News and Updates From Jasper Engines & Transmissions

July 2014

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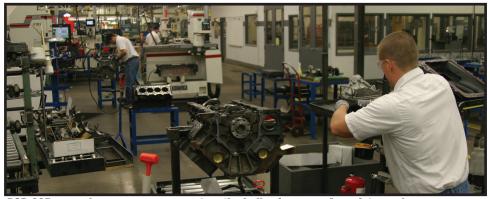
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Published by:
Jasper Engines &
Transmissions
P.O. Box 650
Jasper, IN 47547-0650
Phone: 800-827-7455
Fax: 812-634-1820
www.jasperengines.com

JASPER Opens Additional Gas Engine POD at Jasper Facility



POD 305 expands on an open concept method allowing more Associate workspace.

Jasper Engines and Transmissions has expanded its Gas Engine Remanufacturing Division within the Jasper, Indiana, facility.

The Jasper facility utilized four remanufacturing lines (called PODs) in which an engine went from a core, to a finished product, within one remanufacturing unit. Each POD has specific engine families that it remanufactures. This allows each POD to become specialized with those engine families, which helps JASPER produce a quality product and produce it more efficiently.

The need for a fifth POD was realized as early as November, 2013, as increased sales of JASPER remanufactured Ford modular engines (4.6L and 5.4L Triton V8 and 6.8L V10) exceeded the Gas Engine Division's maximum production.

"We were selling 28 units per day at the start of the year," said Randy Bauer, Jasper Facility Gas Division Manager. "We're currently averaging 33 sales per day of these units."

"We were spending a considerable amount of overtime to produce these units," Bauer said. "With this engine family remanufactured in a separate POD, we'll reduce the amount of overtime that our Associates are working, and at the same time improve the ergonomic part of their work."

The new POD, named POD 305, began gas engine remanufacturing on June 1st, after months of development and the relocation of JASPER's Differential Division. A team of

Associates handles engine remanufacturing duties within five areas: disassembly, prep and repair, head machining, block machining and assembly/testing in the POD.

This POD expands on an open concept method used in other areas within the Gas Division. "We had open floor space available to configure each department in a U-shaped design," said Bauer. "We found this design to be very successful in the disassembly and assembly areas in our other PODS, so it was used in each area of 305."

"The U-shaped design gives Associates more room to work, and it's more visible and manageable for Team Leaders to check in on progress," he said. "This is in contrast with areas in our existing PODS that utilize a linear form of remanufacturing, where work space is at a premium."

The open concept of POD 305 also allows customers to see what happens while they are on tour. "The linear fashion of the old-style PODs is very cramped, and it's hard to get tours to view the processes." Bauer said. "With POD 305, customers will be able to see from the aisle way, looking into the area, and get a much better view of the quality of our product."

With the formation of the Power Drive Transmission facility later this year, the Gas Division is anticipating additional floor space within the Jasper Facility to transform other existing PODs in a similar fashion.

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Fountaindale Auto Center

Fountaindale Auto Center in Middletown, Maryland, is a full service auto and truck repair facility, and a Preferred Installer of JASPER products. They were recently recognized as one of the Top 100 Independent Repair Facilities in their area, and were presented with the Gold Award at the first annual JASPER Dealer Awards Banquet in Baltimore.

Fountaindale Auto Center started as an Exxon service station in 1968. Current owner, Clark Dayhoff, started pumping gas there in 1985, then worked his way up to service manager and bookkeeper.

After leaving the business for a short time, Clark returned and purchased the business in 1999. Four years later, in 2003, he built a new 8,200 square foot facility at 19 East Green Street, with ten service bays. With business thriving, Fountaindale Auto Center expanded in 2010 to a second location in nearby Frederick, Maryland, with five more service bays.

Fountaindale has 10 employees, each of them ASE-Certified in various automotive applications, including Service Advisor. "We constantly send our technicians to class, and we encourage a lot of online training," Dayhoff said. "We'll issue pay increases if the technicians pass their tests."

Customers can utilize Fountaindale's clean and comfortable waiting area for their automotive repairs to be completed, or they can get a ride on one of three shuttle vans. What's more unique to



Fountaindale Auto Center owner, Clark Dayhoff, receives the JASPER Top 100 Independent Repair Facility Award from Greg Lusk, JASPER Baltimore Branch Manager.

Fountaindale Auto Center is that they offer an in-house warranty of two years on all of their work, including brakes.

For the past 15 years, Fountaindale Auto Center has installed the full product line of JASPER quality remanufactured products. "To be the best in your business, you have to partner with companies that are the best," said Dayhoff. "They have to share our business philosophy that the customer always comes first."

Dayhoff's long-term dream is to expand Fountaindale Auto Center to a third location. He shared that his children have expressed an interest in learning the business, assuring that Fountaindale Auto Center stays within the family for many years to come.



Fountaindale Auto Center has ten service bays at its Middletown, Maryland, location (above) and five additional service bays at its Frederick location.

Menke's Auto Repair Named Top Auto Repair Facility in The Country



Accepting the award for Menke's were: (front row) owners Barb and Vernie Menke, (back row) technicians Nate Malone and Eric Betz, and shop manager Joe Weidrich.

Recently, at Visions High Tech Training & Expo in Kansas City, Kansas, Menke's Auto Repair received the "Facility of the Year" award – the top honor presented at the annual event. The Visions High Tech Training and Expo was attended • by over 3,000 industry professionals from 37 states and five Canadian provinces. The presentation took place at the conclusion of the conference at the awards ceremony, with more than 1,000 people in attendance. Accepting the award for Menke's were Vernie and Barb Menke owners, Joe Weidrich (Shop Manager), Nate Malone, and Eric Betz (Technicians). "What an incredible honor and total surprise to receive this prestigious award", stated Vernie Menke. "This event is one of the best in the country for our industry. It has helped our shop move forward and stay up with the latest technology with the training that is offered here. We try to take five staff members every year. It is a 'must do' for any shop that wants to survive in this industry today. Sherri Hamilton, Jerry Holcombe, and their staff do an awesome job on this event. They provide great training here."

Menke's has been recognized, nationally, as a leader in the auto repair industry for the last six years. In 2009, they were named the Top Shop in the country at the ASA (Automotive Service Association) national convention in Las Vegas by Motor Age Magazine, one of the leading trade publications in the auto repair industry.

Additionally, Menke's has been featured in five national magazines in recognition of their leadership.

Vernie Menke sits on the national board of Automotive Service Association (ASA) and serves on the Mechanical Operations Committee, working on major issues in the auto repair

industry that affect all repair shops, as well as consumers. The major items he and his committee are working on include:

- · Parts quality issues
- · Vehicle safety issues
- Manufacturers Telematics Issues

In addition to the Top Auto Repair Facility award honor, Vernie & Barb Menke were asked by ASA to go to Washington, D.C., to represent the independent auto repair industry on May 28 & 29. The Menke's met with legislators on Capitol Hill to discuss vehicle safety issues and other industry related topics.

In addition to Vernie sitting on the ASA national board and MOC board, he and Barb sit on the AAA Advisory Board. Barb also serves on the board of Warrick Chamber of Commerce. Vernie and Barb have also served on the Customer Advisory Board of Jasper Engines & Transmissions.

Menke's Auto Repair is a local business that has operated more than 37 years in Newburgh, Indiana. Their business has grown from a one man operation, to now employing 15 people.

After their expansion in 2012, Menke's now has a total of 20 bays, with 9,400 square feet of work area. They have added free Wi-Fi, a free coffee/tea bar, and a refrigerator stocked with free bottled water for their customers. They've grown their free loaner car fleet to 28 vehicles. Menke's services and repairs all foreign and domestic vehicles. You can tour their shop at: www.menkesauto.com.

Differential's New Home/Remanufacturing Method

The Differential Division of Jasper Engines & Transmissions has undergone a transformation, not just in location, but how differentials are remanufactured.

In order to make room for the expanding Gas Engine Division, the Differential Associates moved their entire operation into "Jasper West", a building 1/4 mile west of its original location. The disassembly, inspection and machining areas were moved in one weekend, with the assembly and parts areas moved the following weekend. "We didn't miss a beat," said Dan Douglas, JASPER Differential Division Manager. "We were off and running."

With the new location, the opportunity for progressive remanufacturing was implemented, something never done before within the division.

"We have two assembly lines," said Douglas. "One line is for full-floating differential assemblies, and the other is a light-duty line for semi-floating differentials."

Each line has two, two-man teams. "The first Associate checks the housing for correct machining, presses the bearings and installs the carrier into the housing," Douglas said. "The second Associate, called a 'pattern setter', is responsible for setting, checking and finalizing the tooth contact pattern."

After that, the differential covers are installed and the unit moves to the paint booth and shipping.

"Our Work-in-Progress stays steady all day," said Douglas, "and we've enjoyed a great increase in production because of that."

Axle straightening presses and lathes were stationed side-by-side in the division's new machining area. "This eliminates a lot of unnecessary movement from one station to another when the housing is checked for straightness and repaired," Douglas said. "We used a lot of LEAN concepts when we adjusted our flow, and we're really happy with how the area turned out."

"By making these changes, the Differential Division can provide improved Associate training, which in turn can provide a higher quality product," he added.



This is the light-duty line for semi-floating differentials.

Dana 44 Rear Differential for Nissan Titan Available



Jasper Engines & Transmissions offers the Nissan Dana 44 differential. This differential is available on exchange for the following applications:

2004 - 2007 Nissan Titan RWD/4WD (Rear axle only)

This JASPER Remanufactured Differential offers several advantages, through updates which include:

 An available upgrade from the standard-style OE differential to a TrueLoc helical gear-style limited-slip differential that maximizes wheel traction and enhances driving and handling characteristics

- 100% replacement or sleeving of yokes to achieve a perfect sealing surface
- Setting precise tooth contact pattern to utilize the full structure of the gear on both the coast and drive side of the ring and pinion, improving the life of the differential
- Three bottles of gear oil are supplied with this differential at NO CHARGE
- · Immediate availability

The Nissan Dana 44 differential 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. For more information on the complete line of JASPER remanufactured differentials, please call 800-827-7455, or log onto www.jasperengines.com.

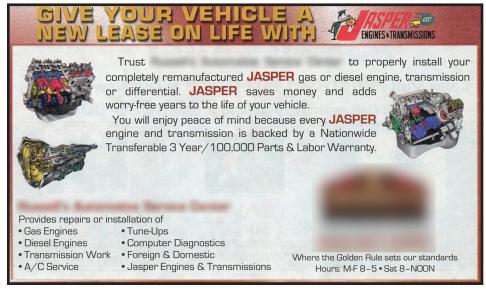
Effectively Using the JASPER Co-op Advertising Program

As we mentioned in the March issue of The JASPER Driveline, those engaged in the retail installation of JASPER remanufactured products in the vehicles of end users, have an opportunity to receive a variety of assistance when they promote, advertise and sell the JASPER brand. This assistance is available to qualifying Installers through the JASPER Co-op Advertising Program.

Qualifying Installers can receive monetary reimbursement, based on JASPER's presence in the ad, or on a promotional item, and how strong the sales message that promotes JASPER products. Annual reimbursement is made up to your available amount of Co-op advertising funds which are based on your previous year purchases. Obtaining the benefits and making the most of the JASPER Co-op Advertising Program is more than just placing the JASPER logo or name in a newspaper ad, radio commercial, mailer or some other form of advertising. It's about a STRONG SALES MESSAGE that actively works to bring customers into your shop to generate business – profitable installation work for you and your technicians. It's about delivering a sales message that works to attract the vehicle owner to your shop just as you would do for any of the services you provide. It's about driving sales and profitable work to your door. After all, when you install JASPER Remanufactured Products, you benefit through the profit generated by their sale and the labor on their installation, not to mention the satisfied customers for whom you perform the work. It is also about selling yourself in order to build customer trust in your business and services. An ad that promotes both your shop and JASPER can be a strong marketing tool to add new customers to your business.

For complete information about the JASPER Co-op Advertising Program, and to see if you qualify, visit our Website at www.jasperengines.com, scroll to the bottom of the page and select Co-op Advertising under the Resources heading. The direct link to the Co-op Advertising page is www.jasperengines.com/coop-advertising. php. Checking your available funds is easy through access to our E-commerce portal, myjasperaccount.com.

You can also speak with your JASPER Sales Representative for more information



You're not having vision issues if you're seeing selectively blurred areas, but you are seeing a great example of an ad that sells the installation facility, its services and JASPER remanufactured products. Ads like this qualify for a 50% Co-op reimbursement, for qualifying installers, up to the available amount of Co-op money available.

about our Co-op Advertising Program and to view a short training presentation on how to effectively use this program to generate profitable work through the installation of JASPER remanufactured products. If you need more immediate information on using and maximizing your benefits of the JASPER Co-op Advertising Program, please call 800-827-7455 and speak with Jennifer at extension 2084.

Mustang Car Club Visits JASPER



Over 30 classic and late-model Mustangs were on display on the front lawn of the Jasper, Indiana, facility June 20th.

The owners were members of the Falls City Mustang Club of Sellersburg, Indiana, participating in a "Pony Trail" ride through Southern Indiana. The ride was part of the club's 19th Annual Mustang and All Ford Show in Sellersburg.

Club members had the opportunity to take a walk-through tour of the Jasper facility and learn about our remanufacturing processes. After a lunch stop in Jasper, the group took the scenic route back to Sellersburg, to prepare for the next day's car show.

What A Great Place to Be!

by Craig Hessenauer, JASPER Regional Manager

Craig Hessenauer

has been a
Jasper Engines
& Transmissions
Associate for
23 years, working
primarily in
the Mid-Atlantic
region. Craig



began his automotive career 29 years ago after attending Salisbury State University in Maryland in pursuit of a Bachelor's Degree in Business Administration.

Bill Gates keyed the phrase "Business at the speed of thought" in 1999. Other than the great Bill Gates himself, who would have imagined that people would be expecting this of your business a short time later. Mr. Gates tried to prepare us for an increased "velocity of business". Someone should have been preparing us for the "ferocity of business", as well.

The pace at which people expect services today is nearly instantaneous. The automotive business environment can be daunting: new customer expectations, a higher percentage of wrong parts, advanced computer diagnostics, software updates in the front office and the need to establish mobile scheduling apps. Put it all together and the

environment can be ferocious at times, wouldn't you agree?

How is your shop coping with the higher demands placed on the automotive professional? On a scale of 1 to 10, how would you rate the attitudes of the men and women who are dealing with these great challenges in your business on a daily basis? What are you doing to create a positive environment (PE) for them?

Before you answer that, ask yourself this: On a scale of 1 to 10, how are you dealing with the rapid changes in the automotive business environment? The reality is that when your attitude goes south, others will follow.

This is usually the determining factor between the success and failure of any business. Zig Ziggler once said, "Your attitude determines your altitude." In other words, your attitude ultimately drives your business's success. Great employees and great customers will not tolerate negative environments. They will go someplace else. It is up to you to create a positive environment (PE) for them.

So do you exhibit, *or inhibit*, a positive environment (PE) in your shop? A positive environment begins with your positive attitude, for certain, but it does not stop there. PE requires a clean and organized work space for your coworkers. It must be free of the clutter that causes frustration. PE should be demonstrated by a standard greeting that is warm and welcoming over the phone,

or in person. Your customer should experience PE in an accommodating waiting area and restroom facility. PE can also be displayed with motivational posters and the owner's business vision statement. PE can be projected into the community through your marketing efforts, as well. In short, PE makes your business a great place to be.

I wouldn't expect the velocity of business to slow down anytime soon. Rapid change is inevitable. So embrace change, for there is no other alternative. And make PE a priority, so your coworkers and customers can say, "What a great place to be!"

Last Call for 2015 Calendar Entries!

It is amazing how fast the first half of 2014 is behind us! If you, or your customer, have a vehicle with a JASPER product in it, and would like to have a spot in the 2015 JASPER calendar, time is running out! The August 1st deadline is fast approaching... So don't hesitate... Send us your entry!

Entrants must submit a high-resolution color photograph and information about their unique vehicle, or performance car or truck, along with the JASPER remanufactured product that has been installed. Vehicles should be placed in a "show" type setting. Low resolution digital images transferred onto photo paper cannot be accepted. High-resolution digital images, 8" x 10" at 300 dpi, are preferred. All entries will be judged based on adherence to the category, equipment appearance and the quality of the photograph.

REMINDER!!! The deadline for 2015 Calendar entries is August 1st. If you have vehicle images, and would like to request an entry form, or for additional information, contact Jennifer Hohl at jennifer.hohl@jasperengines.com.

POSITIVE ENVIRONMENT

Makes Your Business

A Great Place To Be!

Why Do Most Repair Shops Fail?

by Bob Cooper, President & Founder/Elite Worldwide

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.

Over the years, I have had the opportunity to work with many of the top shop owners in America, and I have met thousands of owners who are living from day to day, and then unfortunately fail. There have been a lot of discoveries along the way, so I would like to use this article to share what I feel to be the top seven reasons why most shops fail.

1) Pride. There is no question that pride plays an important role in a shop owner's success. It causes them to make sure that their shops are clean, vehicles are properly repaired, and the customers are pleased with their services. Certainly there is a place for pride, and all successful shop owners have it, but they also know when to turn it off. They turn it off by admitting to their mistakes, complimenting their employees for doing a job better than they could, and as Henry Ford did, they accept the fact that they can't build successful businesses on their own. The shop owners who are unwilling to set their pride aside when it's appropriate to do so, are the owners who inevitably fail.

2) Fear. As with pride, fear also plays an important role in a shop owner's

success. The fear of not doing a good enough job for their customers, the fear of a new competitor moving into town, and the fear that comes along with investing in themselves and their employees, are all shared by the top shop owners in America. What separates them from those who fail is that they face their fears head-on, and they take the proper action to ensure their success. The shop owners who fail are paralyzed by their fears, they take no action, and then their worst nightmares come true. They lose their key employees, their car counts drop, and their profits disappear.

3) Shop owners not realizing what their jobs are. Successful shop owners know the best way for them to build their companies, and help their customers, is by doing what they should be doing as business owners: Setting the goals of the company, developing the plan, hiring the superstars, bringing out the best in their people, and ensuring the success of the company. Those who own failed shops typically have big hearts, but instead of doing what they should be doing, they are found under the hoods of automobiles, chasing parts and sweeping their parking lots. These are all things that need to be done, but by other people, not by the owners.

4) Not knowing when and how to invest. Most shop owners are quick to invest in equipment, inventory, and in most cases, their marketing programs. Of course these are all investments that certainly need to be made. Beyond these types of investments, the top shop owners constantly invest in their most important assets: Themselves, and the people who work with them. Whenever I look at the financial statements of a struggling or failed auto repair shop, one thing is almost certain: There is a glaring absence of any investment in their own education, and in the training of their staff.

5) The absence of systems. Successful shop owners have clearly defined procedures for answering every phone call,

writing up their customers, inspecting vehicles, recommending and selling services, performing services, car delivery and customer follow-up. The shops that fail rarely have systems in place. I have found that their employees typically have their own ways of doing things, which is a guaranteed recipe for failure.

6) Trying to be everything to everybody. Most shop owners try to please everyone, and that's good. But the top shop owners realize that bringing in the wrong customers will drive down their profitability, erode morale, and wipe out their profits. They know exactly who their ideal customers are, and they target them with all of their advertising programs. The shops that fail are more interested in filling up their service bays than in bringing in the right people. While they are thinking of vehicles in the bays, the top shop owners are thinking of the right people and the right vehicles.

7) The absence of goals. By having clearly defined goals, the top shop owners are passionate about their mission, they make better decisions, they do a far better job of hiring, they have happier customers and they put more money on their bottom line. The shop owners who fail operate their shops from week to week, they run up debt, they burn out, and they ultimately close their doors.

In closing, if you want to build a more profitable, successful business, as I am sure you know, there are no guarantees of success. The one promise that I can make is that business, as with life, is all about choices. If you set your goals, and if you put fear and pride aside, you can build an auto repair shop that is second to none. Others have, so I know you can as well.

Editor's Note: For additional sales, marketing, and management tips & strategies from Elite Worldwide President Bob Cooper, visit the Elite Blog at: www EliteWorldwideStore.com/blog

'66 Corvette 427 Gets Authentic Treatment

The Jasper Authentic Custom Drivetrain division recently completed this Chevy 427 V8 from a 1966 Corvette.

The first year for the 427 to be installed in a Corvette was 1966. The unit was very impressive to look at before it was shipped back to the customer for installation. It was equally impressive on its dyno run. The cast iron big block cranked out nearly 432 horsepower at 5,550 rpm, and almost 440 foot pounds of torque at 4,500 rpm. If that Corvette was going somewhere, it would get there in a hurry... Effortlessly.

Obviously, this engine does not fit into any production remanufacturing system. That's where Jasper Authentic Custom Drivetrains comes in. "We spend extra time remanufacturing an engine or transmission," says Darren Ragsdale, Division Manager. "We give the customer that hands-on, hand-built treatment that our target customer base is looking for."

In addition, Jasper Authentic Custom Drivetrains provides some extras for the enthusiast. "Customers can opt to have their engine dynamometer tested, in addition to the live-run test we perform on most applications," said Ragsdale. "And we can provide the customer pictures & specifications," added Ragsdale. "The customer can with documentation of the remanufacturing process. With a login name and password, they will be able to go to our web site and check the daily progress of their engine or transmission."

"If a customer opts for the documentation package, Jasper Authentic Custom Drivetrains will provide a binder and CD with



1966 was the first year for the 427 V8 in a Corvette.

archive the documentation for their own records, or use it to authenticate their unit as they show their vehicle."

For more information on the Jasper Authentic Custom Drivetrain division, call 800-827-7455 or visit www.jasperengines.com



JASPER ENGINE AND TRANSMISSION EXCHANGE 815 Wernsing Road · P.O. Box 650 · Jasper, IN 47547-0650 e-mail: sales@jasperengines.com

www.jasperengines.com

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