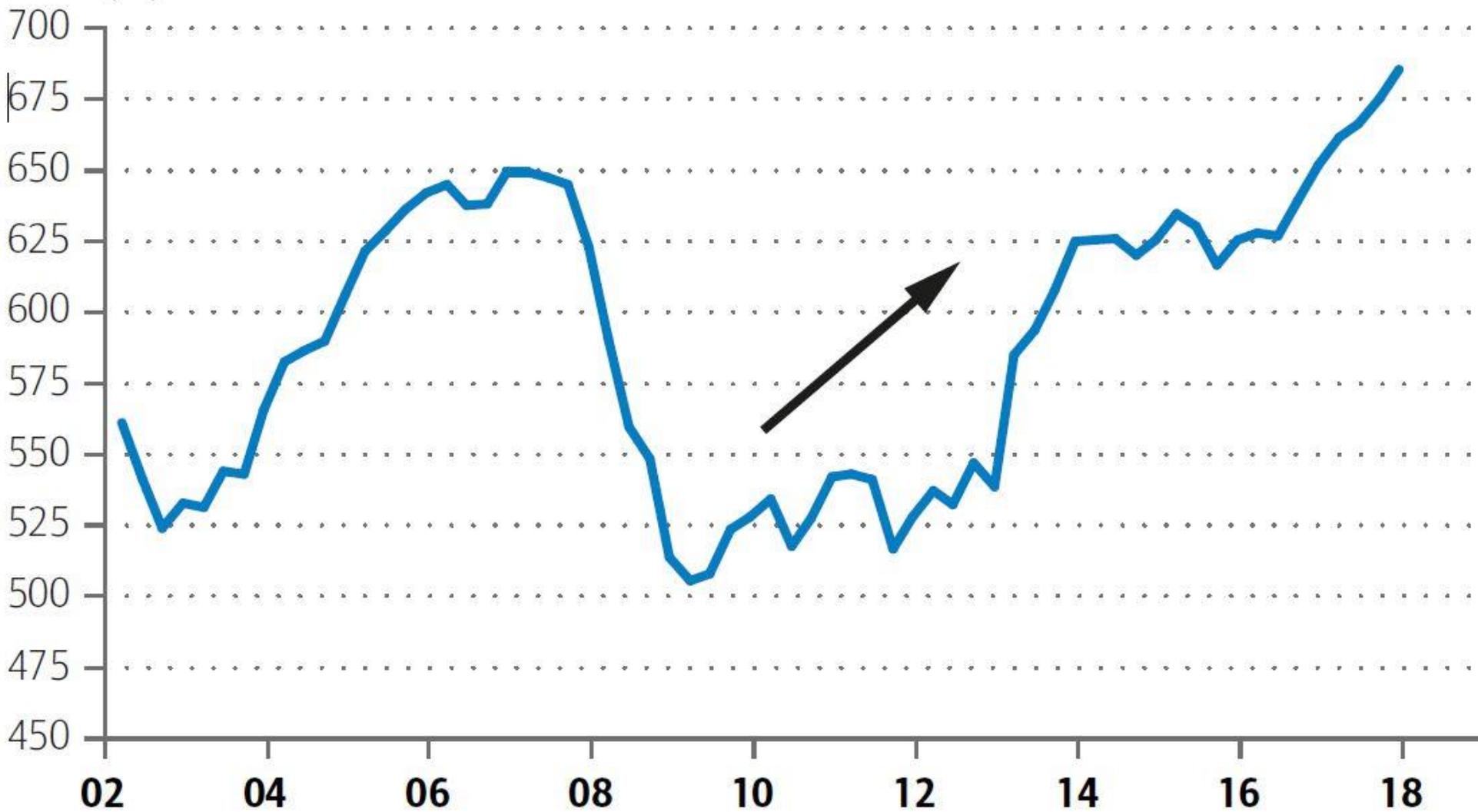
Source: U.S. Bureau of Labor Statistics

# Conference Board Consumer Confidence Index Recessions Highlighted in Gray, Real GDP Shown Below



# Net worth to disposable income

Share (%)



The Long Road Back: Rebound in U.S Household Wealth

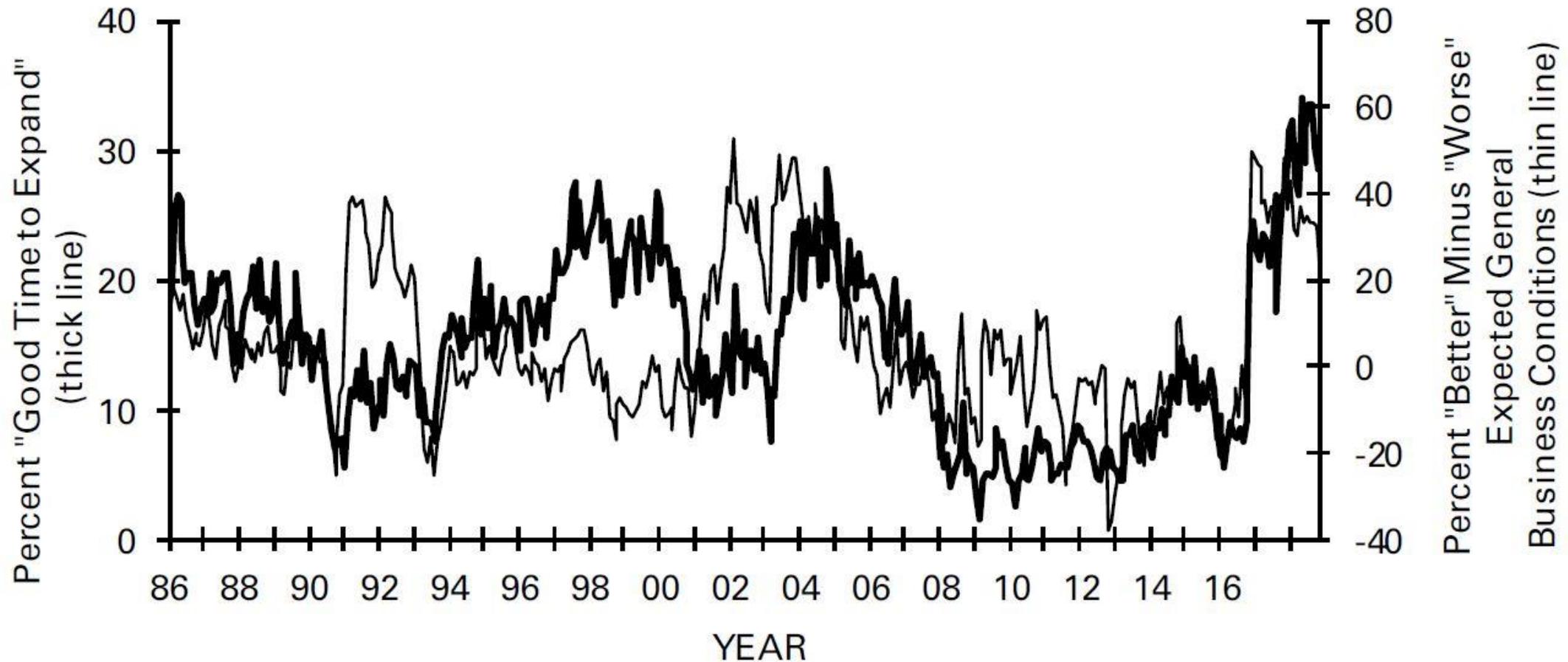
# SMALL BUSINESS OUTLOOK

## OUTLOOK

Good Time to Expand and Expected General Business Conditions

*January 1986 to November 2018*

*(Seasonally Adjusted)*





# Overall Business Outlook Looks Good



Sea of Change  
on the Horizon  
*For the Auto Industry*





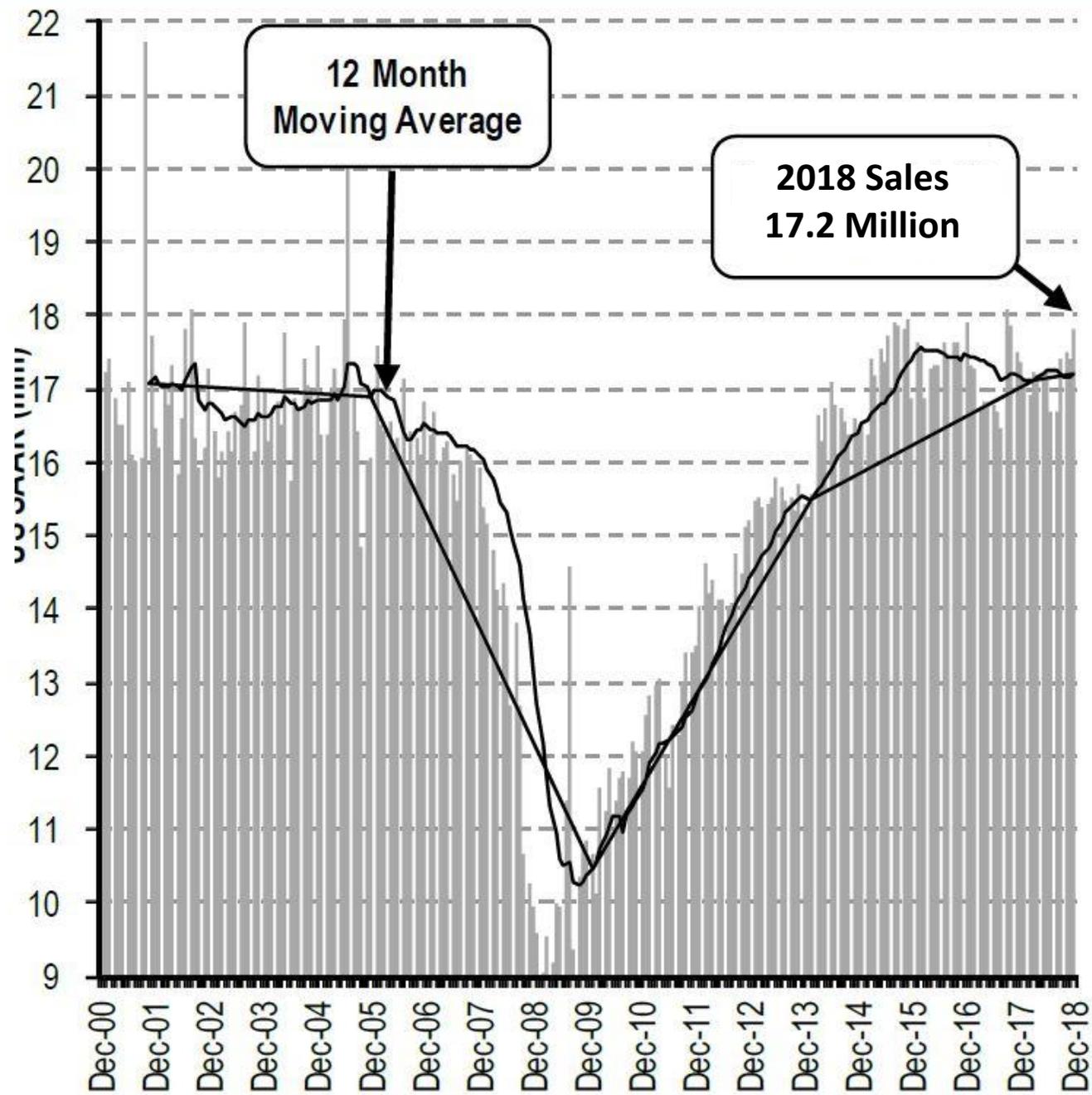
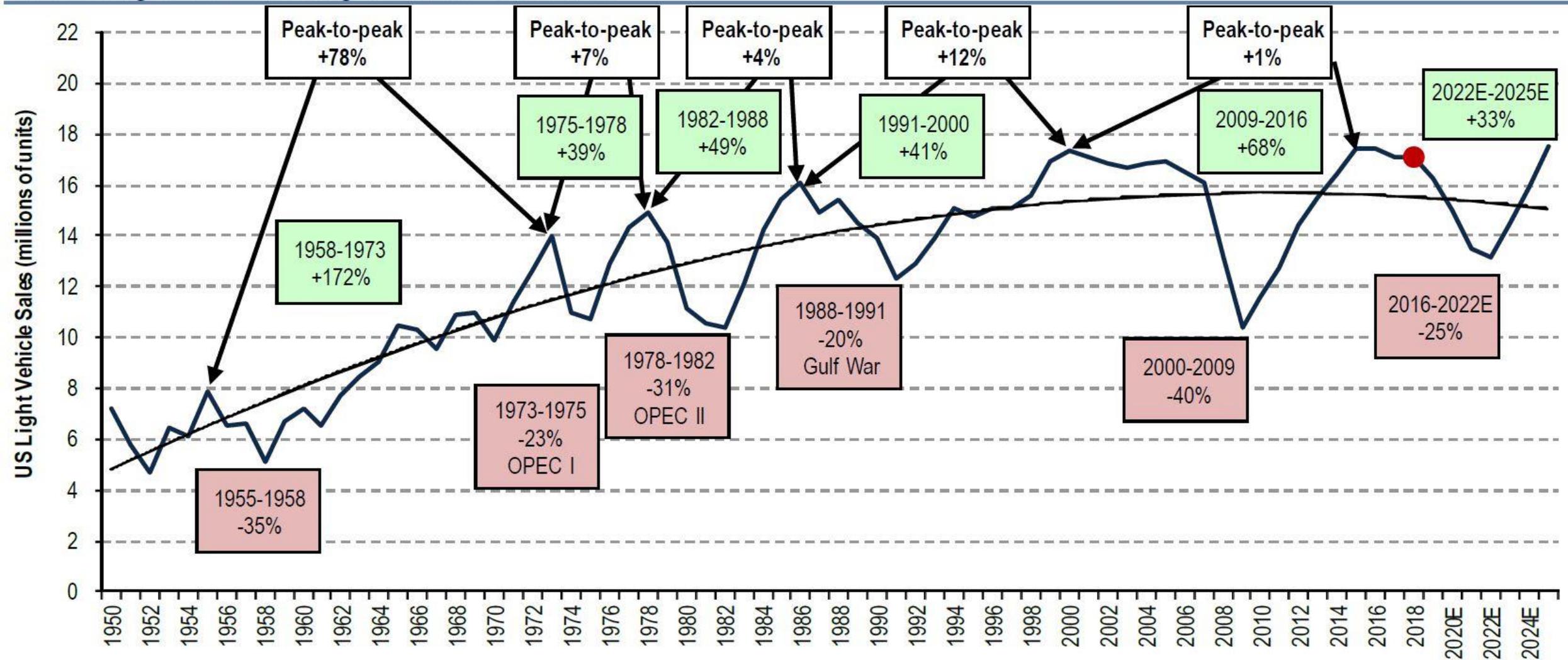
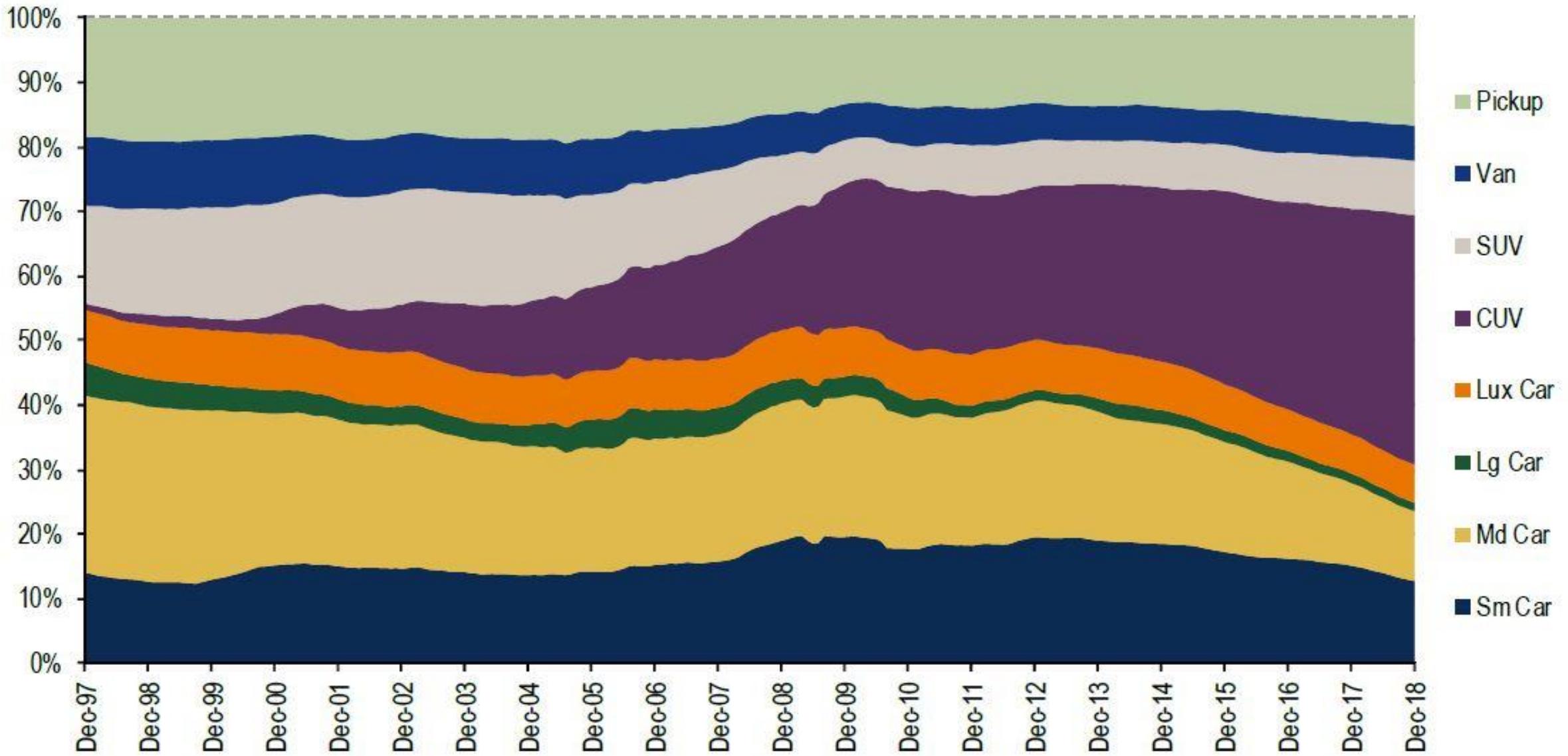
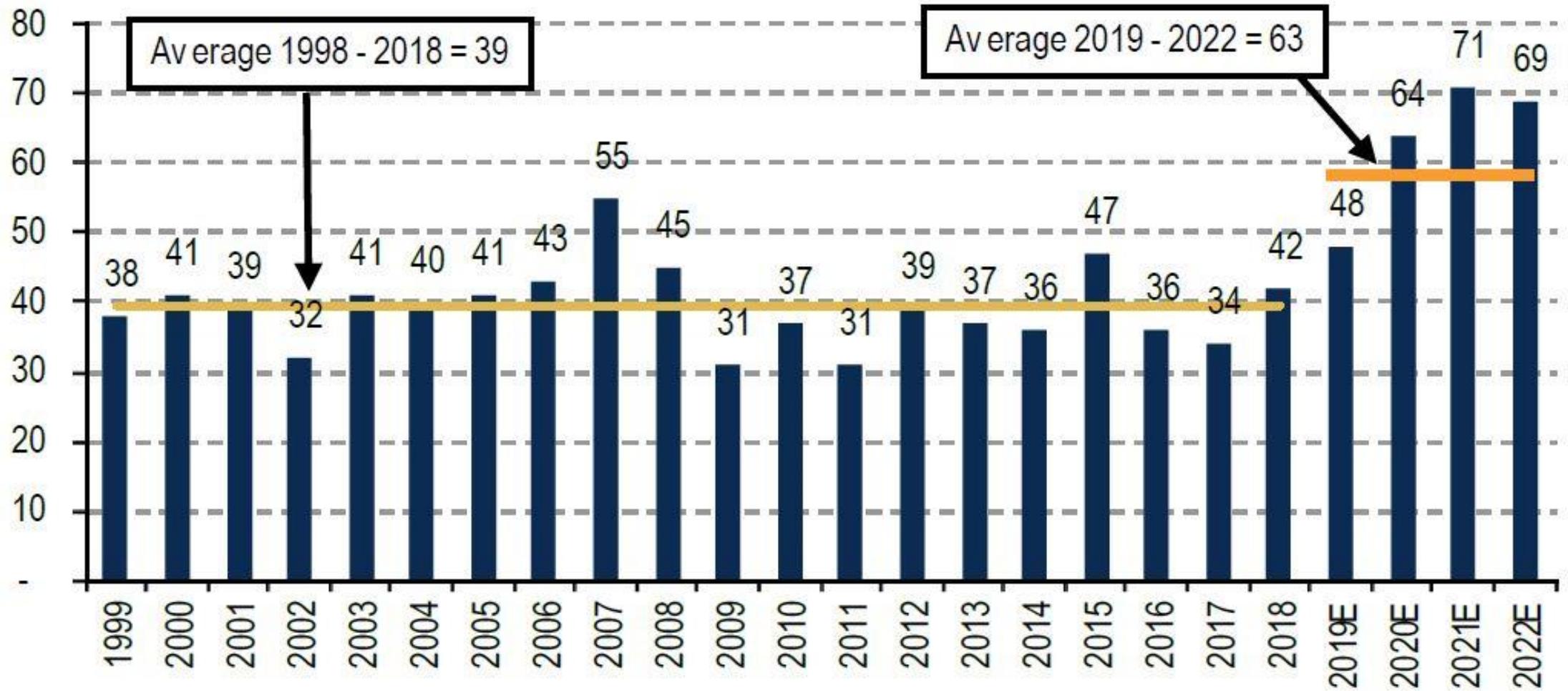


Chart 1: US light vehicle sales long-term trend – 1950-2025E



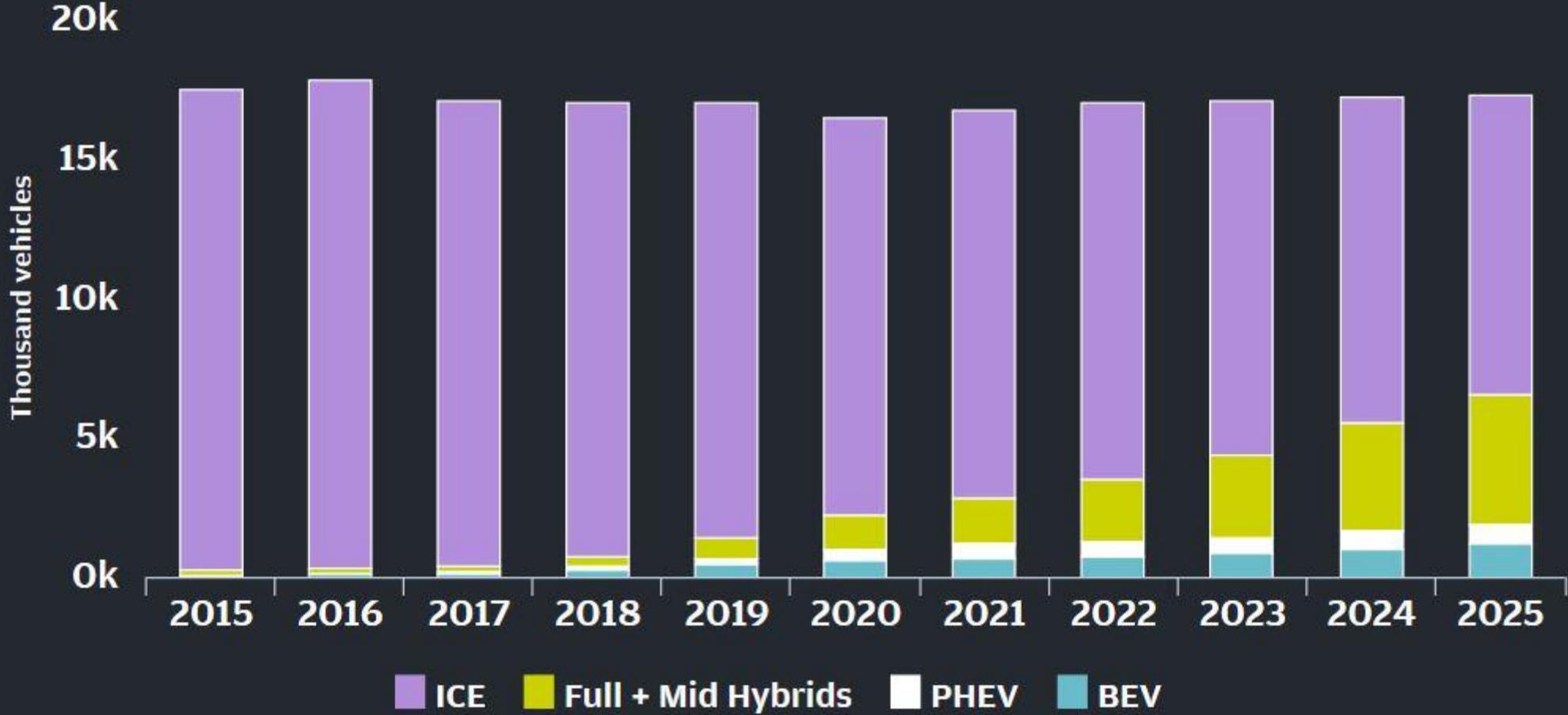
Source: WardsAuto, BofA Merrill Lynch Global Research estimates





## New Model Launches 2019 - 2022

# ESTIMATED NORTH AMERICAN LIGHT VEHICLE SALES BY POWER TYPE



Source: J.P. Morgan estimates

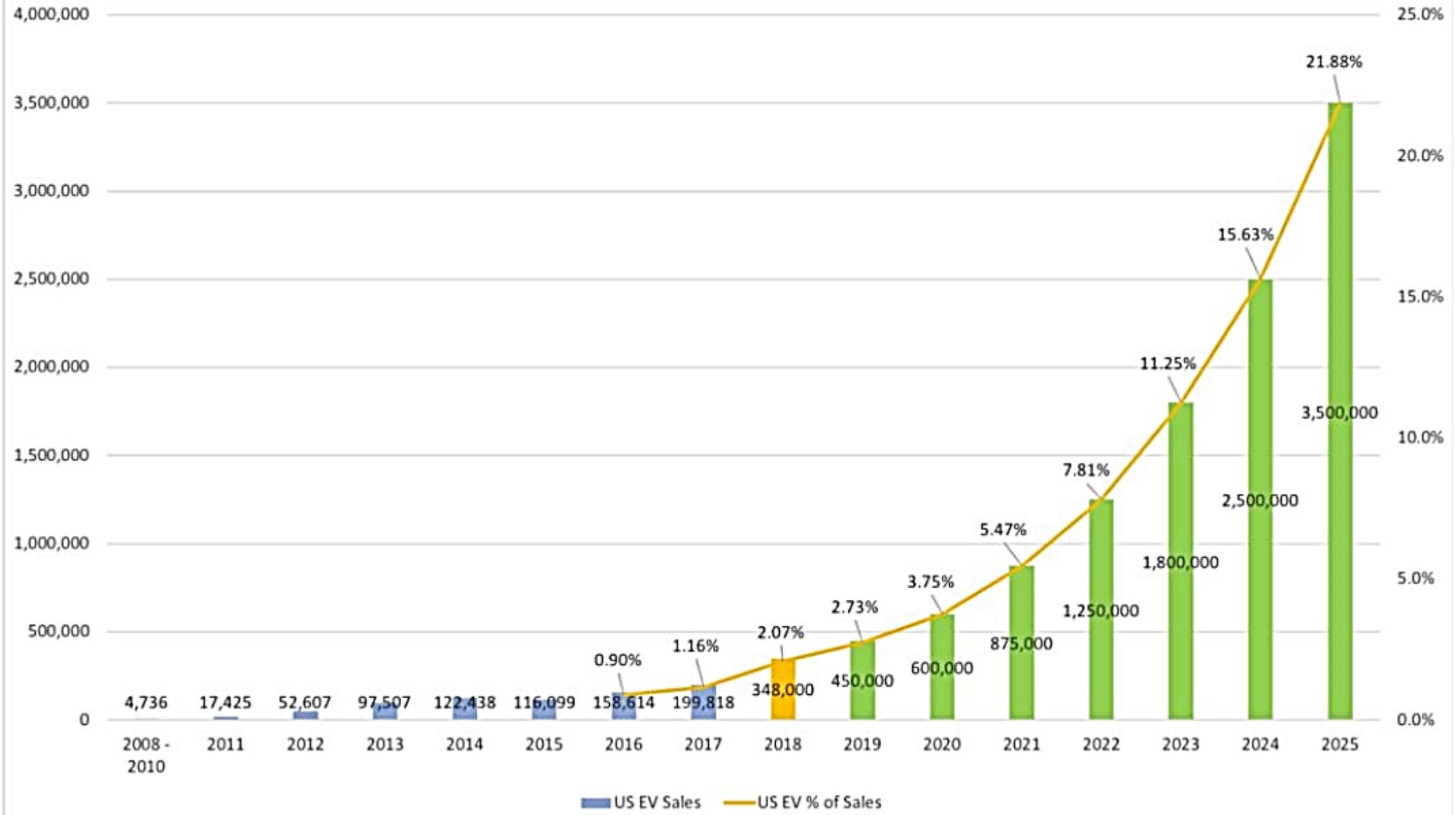
## 2018 Monthly Sales Chart

2018 U.S. EV SALES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Tesla Model 3* 	1875	2485	3820	3750	6000	5902	14250	17800	22250	17750	18650	25250	139,782
Toyota Prius Prime	1496	2050	2922	2626	2924	2237	1984	2071	2213	2001	2312	2759	27,595
Tesla Model X* 	700	975	2825	1025	1450	2550	1325	2750	3975	1225	3200	4100	26,100
Tesla Model S* 	800	1125	3375	1250	1520	2750	1200	2625	3750	1350	2750	3250	25,745
Honda Clarity PHEV*	604	911	1131	1129	1639	1495	1542	1462	1997	2025	1897	2770	18,602
Chevrolet Volt*	713	983	1782	1325	1675	1336	1475	1825	2129	1475	2530	1058	18,306
Chevrolet Bolt EV* 	1177	1424	1774	1275	1125	1083	1175	1225	1549	1975	2825	1412	18,019
Nissan LEAF 	150	895	1500	1171	1576	1367	1149	1315	1563	1234	1128	1667	14,715
BMW 530e*	224	413	689	518	729	942	536	749	756	733	1012	1363	8,664
Ford Fusion Energi	640	794	782	742	740	604	522	396	480	453	1131	790	8,074
Chrysler Pacifica Hybrid**	375	450	480	425	650	710	450	654	637	623	895	713	7,062
BMW i3 (BEV + REx) 	382	623	992	503	424	580	464	418	461	424	490	356	6,117
BMW X5 xDrive 40e*	261	596	627	563	499	321	431	264	225	224	213	210	4,434
Mitsubishi Outlander PHEV	300	323	373	273	297	390	350	366	378	309	376	431	4,166
Kia Niro PHEV*	155	246	227	120	218	281	225	346	313	323	619	316	3,389
BMW 330e*	101	142	202	166	150	138	106	192	195	229	373	606	2,600
Audi A3 Sportback e-tron*	145	199	214	189	267	238	220	240	230	210	180	265	2,597
Volvo XC60 PHEV*	109	155	167	141	214	226	185	210	215	180	225	240	2,267
Fiat 500e** 	210	235	285	215	250	225	220	75	94	100	148	193	2,250
Porsche Panamera E-Hybrid*	1	2	49	336	275	168	195	200	210	170	200	230	2,036
Mercedes C350e*	29	172	208	158	166	176	165	170	82	75	80	240	1,721
Hyundai IONIQ PHEV*	22	178	218	180	217	143	180	43	11	128	136	134	1,590
Mini Countryman SE PHEV*	127	100	74	106	163	211	210	128	140	117	74	114	1,564
Volvo XC90 T8 PHEV*	99	106	93	90	126	133	115	125	120	100	130	150	1,387
Volkswagen e-Golf 	178	198	164	128	76	32	18	32	14	62	230	222	1,354

smart ED 	84	90	103	80	110	126	103	108	98	95	100	122	1,219
Kia Soul EV* 	115	163	157	152	133	57	130	33	18	61	61	54	1,134
Porsche Cayenne S-E*	113	121	197	265	59	12	15	45	60	25	35	75	1,022
Mercedes GLE 550e*	44	70	181	93	83	75	85	90	42	28	35	140	966
Kia Optima PHEV*	86	103	156	142	98	83	90	39	17	51	79	21	965
Honda Clarity BEV* 	153	74	48	39	34	86	102	75	108	106	37	86	948
BMW i8	32	39	47	57	64	45	72	67	55	64	133	97	772
Ford C-Max Energi	234	142	105	57	18	6	4	4	12	0	0	0	582
Mercedes GLC 350e*		5	57	59	64	66	60	65	27	20	24	120	567
Ford Focus Electric 	70	73	137	83	88	50	46	7	4	0	1	1	560
Hyundai Sonata PHEV*	52	54	78	38	67	62	60	20	15	5	5	4	460
Volvo S90 T8 PHEV*	27	29	52	29	30	35	30	40	45	35	40	45	437
Jaguar I-Pace* 										5	165	223	393
Hyundai IONIQ EV* 	49	3	60	7	32	47	35	21	12	21	34	24	345
BMW 740e*	18	23	31	60	17	16	40	18	25	45	18	28	339
Cadillac CT6 PHEV*	6	24	17	42	30	18	26	23	11	12	13	9	231
Mercedes B250e 	40	49	33	7	3	0	0	1	0	1	0	1	135
Mercedes S550e*	13	3	11	9	7	7	8	10	8	5	4	11	96
<b>2018 U.S. Sales Totals</b>	<b>12,009</b>	<b>16,845</b>	<b>26,443</b>	<b>19,623</b>	<b>24,307</b>	<b>25,029</b>	<b>29,598</b>	<b>36,347</b>	<b>44,544</b>	<b>34,074</b>	<b>42,588</b>	<b>49,900</b>	<b>361,307</b>
<b>2017 U.S. Sales Totals</b>	<b>11,004</b>	<b>12,375</b>	<b>18,542</b>	<b>13,367</b>	<b>16,596</b>	<b>17,046</b>	<b>15,540</b>	<b>16,514</b>	<b>21,242</b>	<b>14,315</b>	<b>17,178</b>	<b>26,107</b>	<b>199,826</b>
<b>2018 Worldwide Sales*</b>	<b>82,000</b>	<b>81,000</b>	<b>141,000</b>	<b>128,450</b>	<b>159,346</b>	<b>157,933</b>	<b>144,975</b>	<b>172,400</b>	<b>200,500</b>	<b>208,800</b>	<b>237,553</b>		<b>1,713,957</b>

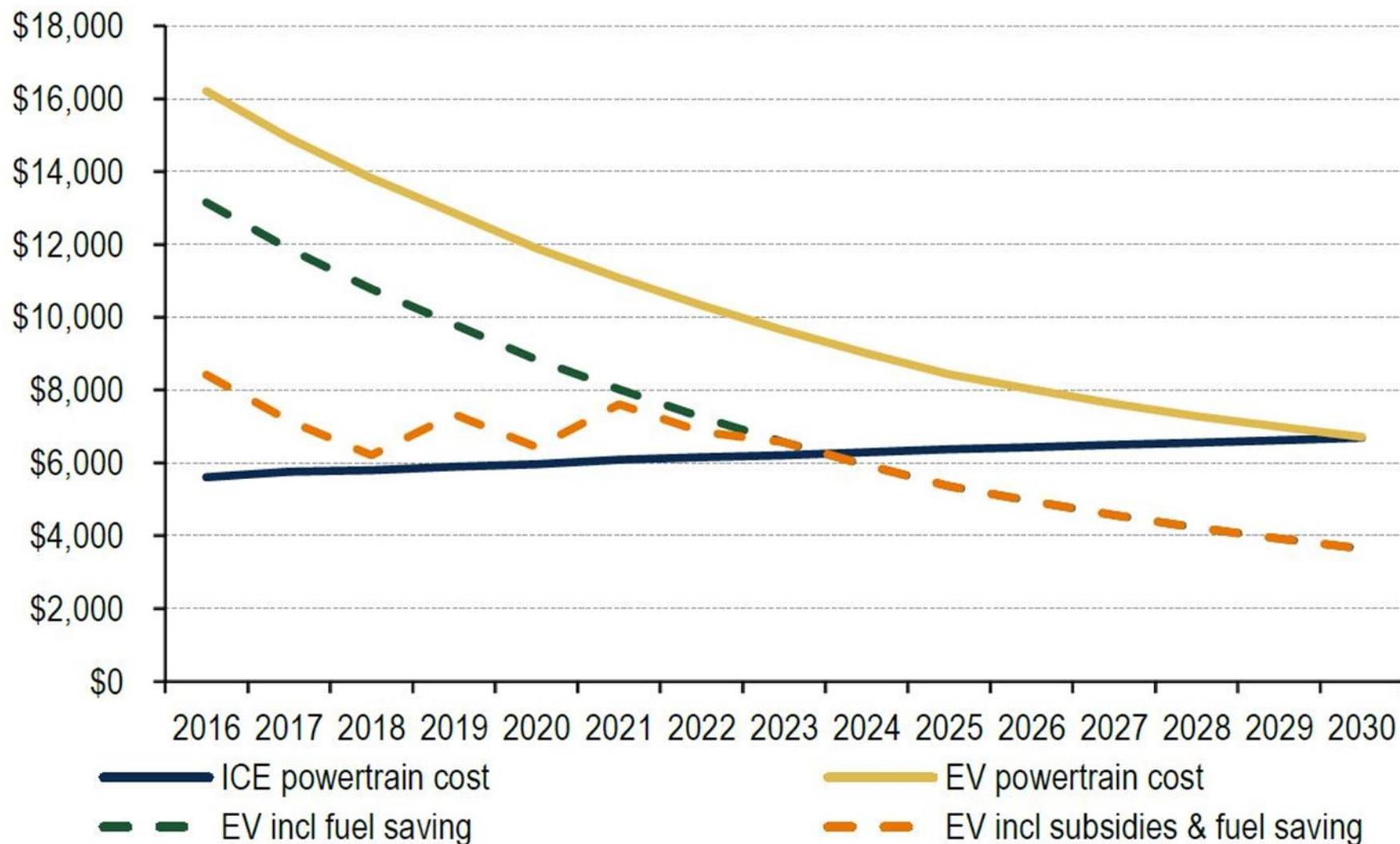
# US Electric Vehicles Sales & Market Share: 2008-2025

Sources: GoodCarBadCar.net, InsideEVs, IHS Markit | Auto Manufacturers Alliance, Advanced Technology Sales Dashboard |  
 Chart & Projections: Loren McDonald / EVAdoption.com

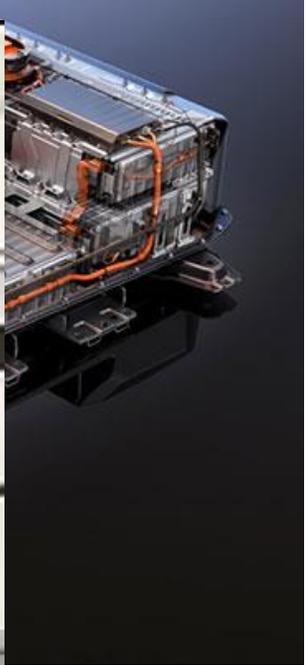


## Chart 16: Inflection point in ICE and EV cost to occur in 2030; when including fuel savings this inflection point shifts to 2024

Total average global ICE powertrain cost vs total EV powertrain cost



Source: BofA Merrill Lynch Global Research estimates



**Elite**<sup>TM</sup>  
**PRO SERVICE**  
A PEER GROUP OF THE INDUSTRY'S TOP SHOP OWNERS



<b>Location</b>	<b>Charging Type Considered</b>	<b>Charge Time</b>
Home (single family homes and multi-family dwellings)	Level 1, Level 2	Overnight (approx. 12 hours)
Workplaces	Level 2	Work day (approx. 8 hours)
Public Level 2	Level 2	Approx. 2+ hours
Public DC Fast Charging	DCFC	Approx. 30 minutes

## Charging Equipment by Location



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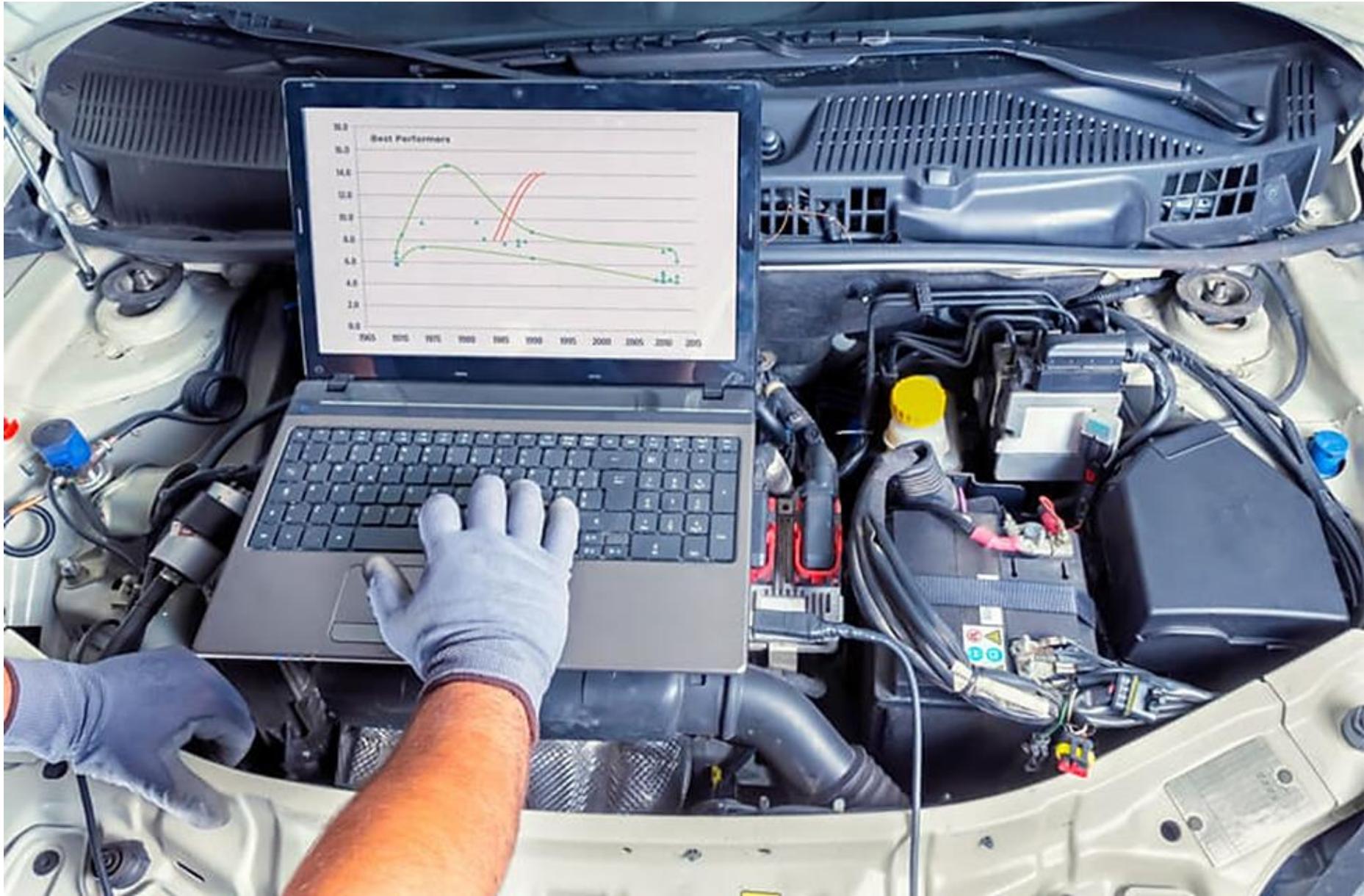




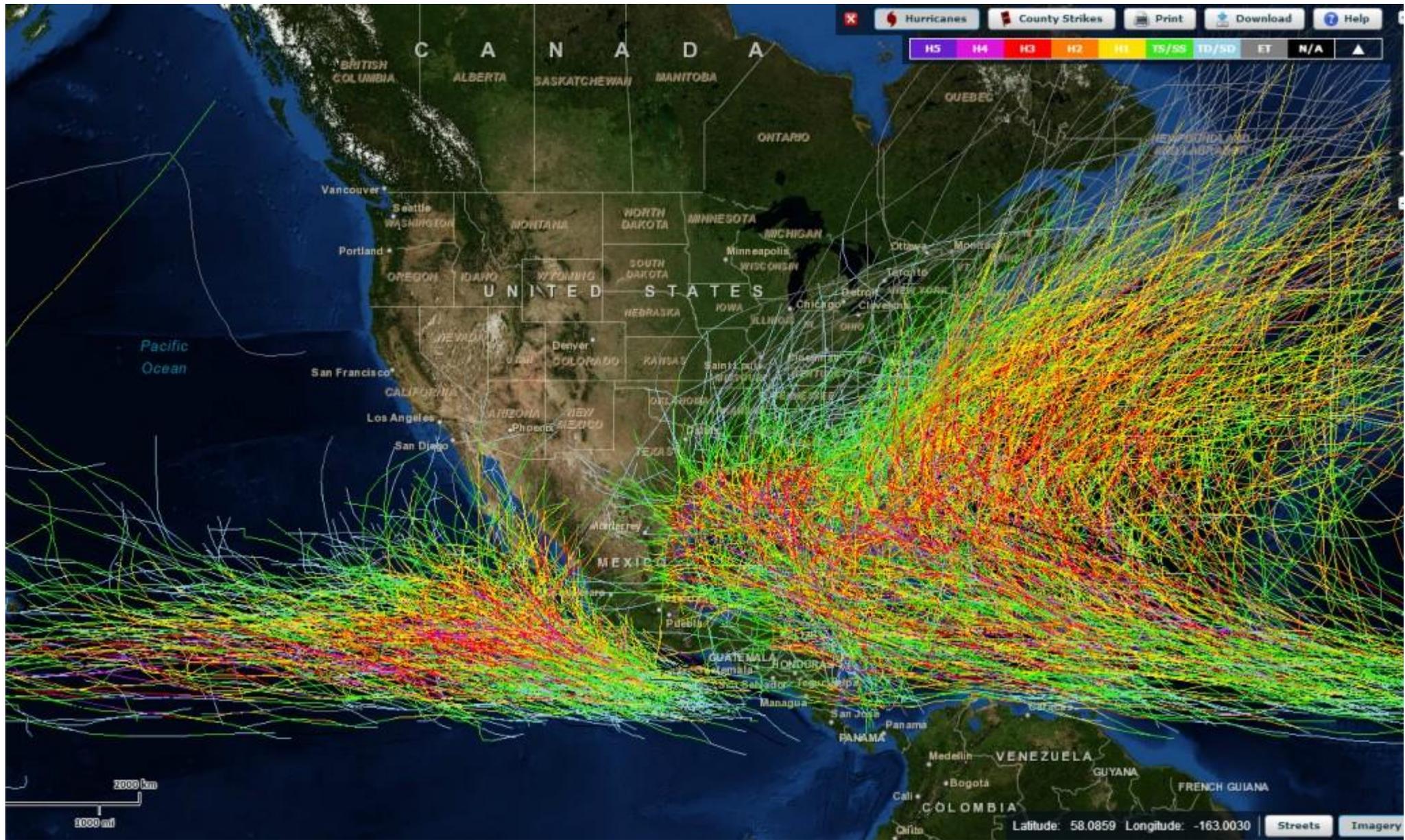
# Objectives



1. Focus on what makes money now!
2. Constantly looks for opportunities outside current business model
3. Increase budget for training, technology, equipment









# YOUR 2019 PLAN

PLANNER & CALENDAR						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
			Staff meeting			12
6	7	8	9	10	11	
13	14	15	SEMINAR	17	18	19
20	21	22	23	24	break	26
27	28	29	30	31		

**BRAIN STORM & ASK YOURSELF**

place → concept → target → product

plan → SWOT analysis

CREATIVE PEOPLE ROMANTICIZE MISTAKES AND PROCESS. BUT THERE IS NO PROCESS IF YOU DON'T TAKE IT.

**IMPORTANT POINT**

JUST MAKE THE BEST THINGS!

**Business Research**

SWOT

Place, Finance, Credit, Growth, Market







Connect to  
People



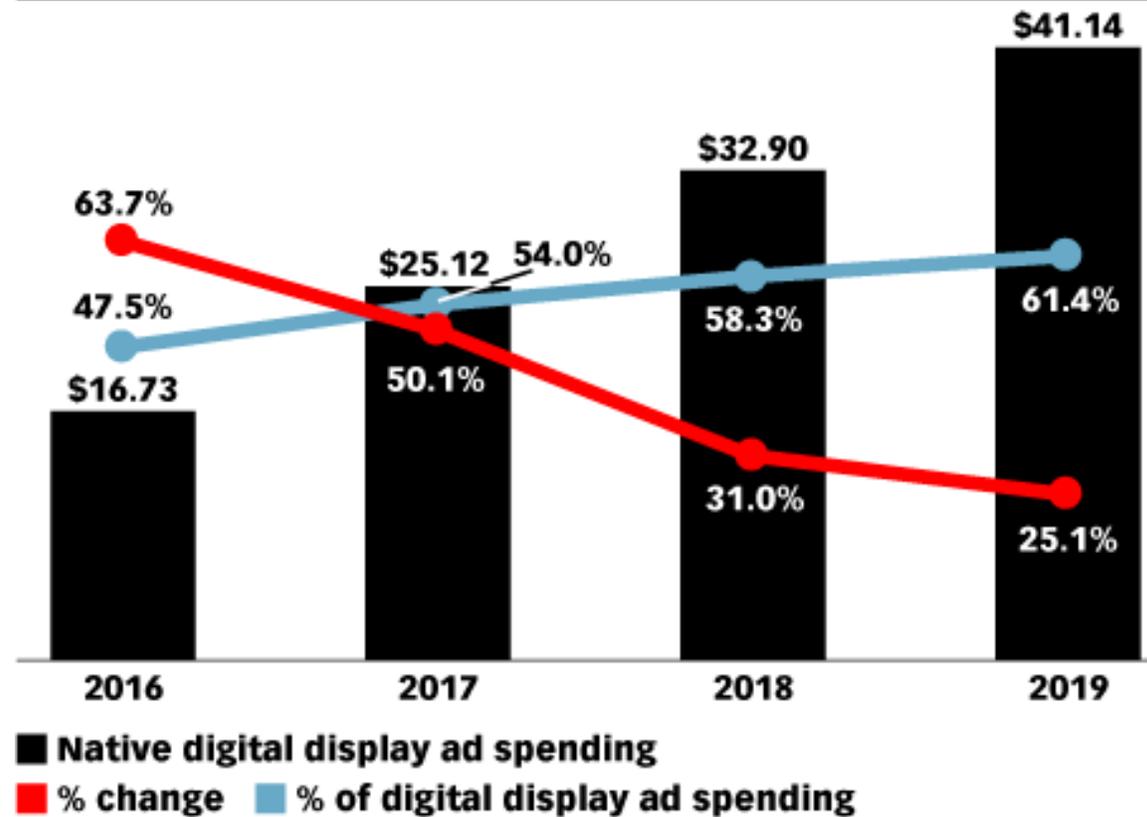
# Increase Sales With

Personalized Marketing



## US Native Digital Display Ad Spending, 2016-2019

billions, % change and % of digital display ad spending



Note: includes digital display ads that follow the form, feel and function of the content of the media on which they appear

Source: eMarketer, March 2018

235945

www.eMarketer.com





Alexa, Open My  
Bank Account

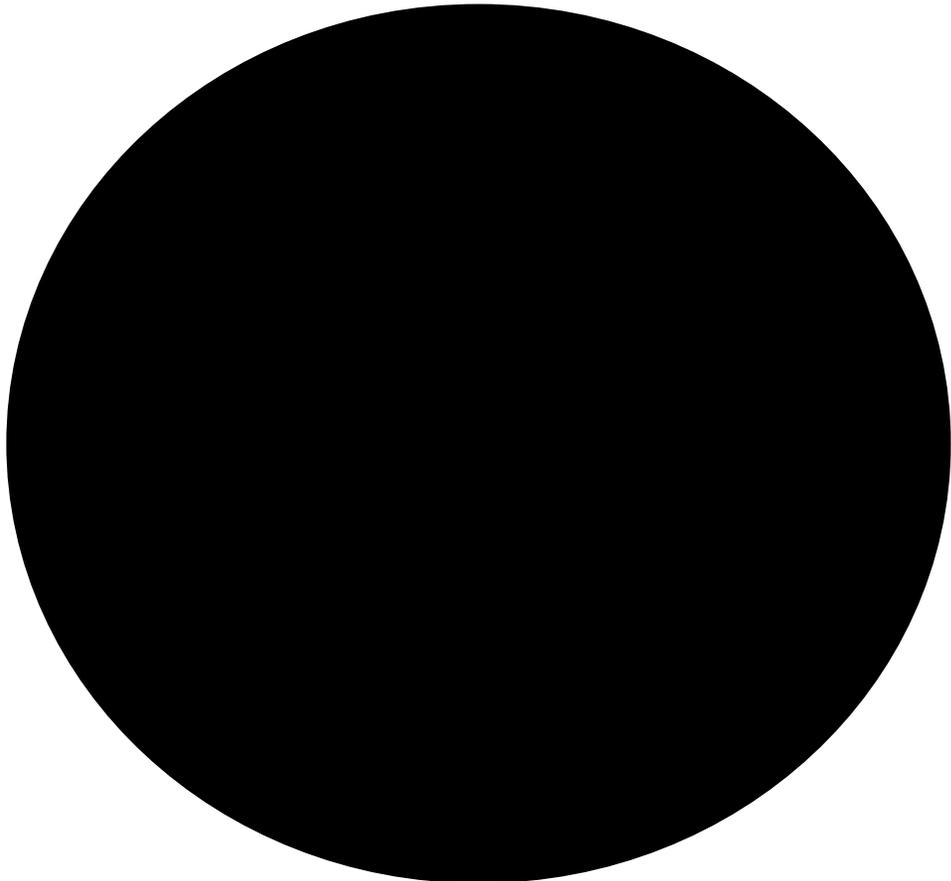




HAPPY EMPLOYEES!



FINNISH  
STRONG



What is the Point?



Stop Stressing  
Focus on your  
Blessings!

---

Thank you for being a part of  
Pro Service!

2019  
Changes

**Elite**<sup>TM</sup>  
**PRO SERVICE**

A PEER GROUP OF THE INDUSTRY'S TOP SHOP OWNERS

# Pro Service Enhancements & Updates



- Enhanced Dashboard.
- Reconfigured Master Meetings to create a greater sense of family and a larger knowledge pool.
- AMI Accredited Fly with The Eagles Business Mgmt. course.
- 10% savings on the Elite 6 month Masters Program.
- Access to live training webinars.



# Pro Service Enhancements & Updates



- 24/7 access to the Elite Pro Service Resource Center ....  
As of Jan 23: 28 videos, 21 audio programs & countless resources.
- 24/7 access to our to-be-recorded webinars for technicians that will address people skills and the basic fundamentals of sales and customer care.
- 24/7 access to piloted forum meetings that will cover a wide range of subjects.

# Pro Service Enhancements & Updates



- Access to the Elite Ethics Certification badge.



# Elite Ethics Certification

At Elite, we believe that shop owners who ensure that they always take great care of their customers, who have a positive impact on their community, who strive to elevate the reputation of the auto repair industry, and who never put money ahead of people, are truly deserving of acknowledgement. The Elite Ethics Certification badge was created to provide these admirable shop owners with the recognition that they deserve. This Ethics Certification Badge will be pulled if at any time Elite learns that the shop no longer meets the aforementioned criteria, so if you are considering visiting an auto repair shop that displays this badge, then you can rest assured that the shop meets the aforementioned criteria, and that you and your vehicle are in good hands.

# Pro Service Enhancements & Updates



- Access to the Elite Ethics Certification badge.
- Complimentary access to Human Resource support provided by Sesco Mgmt. Consultants.
- Continued access to the Pro Service Legacy Group



Bryan Kauffeld  
Pro Service Legacy Group



**Your Attitude...Your CHOICE!**

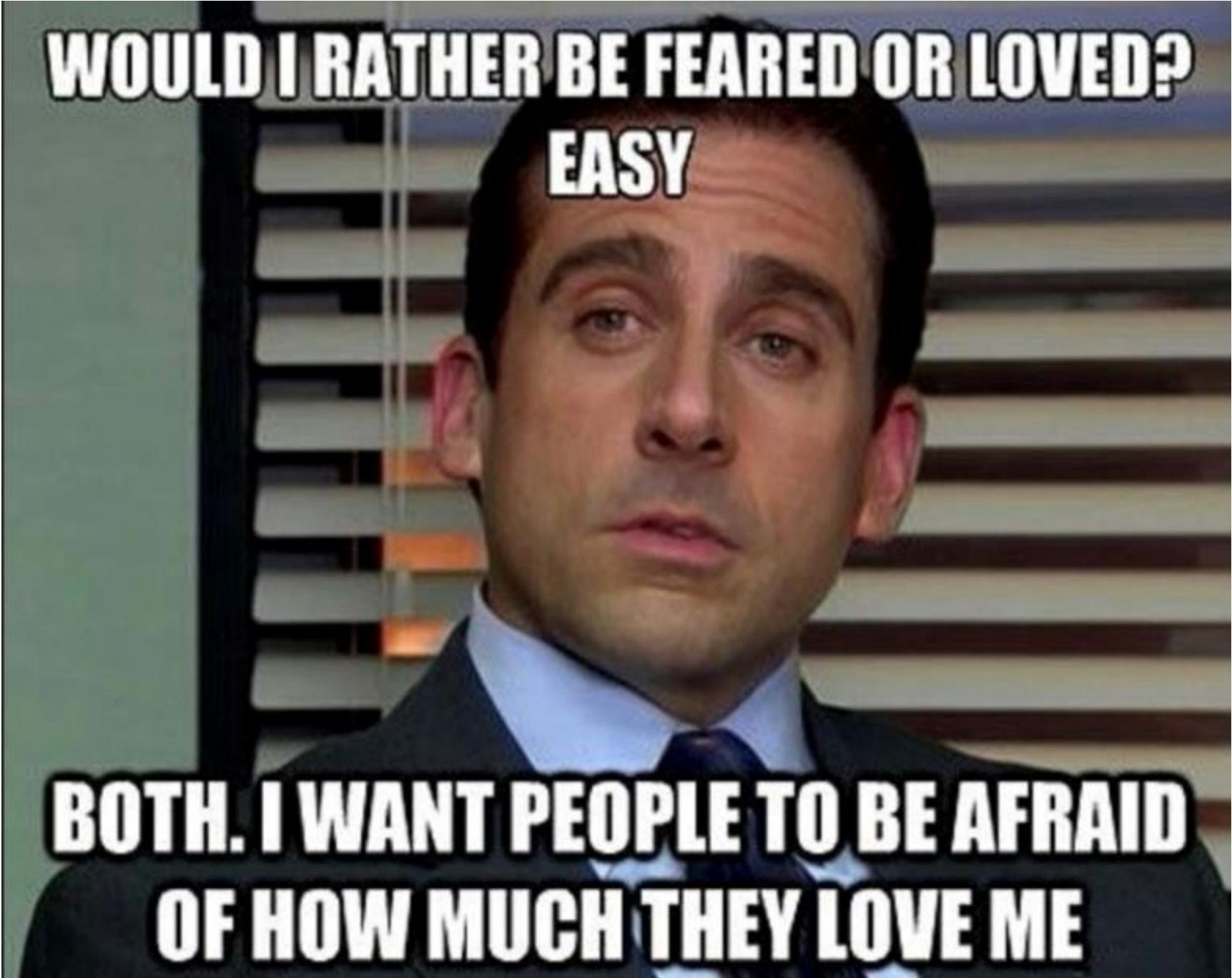
Attitude of an ELITE PRO!



**WOULD I RATHER BE FEARED OR LOVED?**

**EASY**

**BOTH. I WANT PEOPLE TO BE AFRAID  
OF HOW MUCH THEY LOVE ME**



# PERSPECTIVE

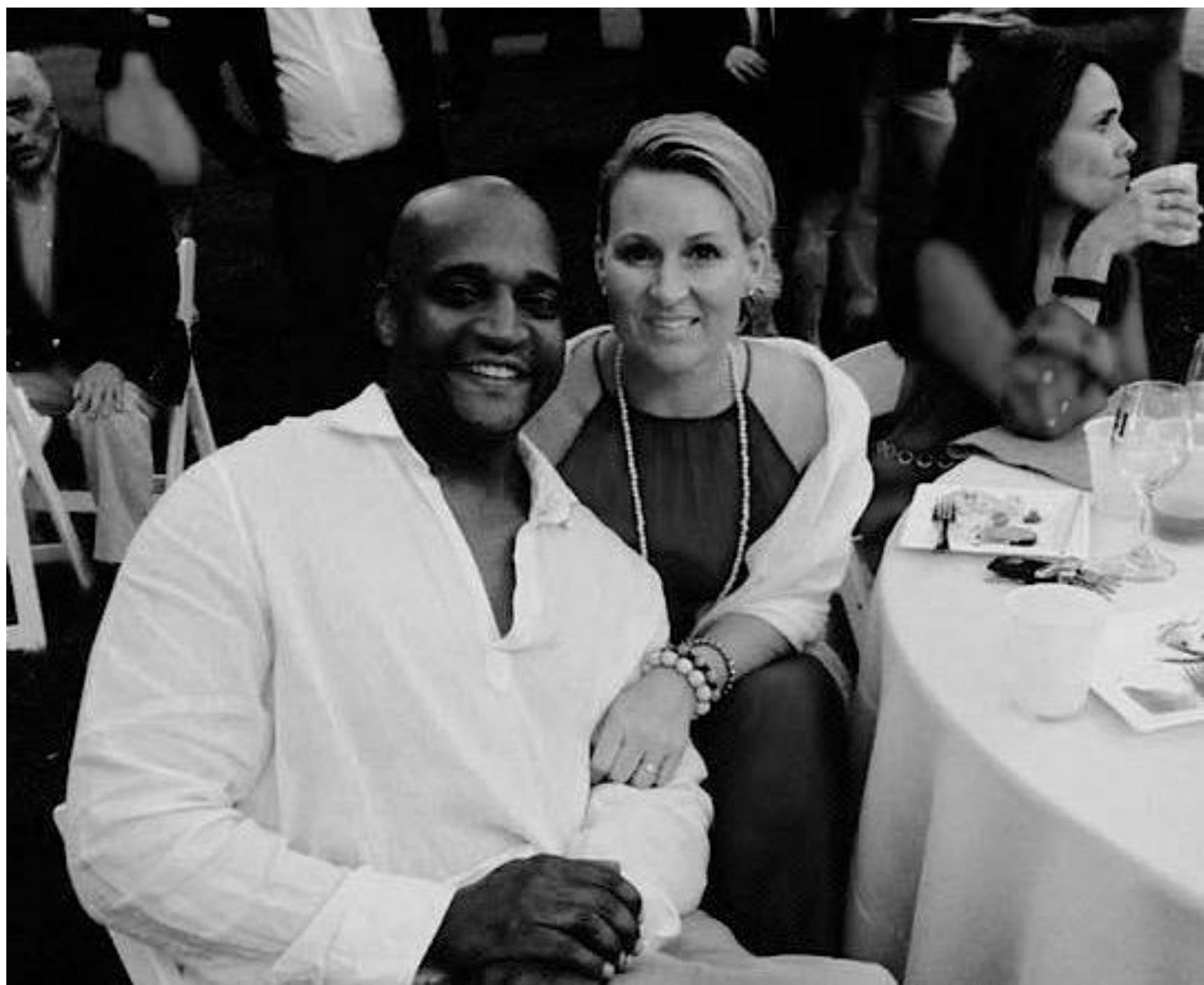


# PERSPECTIVE



What's YOUR....





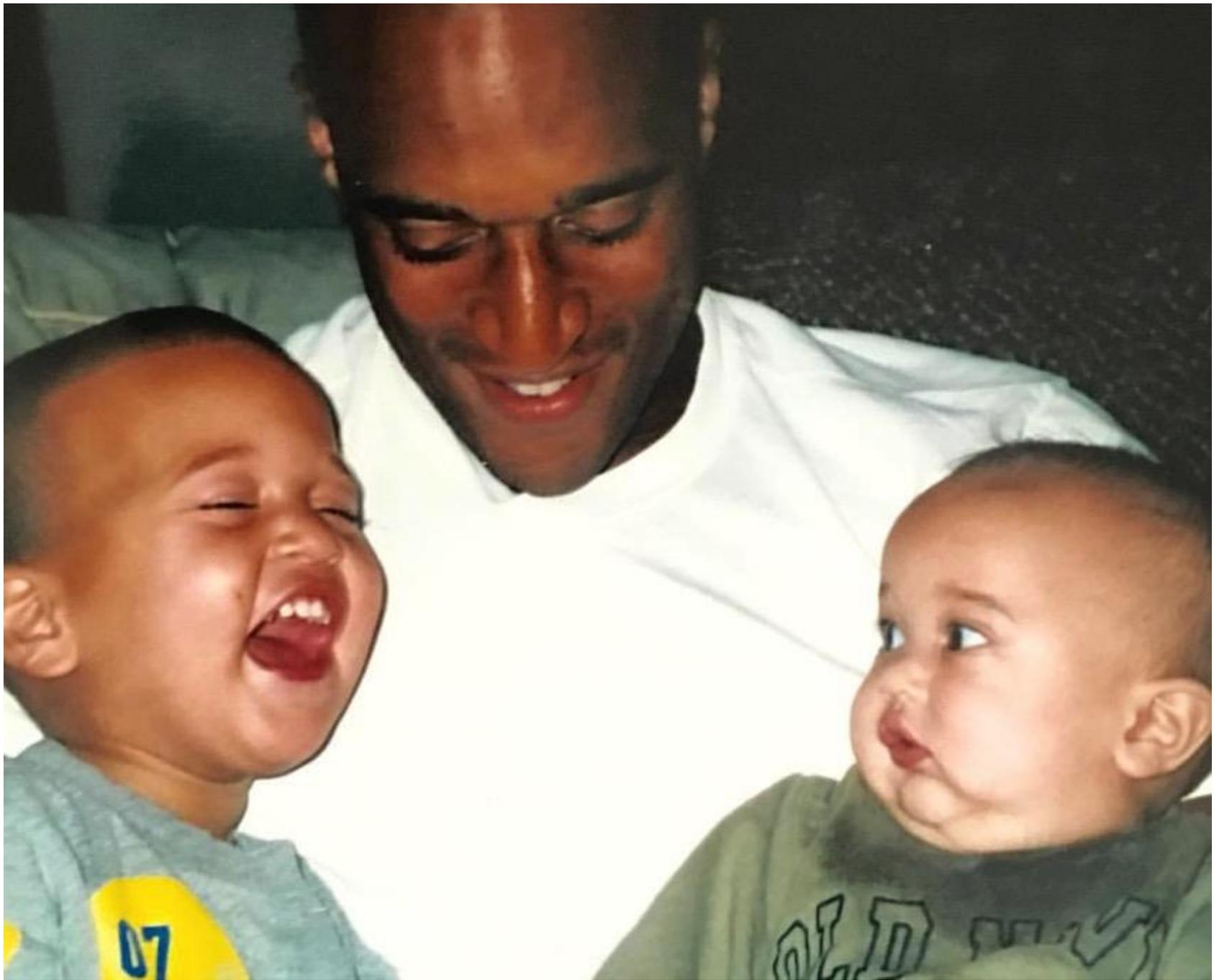
























# Google Search

647,000,000

# No ONE way to define Leadership

It's a difficult concept to define because it means so many different things to different people.

In this room there are probably a variety of definitions of a Leader.

# My ONE word.....

## INFLUENCE!

*Influence is the capacity or power of persons or things to be a compelling force on or produce effects on the actions, behavior, opinion of others.*

# Give me ONE!

- Take a moment and list 1 person who has had a major influence on your life both personally & professionally as a Leader & then share with your neighbor.

- Take a moment and list 1 person (let them remain nameless) who has had a negative influence on your life both personally & professionally as Leader & then share with your neighbor.

Which one are *YOU*  
*MOST* like?

**YOUR** life is **THE** most important thing you **Lead**

**Here today we celebrate the life of:**



# Who's the Toughest to Lead?

- 1. Mechanics?
- 2. Front desk Professional?
- 3. Suppliers?

# Let's keep it Real

As an Elite Pro you can sometimes be our own worst enemy.

1. We don't see ourselves as we see others:

-We seldom see ourselves realistically.

-As a result we tend to miss our "own" blind spots or ignore them.

# Keeping it REAL continued...

2. We tend to be harder on **others** than we are on ourselves.

-Tend to judge **others** by their **actions**.

-Tend to judge **ourselves by our intentions** letting ourselves slide with things we would NEVER allow others to get by with.

# People quit YOU/culture Not the Shop

When people quit they usually don't quit the shop...they quit you or someone else in the shop that makes their life a MAJOR PAIN!

It's NOT always about the money difference, but often about the LEADERSHIP/CULTURE difference...and both come from the TOP!

What kind of Shops do people Leave?



# People leave when they are devalued

As an Elite Pro: Look for the value that your teammates bring and “tell” them and “show” them how much you value them.

As an Elite Pro: Praise them as much as you can!

**People leave Untrustworthy shops**

**As an Elite Pro: Make sure your  
words and actions match!**

**Consistency is the KEY!**

**It's NEVER the same once Broken!**



# People leave INSECURE SHOPS

Remember: Insecure people try to make you feel smaller. Confident people love to see you walk taller and GROW BIGGER!

## 2 Things that Elite Pros Do:

- 1. Develop other Leaders
- 2. Create a Culture at the shop to where it doesn't matter if you're there or not. Excellence will continue!

# Attitude Attributes 2 Attack Attrition

- 1. Elite Pro's take ownership of all their relationships! If it's bad; take a look at your own attitude first to try and repair. If it's good; water and nurture it regularly!

- 2. Have them ENTER your office before they EXIT the shop! Is it YOU?

- 3. Elite Pros set the TONE for a Culture that exudes a Championship Attitude Shop!

- 4. Elite Pros remain teachable and thirst for growth and improvement! Elite Pro's keep learning so they can keep leading!

# Elite Pro's Watch the Film



# **Sunday Night SHOP Review-Preview**

**What went Good? (list at least 3 things)**

**What needs to improve (Top 2-3)**

**Top 2 things that I'm GOING TO do that will have a MASSIVE impact on the shop THIS WEEK!**

# ONE CHANGE

- 1. One change you're going to commit to both personally & professionally.
- 2. Find someone who's going to hold you accountable.
- 3. Do this within 72 hours.

**You will take some HITS!**







*Celebration of Life*

**MARTHA R. DAVIS**

AUGUST 26, 1943 - SEPTEMBER 18, 2014

Refuel->Rejuvenate->Refocus



Attitude → 444999



# The Next Steps

*for creating Exceptional service*



1. Embrace your role and your responsibilities.
2. Utilize the tools you have been provided.
3. Follow through.

# Thank You for Joining Us

*Elite 2019 Leadership Conference*



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*Elite 2019 Leadership Conference*

