

JASPER
ENGINES & TRANSMISSIONS
100% Associate Owned



**DRIVE
 LINE**

News and Updates From Jasper Engines & Transmissions

August 2019

In This Issue...

Customer Profile:
 Integrity Auto Service **pg. 2**

JASPER has the ZF
 Transmission for your
 BMW **pg. 3**

Increased Warranty Offered
 on Ford 6.7L Complete
 Format Diesel Engines **pg. 3**

JASPER Names Supplier
 Award Winners for
 2018 **pg. 4**

JASPER Remanufacturing
 Facility Earns VPP Star
 Safety Re-Certification **pg. 5**

JASPER Expands GM
 6T40/45/50 Transmission
 Availability **pg. 5**

Carm Capriotto:
 Charging What You Are
 Worth **pg. 6**

Bob Cooper:
 Selling at Car Delivery **pg. 7**

**JASPER® Acquires Diesel USA
 Group, Inc.**

JASPER Holdings, Inc., the parent company of Jasper Engines and Transmissions, has acquired Diesel USA Group, Inc. headquartered in Louisville, KY. The Diesel USA Group will remain a separate company and brand as it becomes part of the JASPER ESOP. From their locations in Louisville, KY; Cincinnati, OH; Columbus, OH; Indianapolis, IN; Fort Wayne, IN; Crown Point, IN; and Fontana, CA, Diesel USA Group is a distribution, service, and repair company servicing air and fuel products for gas and diesel engines along with a variety of other complementary products.

The transaction was completed on May 31st, acquiring the company from the Bailey family which has owned the company since its inception in 1950 by Lloyd A. Bailey. The current leadership team at Diesel USA Group will continue to lead and operate the company. Diesel USA Group and JASPER will operate independently of each other as they work together as part of JASPER Holdings, Inc.

JASPER has been in the air and fuel business as part of their diesel remanufacturing process since the late 1960s. Over the past several years, JASPER has focused more on this product line and recognizes opportunities with the increased use of turbochargers on passenger cars, light trucks, and SUVs.

“Diesel USA Group is a respected brand with a great team. We are excited about the growth opportunities for the products and services they offer and feel they will be a great addition to the JASPER ESOP,” said Zach Bawel, JASPER President. “With this acquisition, it enables us to continue to diversify our family

of companies while remaining committed to an industry we understand.”

“The business relationship between JASPER and Diesel USA Group dates back to the 1960s. We have always admired their disciplined approach to business and the very nature of their products. It is an honor to be a part of the process of blending our companies as we set our sights upon growth for our valued suppliers and our fellow Associate Owners. These are exciting times for all of us!” said Jay K. Miller, President of the Diesel USA Group, Inc.

The Diesel USA Group of companies was founded in 1950 by Mr. Bailey, a “D-Day” veteran of the landing on Omaha Beach, in Normandy, France in 1944. As the post-war era in America led to great prosperity, the role of the diesel engine became increasingly important. The Diesel USA Group of companies played a significant part of the nation’s diesel service industry and its infrastructure by specializing in the repair and remanufacturing of complicated fuel injection and turbocharger assemblies commonly found on all diesel engines. The business then grew into distributing new OEM air and fuel products for several manufacturers.

This acquisition further diversifies the brands of JASPER Holdings, Inc. Jasper Engines and Transmissions is the nation’s largest remanufacturer of drivetrain components with five manufacturing locations, two distribution centers, and 48 nationwide branch locations. In 2014, JASPER acquired Weller Truck Parts headquartered in Grand Rapids, MI, increasing the number of present-day Associate Owners to nearly 3,400 coast to coast.



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Published by:
 Jasper Engines &
 Transmissions
 P.O. Box 650
 Jasper, IN 47547-0650
 Phone: 800-827-7455
 Fax: 812-634-1820
 www.jasperengines.com

Integrity Auto Service

Our Customer Profile for this issue highlights Integrity Auto Service of Niagara Falls, New York. Located not far from Niagara Falls International Airport, Integrity Auto Service is a full-service facility, specializing in diagnostics and general repair for automobiles, light trucks, and fleets.

Owner, Dave Mastracci, managed a local Western New York Tire and Repair shop from 1994-2008. He became the owner in 2001. The location was eventually sold, and Dave moved to open his new repair facility... Integrity Auto Service.

From 2001 to 2008, Dave's original shop was located in a 4,200 square-foot facility. In 2008, Integrity Auto Service moved to its present location at 6411 Walmore Road. With twice the size of the original location, the 8,400 square-foot building has eight service bays, five lifts and an alignment rack, plus room for project cars.

There are five employees at Integrity Auto Service, of which four are ASE-Certified Technicians. The certifications range from brakes, steering and suspension, to engine performance and electrical. Dave provides paid training for his technicians through various vendor and parts suppliers.

Since 2001, Integrity Auto Service has been an installer of JASPER remanufactured engines, transmissions, differentials and transfer cases.

"Why not deal with true professionals with a product I have found to be second to none,"



Integrity Auto Service owner Dave Mastracci (left), and his brother, Ralph, is at the counter. Ralph is Integrity's Service Manager.

said Dave. "JASPER sets a benchmark for how the auto repair industry should be run."

Dave Mastracci's customer philosophy at Integrity Auto Service is the Fair and Equitable treatment of customers and employees. "The name says it all... Integrity... Honest, straight-forward approach," he said. "Personal relationships. We're on a first name basis with the majority of our customers."

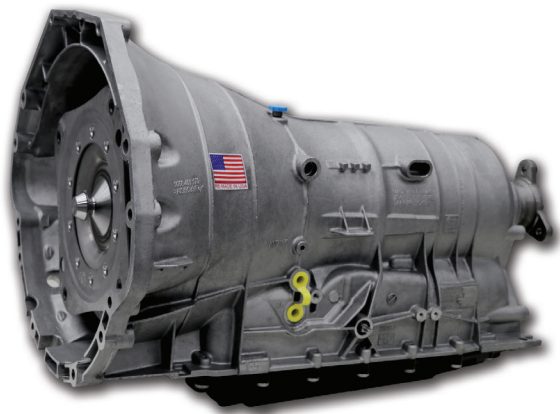
"A customer commented recently that they like coming here, and that we're always smiling," Dave added. "We've been told we are clean, friendly, smiley people."

Mastracci looks forward to Integrity Auto Service's future growth by word of mouth advertising and great customer relations.



Integrity Auto Service of Niagara Falls, New York, has been an installer of JASPER quality remanufactured products since 2001.

JASPER has the ZF Transmission for Your BMW!



ZF Transmission

Jasper Engines & Transmissions is pleased to announce the availability of ZF Automatic Transmissions for BMW passenger car, and SUV, applications.

“These units are remanufactured by ZF utilizing only OEM factory replacement parts,” said Brad Boeglin, JASPER New Product Development Group Leader. “These transmissions are pre-filled with fluid and will include all external sensors/solenoids.”

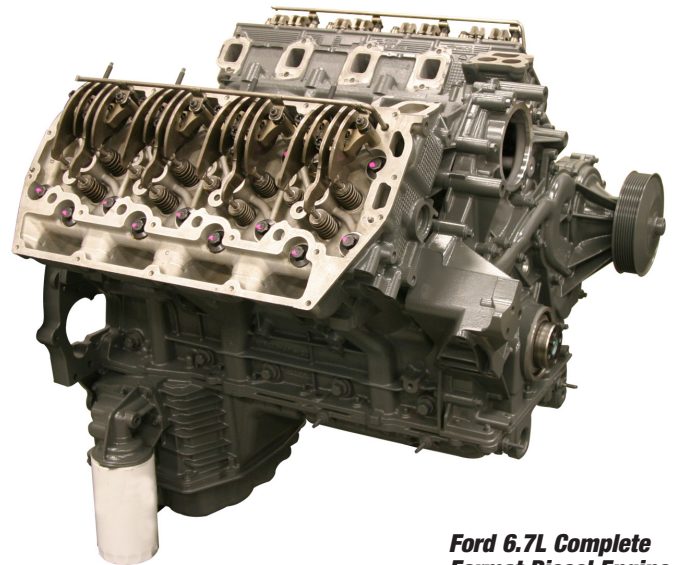
“In addition, we also offer free rental of the Drew Technologies Remote Assist Program (RAP2) device with no programming fee,” he said.

JASPER stock numbers for the following applications are available and will be covered by our 3 Year/100,000 Mile Nationwide Parts & Labor Warranty.

Stock Number	Make	Model	Year	Type	Model Type
5430002	BMW	325Ci	01-06	2.5L RWD	5HP19
5430001	BMW	330Ci	01-03	3.0L RWD	5HP19
5430506	BMW	745i	02-05	4.4L RWD	6HP26
5430510	BMW	745i	04-05	4.4L RWD	6HP26
5430512	BMW	750i	06-08	4.8L RWD	6HP26
5430508	BMW	550i	06-07	4.8L RWD	6HP2
5430602	BMW	550i	08-10	4.8L RWD	6HP28
5430618	BMW	750i	09-12	4.4L RWD	6HP19
5430624	BMW	750Li	08-15	4.8L AWD	6HP28X
5430501	BMW	530i	04-05	3.0L RWD	6HP19
5430521	BMW	325i	06	3.0L RWD	6HP19
5430524	BMW	330i	06	3.0L RWD	6HP19
5430511	BMW	335i	07-13	3.0L RWD	6HP21
5430519	BMW	535i	08-10	3.0L RWD	6HP21
5430615	BMW	528i	08-10	3.0L RWD	6HP26
5430614	BMW	530i	07-13	3.0L RWD	6HP26
5430622	BMW	X5	07-10	3.0L AWD	6HP21X

Full warranty disclosure for this transmission is available upon request. For more information on the complete line of JASPER remanufactured products, log onto jasperengines.com or call 1.800.827.7455.

Increased Warranty Offered on Ford 6.7L Complete Format Diesel Engines



Ford 6.7L Complete Format Diesel Engine

Jasper Engines & Transmissions is pleased to announce an increase in warranty, of up to Two-Years Parts and Labor, on remanufactured Ford 6.7L Powerstroke/Scorpion Complete Format Diesel Engines!

A JASPER remanufactured Complete Format Diesel Engine includes the block, head, crank, cam, rods, valve train, oil pump, oil pan and pickup tube, oil filter, oil cooler, inner & outer gear covers and finishing gaskets.

“JASPER’s remanufactured engine includes machining, assembly and testing processes that will help assure the customer of maximum engine life and performance,” said Ryan Dooley, JASPER Diesel Division Manager.

“Each JASPER Complete Format Diesel Engine is completely remanufactured with a standard set of new parts,” said Dooley, “while all other castings and components are remanufactured, and requalified, to meet, or exceed OEM specifications.”

Unique to the industry, JASPER also supplies a gasket set valued at \$500 with each Ford 6.7L Powerstroke/Scorpion Complete Format Diesel Engine. The JASPER Gasket Set includes 48 items, and nearly 200 pieces. Items include: fuel line assembly, fuel injector lines, gaskets, bolts, intake cover gaskets and much more!

Full warranty disclosure for this engine is available upon request. For more information on the complete line of JASPER remanufactured diesel engines, log onto jasperengines.com or call 1.800.827.7455, extension 97165.

Jasper Engines & Transmissions Names Supplier Award Winners for 2018

Jasper Engines & Transmissions recently announced their “New” Part Supplier Award winners for calendar year 2018 performance. There were nine corporate recipients named in the following three categories:

GROWTH AWARDS:

Aisin World Corp. of America
Cometic Gasket Inc.
ElringKlinger AG

SERVICE AWARDS:

BorgWarner Inc.
Elgin Industries
Robert Bosch, LLC.

QUALITY AWARDS:

Eaton Corporation
Euroricambi, SpA
NPR of America, LLC.

Each supplier received a JASPER® trophy honoring their key role and performance in 2018.

JASPER presents these awards annually to recognize the company’s key Partners in Success. The respective suppliers provided JASPER with "above & beyond" performance in calendar year 2018 based on the following criteria:

GROWTH Award winners were based on percentage increase in the amount of dollars spent from 2017 to 2018 (minimum annual spend of \$150,000).

SERVICE Award winners were established by joint nominating efforts between JASPER’s Sourcing and Purchasing teams in key areas including: On-Time Ship Performance, Timely Response, Sense of Urgency, Problem Resolution, and an overall High Level of Customer Service from these suppliers.

QUALITY Award winners were established by joint nominating efforts between JASPER’s Sourcing, Quality, and New Product Development Teams in key areas such as: First Piece & Incoming Inspection Results, Corrective Action Request(s) Responses, Vendor Scorecard Performance, Technical Expertise, and overall Product Quality.

“JASPER is proud to honor our suppliers again this year,” said TJ McAtee, JASPER’s Group Leader of Sourcing & Supplier Development. “Our relationships continue to strengthen through our partnerships, and are vital to the success of JASPER.”

This year, JASPER was also proud to recognize Bill Levy from U.S. Tool and Manufacturing Company for the Partnership Award for his individual efforts in consistently going above and beyond, and in making JASPER his number one priority.



Aisin World Corp. of America representative Rafael Rodriguez displays his New Part Supplier Growth Award with JASPER’s Doug Prange.



Elgin Industries representatives Rick Simko and Bill Skok pose with their New Part Supplier Service Award with JASPER’s Charlie McCrady.



NPR of America, LLC representatives Yusuke “James” Tagai and Nancy Perez pose with their New Part Supplier Quality Award with JASPER’s James Corbin and Jason Ng.

JASPER Remanufacturing Facility Earns VPP Star Safety Recertification

The Indiana Department of Labor granted a five-year extension of the Star Certification of Jasper Engines & Transmissions' Jasper remanufacturing facility in Indiana's Voluntary Protection Program (VPP). The Wernsing Road remanufacturing facility earned its initial Merit Safety Certification in 2008, ultimately achieving Star Safety Certification in April 2012.

VPP was established to recognize and promote safety and health management programs throughout the state. All companies, regardless of size or business, can participate in VPP, where management and employees work together to create and maintain a healthy working environment.

"Your reapproval to VPP is a strong endorsement of the continued dedication to workplace safety and health demonstrated by you and your Associates at Jasper," said Travis Gentry, Indiana Department of Labor's VPP Manager. "As a participant in the VPP, you hold a position as an industry leader in workplace safety and health, and serve as a model for what a safety and health management system can be."

"We want to thank our executive team, our managers and our leaders who do a great job supporting our safety programs," Jasper Engines Safety Director, Jason Pieper said. "Earning, and

keeping, Star Certification is where we want to be as a company in our continuing safety journey."

JASPER's three Indiana remanufacturing facilities are part of a group of 92 Indiana companies that have achieved VPP Certification. JASPER's Crawford County remanufacturing facility in Leavenworth, Indiana, achieved VPP Star Safety Certification in August 2013. JASPER's Drivetrain Remanufacturing facility became VPP Star Certified in January 2018.



Members of the Jasper Headquarters Safety Committee receive the VPP Star Recertification from Indiana Department of Labor VPP Representative, Travis Gentry.

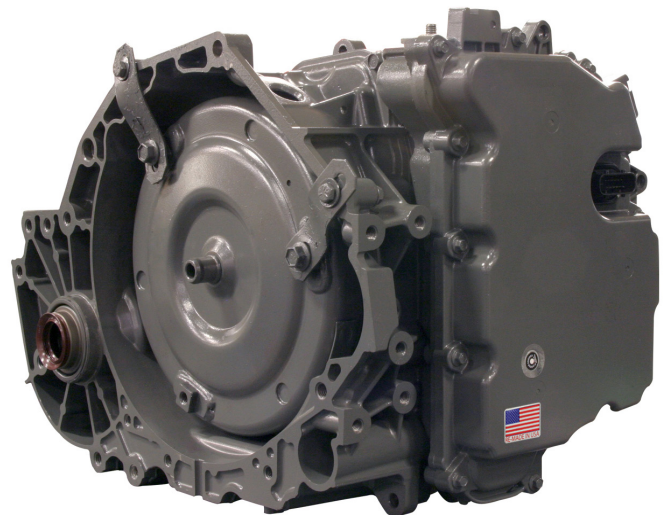
JASPER Expands GM 6T40/45/50 Transmission Availability

Jasper Engines & Transmissions, the nation's leader in remanufactured products, announces the expanded availability of its remanufactured GM 6T40/45/50 FWD, and AWD, transmissions. These electronically controlled 6-speed transmissions are available on exchange for the following GM vehicles:

- 2012 Captiva Sport (AWD 3.0L)
- 2014-2015 Cruze (1.4L/1.8L)
- 2015 Encore/Trax/Sonic (1.4L)
- 2015-2017 Equinox/Terrain (AWD 2.4L)
- 2017 Equinox/Terrain/Captiva (FWD 2.4L)

Every JASPER remanufactured transmission is subjected to strict, high-quality processes:

- Disassembly, meticulous inspection and cleaning of components.
- All new and remanufactured parts are carefully inspected for correct tolerances to assure dependability.
- JASPER's research and product development assures inherent issues in OEM design are corrected.
- Dynamometer testing is performed using a state-of-the-art CAN control network to simulate in-vehicle operation to ensure trouble-free product results.
- An available Premium Service Plan offers customers an even greater value.



GM 6T40 Transmission

In addition, "JASPER offers free rental of DREW Technologies J2534 pass through devices, and also offers shops the ability to rent a remote programming system," said Brad Boeglin, JASPER research and development group leader.

The GM 6T40/45/50 is covered by JASPER's 3-Year/100,000 mile nationwide transferable parts and labor warranty. Full warranty disclosure is available on our website or upon request.

Charging What You Are Worth

by Carm Capriotto, Remarkable Results Radio/Town Hall Academy

Carm Capriotto

is the founder and host of Remarkable Results Radio, the only podcast that interviews today's most inspiring and successful automotive aftermarket professionals. Carm has 35 years experience in the automotive aftermarket, including 20 years as a business owner and 15 years in an executive position.



Of late there has been a lot of dialogue around my circles about being paid for the value you give and bring to your customer. I recently saw a survey of shops whose sales averaged \$750,000 yet their net operating profit was only 2%. That is only a \$15,000 average net operating income before tax. This troubling stat begs the question: How do you continue to invest in the business and even provide a living wage for you and your team at that level of profit?

If you consider the investment you have and the hours you put in, even after your salary, all your hard work brought you a very small return on your investment. For some owners, they are happy with that because they want and have a job or even a hobby. Others are learning that a very small profit will not sustain the business and realizing they must earn a higher net profit if they want to survive.

Profit is one of the reasons you are in business. It is the return on your investment; and yes, net profit makes your business more valuable to a potential buyer. A business coach recently mentioned that most shop owners do not realize their business is the conduit to providing a living wage for them and their team; needless to mention a college education for your family and a nest egg for retirement. That sometimes is the deep realization

that motivates owners to change and realize they need help running their business.

There is nothing wrong with asking for help. Humility is a great trait to have. Sometimes we do not like to admit, we do not have all the answers. Therefore, help from wise coaches and colleagues can be the difference in abundant success.

I would say 98.9% of shop owners I've asked about raising their labor rate told me they were the one who was most affected by the change. Most customers did not notice and did not even care. But raising your rate \$10.00 may not be the correct move, why not \$20.00? All too often you are so worried about the labor rate of the shop down the road or the dealer up the street. That is the wrong way to look at your rate. It is your value proposition to your customer that matters. Your investments in training, tools, equipment, subscriptions, facility and marketing, benefits help establish your rate. Of course, you do need to consider your market's income demographic.

Okay, you decide to take a very serious look at your labor rate. There are many scientific ways to figure out your new labor rate. One of them is not what the guy down the street is charging or what the OE dealers get. You have to consider all your labor costs and review your shops KPIs. Find someone in your network to help you 'yellow pad' the numbers, there are many that will help. I can even find someone who can help you, just send me an email. (carm@remarkableresults.biz)

Ask yourself if your new rate will provide a great value to your customer, even if you are the highest in your market? If your answer is yes, then it is easy to do.

Recently, in podcast sessions, we have discussed having multiple labor rates. We know testing/diagnostic jobs in many cases do not come with a part sale. Typically, parts and labor make up 55/45 percent of every invoice. As a shop owner, you know profits are made on parts and on labor. When parts sales are

not a significant part of a diagnostic procedure, you are missing out on the parts profit unless you have a different and higher testing/diagnostic labor rate.

Recently, a shop owner posted a special (higher) labor rate on vehicles that are 25 years and older. He is in the Southwest where cars last a long time. As he came to find out, through the school of hard knocks, he was losing money on these vehicles because of the time they were spending on the repair. I can only believe that in the North where salt is used on the roads the factor jumps even higher. He did not lose one customer.

Fear seems to be the biggest reason many shop owners do not adjust their labor rates. You convince yourself you will lose business. I am not saying that it may happen, but most of the shop owners that did raise their rate wonder why it took so long to do so.

You know what it costs you to do business. You are bombarded every day with price increases from services you use to run your business. There are also new marketing tools you would like to implement. There are raises and benefits to provide your people. All of that takes money. How will you ever start on the road to extreme profits unless you take a serious look at your labor rate.

Your peers have covered this topic in a great way on the aftermarket's premier podcast. These long form audio forums make you the fly on the wall in every conversation and give you a ringside seat in the great networking world of podcasting. I am attaching a URL that will search the site for all podcasts where we cover labor rates. Pick out a few and listen, then take the steps to a financially healthier company and you.

Editor's Note: To search the Remarkable Results Radio podcasts covering labor rates, please use the following URL link:

<https://remarkableresults.biz/?s=labor+rates>

Selling at Car Delivery

By Bob Cooper, President & Founder/EliteWorldwide Inc.

Bob Cooper

has functioned as the developer, owner and an operator of some of the most successful auto repair shops in North America.



Bob is a member of the prestigious National Speakers Association and is one of the nation's leading authorities on both personal and career success. Today, Bob speaks nationally, as well as internationally, to many trade associations, universities, private banking groups and Fortune 500 companies.

If you want to generate more repeat business, there are a number of things you will need to do. You'll need to deliver an extraordinary value, exceed your customers' expectations at every touch point, and stay in touch with your customers after the sale.

Over the years, I have discovered most service advisors have the right intent, and make their best effort to do all of these things. They want to do a good job, and they know a part of their job is to help their customers see the value in their services. This is why they work hard at building value in their company and services when speaking with first-time callers. It's also why they'll build interest and value in their service recommendations, with the hope their customers will agree with their recommendations, authorize the services, and then ultimately return.

The top advisors in America not only understand this, but they'll always put a strong focus on the benefits of their recommended services, rather than on the parts and labor. For example, when discussing the benefits of a brake service, they'll tell their customers they'll have smoother and more responsive pedal operation, quieter braking, faster stopping

and the peace of mind they'll have good, safe, and dependable transportation. Yet where almost all advisors fail, is at the point of car delivery. We have discovered this is where they'll do a good job of reselling the customer on the services performed, and they'll certainly schedule the customer's next visit, but what they fail to do is this: They don't discuss the benefits of the next service.

Here's an example we can all relate to. You go to the dentist for a toothache, and they discover you need a crown. The dentist then says you have two options, and explains the benefits of each. You like what you hear, and you make your choice based on the benefits that were shared with you. Then before you leave, the dentist says you'll be due for a checkup and cleaning in six months, and they schedule you in. Will you return in six months? Well, you might, especially if the dentist met all your expectations. But when that reminder card finally shows up in your mailbox, you may hesitate for one simple reason:

None of us enjoy going to the dentist, and the dentist didn't explain the benefits of the checkup and cleaning during your last visit. If they told you how this visit could save you money, help prevent other painful problems, and reduce the amount of time you'll ultimately spend with your dentist, you would be more willing to return.

I can only hope you agree it's no different with your business. If you want to see more return business, then do this... At the time of car delivery, take just a minute or two to explain the benefits of the customer's next service. For example, rather than just telling your customers

they'll be due for their next scheduled service in six months, say something like this... "As I mentioned to you earlier, Doris, your next service is going to be a maintenance service, and it'll be due in six months. Now the good news is, that service is going to help you squeeze every mile out of every gallon of gasoline, it's going to help you maintain your warranty and protect the value of your vehicle, and it's going to help you save time and money by preventing costly breakdowns."

Although I can't guarantee your customers are going to return if you do what I am recommending at the time of car delivery, there is one guarantee I can make you: If you take just a minute to explain the benefits of the next service to your customers, there is a strong probability they'll want to come back. On the other hand, if the only reason for them to return is because you sent them a reminder card telling them they need to come in for nothing more than to spend money with you and to be without their vehicle for a day, then you've given them a really good reason to toss the reminder card... and not come in.

Editor's Note: Since 1990, Bob Cooper has been the president of Elite Worldwide Inc. (www.EliteWorldwide.com), a company that strives to help shop owners reach their goals and live happier lives, while elevating the industry at the same time. The company offers the industry's #1 peer group of 90 successful shop owners, training, and coaching from top shop owners, service advisor training, along with online and in-class sales, marketing, and shop management seminars. You can contact Elite at contact@eliteworldwide.com, or by calling 800-204-3548.

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815 Wernsing Road · P.O. Box 650 · Jasper, IN 47547-0650

e-mail: sales@jasperengines.com

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JASPER Opens Lubbock, Texas, Branch

Jasper Engines & Transmissions has opened a branch office in Lubbock, Texas, to better serve the businesses in all of West Texas, and parts of eastern New Mexico.

JASPER's newest branch is located at 603 County Road 7150 in Lubbock.

“This region of West Texas and eastern New Mexico has rapidly grown over the years, and continues to show phenomenal growth,” said JASPER Regional Vice President, Richard Olson. “This new branch office in Lubbock is our way of thanking customers for their loyal support.”

“With this new branch, we will improve JASPER delivery service to over 375 zip codes, and will decrease the lead time to our customers,” he said.

The 9,375 square foot Lubbock facility will have diesel air and fuel components in its inventory, and the capacity for up



The Lubbock, Texas, branch is located at 603 County Road 7150. The 9,375 square foot facility has the capacity of up to 650 units for delivery to West Texas and parts of eastern New Mexico.

to 650 units, including gas and diesel engines, transmissions and differentials.

Jasper Engines & Transmissions currently has 48 branch offices and distribution centers in 28 states.