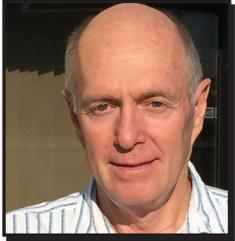


# RECORE *Newsletter*

## TRADING COMPANY, L.L.C.

4 Bridle Bridge Rd. • Hudson, NH 03051  
www.recoretrading.com



Don Belisle, Sr.  
Owner of  
Recore Trading  
Company, L.L.C.

## Is This the Ferrous Sweet Spot?

By Don Belisle, Sr.

Most of the yard owners I talk with say they are not having any trouble getting junk cars at a fair price. We all remember when the prices were through the roof. This was great when you were selling your loads of crushed

cars but it was extremely difficult to buy scrap cars. It seemed that everyone in the world was in the scrap business and they were out competing with you to buy every clunker out there. But what I hear from the yards we deal with, is that things are pretty OK right now. Yards can buy scrap cars, process them and sell (hopefully to Recore) at a fair price. Most of the yards that have been around awhile are very happy with the way things are at the moment. Of course there are always those who want the markets to



come back. Not every market is right for every yard. My feeling is if the price doubles it does you no good if you cannot buy material.

### New Catalytic Converter Legislation?

I have heard that at least one New England state is proposing legislation that would prohibit the installation of aftermarket converters on cars. If this in fact happens, then it has the potential to affect salvage yards greatly in a positive way. First off, the cost difference between OEM converters and aftermarket ones is staggering. In many instances, the cost to install an OEM converter on an older vehicle would be more than the value of the car itself. This would push a lot of older vehicles into retirement (the salvage yard). A good thing for the salvage yards, not so much for the car owner. Secondly, once the aftermarket converters were eliminated, you would know

that scrap cars coming into your yard would be equipped with OEM converters. Since OEM units have significantly more worth, you would receive significantly more for your scrap converters. Again, good news for the yard. I am not surprised to see such a law being considered since the precious metal content in after market units is so very low. For instance, the average palladium content in OEM converters is about 1500 parts per million, where the average content in aftermarket units is 200 parts per million. Having done literally thousands of individual assays on converters here at Recore, I always wondered how the aftermarket manufacturers got away with selling such a cheap product. Obviously, the aftermarket converters could not do nearly the job the OEM units could since they just don't have enough precious metal to cause an effective chemical reaction with the engine gasses. Hence, the air was being polluted by cars with aftermarket converters installed. Having bought thousands of loads of converters from salvage yards, I can tell you that just a small percentage of aftermarkets really slice the return value to the yard. Naturally, the yards who deal mostly with scrap cars versus the late model parts cars will have a higher percentage of aftermarket converters and vice versa. We know that every yard gets aftermarkets; however, we watch that ratio on all incoming loads here at

*continued on page 2*

PRSRST STD  
U.S. POSTAGE  
**PAID**  
FIVE MAPLES

## Is This the Ferrous Sweet Spot? *Continued from Page 1*

Recore very carefully. Knowing these percentages allows us to estimate load returns very accurately. We can also tell if a load has been picked. Picking a load is when someone has grabbed and sold (or stolen) a few or many of the high dollar converters. Picking drastically reduces a load's value!

Naturally we will all have to wait and see what, if anything, happens with the legislators. If the law passes in one state,

I'm sure others will follow. I'm sure the auto repair industry will strongly oppose the law, since this would put a big reduction in their exhaust business, which is a significant part of their revenue. This to an industry that is struggling desperately to survive. In today's world where cars are engineered to be directed to the dealerships for service, this would be another tough blow to the independent repair shops. The world is certainly changing!

## Leadership from Within: Part 1



**By D.J. Harrington**

My articles this month and next are about Leadership. In these articles, I'll reference two locations. This month's article is about the leadership of Jim Butler, GM at Butler Auto Recycling located in Pensacola, Florida. It's a family-run, family-owned,

second generation business. Next month, I'll show-case the leadership of Shannon Nordstrom from Nordstrom Automotive located in Garrettson, South Dakota. Shannon's business has the same qualities as Jim's. It's also a family-run, family-owned, second generation business. For now, let's showcase Jim Butler at Butler Auto Recycling.

Besides running his business, Jim Butler has held lots of positions at FADRA, the Florida Auto Dismantlers and Recyclers Association. Jim's most notable position held at FADRA was Past President. Jim has also held positions at the national level for ARA. So, Jim knows his stuff about the industry and has been willing to lead others to success while running his own business.

First of all, Jim is a leader and he works at being a better leader every day. He is always the one sitting up front in every meeting or conference taking incredible notes so he can deliver the best information to his team at home. His efforts keep them always on the right path. No matter what it takes or what happens, Jim always tries to find a way for his team to win. No matter the crisis! No matter the challenge! Guys like Jim don't fail because failing isn't an option. I'm not sure if it's really a trait or attribute,

and I don't know if he got it from his father. His Dad, Jack is tight with a buck. Jack calls it being frugal. Even though he's tighter than bark on a tree, he cares lots for his team. The alternative to winning is losing and that's unacceptable to both of them. So together, they figure out what must be done in order to win.

From my personal observations, Jim Butler and Shannon Nordstrom

are both "champions of results". They believe that the right leadership is responsible for all outcomes. Losing is an UNACCEPTABLE result. Their passion is UNQUENCHABLE and both have creativity. Creativity is essential to winning. To both of them, quitting is UNTHINKABLE because commitment is UNQUESTIONABLE. That is why victory is INEVITABLE for Jim and Shannon.

Here's a key point to remember. At a sporting event, the drive to win is always obvious in the players. They either have come to the game with the desire to win or they haven't. The winners and losers are clear to everyone. "Results Champions", as my friend, John Maxwell, says, "do most of their work without the glory of a roaring crowd. They know that the success of the team is the real victory."

There are three components of victory that all leaders possess. Here they are. **First component of victory** is



### SELL YOUR CATALYTIC CONVERTERS AS PRECIOUS METALS

Recore Trading has the experience, the knowledge, the equipment and the people for buying and processing catalytic converters for maximum return. Selling to us cuts out all of the middlemen and we sell our finished product to an automobile manufacturer. Call us today! Get **MORE** at **RECORE!**



## You Can Afford to Advertise! Part 2 By Mike French



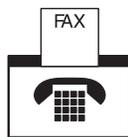
### Little or no-cost advertising methods

**Write Personal Letters.** Don't send form letters! Your letter has to be personal in order to work. The envelope must have a handwritten address - not a label! There must also be a first class



stamp in the corner – not metered postage. Your personal name and return address must appear in the upper left hand portion of the envelope. Don't use a professionally printed envelope or company label. It must look like, and actually be personal mail when it arrives in the mail. The inside of the letter must also be personally hand written or typed. The person's name should be at the top and your signature hand signed at the bottom. Keep your letter short and to the point. You can say something like, "Dear Bill, I'm writing you a personal note to introduce myself." The more personal it is, the better your response will be. If your letter looks like you simply did a mail merge and cranked out a bunch of them, you will NOT get the results you want! Incidentally, I know one company owner who used this approach, and he even included a hand-made savings coupon he personalized for the receiver, writing in their name, and putting his signature on the bottom of it. Everyone who got one thought they were the only person who did! He got more than a 90% response!

**A Broadcast Fax** can only be used to communicate to your own customers. You need to speak to your customers in advance to get their permission to receive faxed "customer only specials" from you. This is called "permission" or "friendship" marketing. It really improves your response rate when people welcome



your offers. Always obey legal requirements when using this method. Never send spam! Be sure to include the date and time you sent your fax, your name/or the name of your business or organization, and the phone number of your fax machine. This needs to be on the first page of each transmission, or located in the top or bottom margin of every page you send. Be sure to put a note at the bottom giving them a chance to get off your list. You can check online at [www.gpoaccess.gov](http://www.gpoaccess.gov) for the current legal information. Keep your fax simple. If it is an easy, fast read, people are more apt to read it and respond. Don't use a lot of graphics because graphics fax slowly and don't look good. Instead use mainly text. Make it all about your offer. Have a powerful headline at the top such as, "These New Arrivals Are Just in!" or, "A Clearance Special For our Top Customers!" Then follow your headline with a great offer that is easy to understand and easy to respond to. The easier it is to respond and place an order, the better and faster the response will be. Make the fax ad itself an order form so they can simply check boxes, add their name to it and fax back to you. I have done this and have had a hand full of orders within minutes of faxing the offer to my best customers! For smaller campaigns, you can use simple in-house computer programs. But, if you are dealing with a large campaign, several hundred or more email addresses, you might consider using a professional broadcast service.

**Send News Releases.** This method is powerful and free. Your local newspapers are always looking for interesting news items to fill print space in the business section. Send announcements about your new staff additions, new buildings you've constructed, new specialized equipment you've purchased, or updates to your services or shipping methods or locations. You can announce important changes in the automotive recycling industry *continued on page 4*

## Leadership from Within: Part 1 *Continued from Page 2*

Unity of Vision. Teams only succeed when the players have a unified vision...no matter what's happening during the day, how much talent or potential there is or whether they're from the state of Florida or South Dakota.

**Second component of Victory** is Diversity of Skills. That means, every member of the team contributes his or her unique skills and is appreciated for those skills.

And lastly, the **third component of Victory** is Dedicated Leadership. A leader who is really dedicated to victory works constantly on raising all players to their full potential.

So, let me ask. Have you read and considered the first part of my two-part articles and what it can do for you? Before next month, please consider the important questions that I have listed below. I ask everyone reading this article those questions, because I would love to see more leaders like Jim Butler and Shannon Nordstrom working in the industry. Really be honest with yourself.

**Question one:** *Do I lead with a unified vision?*

**Question two:** *Do I understand the talents of my team?*

**Question three:** *Am I committed to winning?*

Thanks for reading this article. See you next month

*D.J. Harrington can be reached at 800-352-5252, email: [dj@djsays.com](mailto:dj@djsays.com), website: [www.djsays.com](http://www.djsays.com).*

### **ONLY AT RECORE TRADING COMPANY!!**

With our in house precious metals lab, over 5 years ago we pioneered assay based returns on small lots of catalytic converters.

Whether you have 1,000 pieces or 100 pieces, you can get paid for every ounce of precious metals your cats contain with final payment in 7-10 days. **Get paid MORE at RECORE!**



# Tools for Success: Inventory Turns and Purchasing



**By Ron Sturgeon**

The first article in this series listed more than 25 tactics to increase your business success, all of them based on my experience. I started with nothing and didn't get to college, so I know you can achieve maximum success, regardless of your education. E-mail me

to get the first article (or any of the other articles) in the series. Each takes a closer look at one of the tactics listed in that first article.

There is likely nothing more critical today to an auto recycler's success than purchasing and inventory turns. I was around in the 80s, when purchasing didn't really matter. Our Cost of Goods was 20%, meaning that for every dollar we spent we got \$5 in sales. We had no idea about turns, with an 80% margin, it didn't matter.

Today, most of us have gross margins of 40% to 60%. If you're gross margin is 60%, your cost of goods is 40%, meaning that for every dollar you spend buying cars, you get \$2.50 in sales. It's important that you understand this math, and reconcile it with your situation. I find that most yards want more sales, but they aren't buying enough inventory to obtain those sales. If you don't buy enough, you just won't hit the sales goals you have. If you want to sell \$100,000, and your cost of goods is 40%, then you must buy \$40,000 in cars. It's that simple. If you buy \$30,000, you won't sell \$100k.



How do you know your cost of goods? Simplistically, look at last year's purchases of cars and your sales of parts from your own stock. You do track parts sales from your stock, rather than including brokered parts, which you track separately, right? And new parts and rebuilders? Divide your car purchases by your parts sales from stock to get the percentage.

But now, let's talk about turns. To complicate things, turns are hard to model. But let me try to make it simple for you. If you buy a car for \$1,000 and you sell \$1,000 in parts

*continued on page 6*

## You Can Afford to Advertise! Part 2 *Continued from Page 3*

and how it will affect your business and your community. Always stress your commitment to the environment and what you're doing to save the planet - it's the stuff they look for.

**Use Social Media such as Blogs, Facebook & Twitter.**

There are many successful companies that use nothing but these free social media methods to advertise! Social media methods allow you to speak to a large group of people instantly. You can quickly communicate from just about anywhere using your laptop or smart phone.



### PRECIOUS METALS KNOWLEDGE MEANS MORE CASH

Recore Trading Company has spent years analyzing 1,000's of cats in their lab and have proven time and time again that no grading system will maximize a customer's profits.

The value of just one cat from the same year, make and model vehicle can vary as much as 150% based on the precious metals content and on the PGM market when it was manufactured. Maximize your profits by selling your cats as precious metals. *Get paid MORE at RECORE.*



**Online Auctions, eBay, and Craig's List:** More free or inexpensive ways to quickly advertise electronically. EBay has recently introduced a used auto parts section including special pricing options. Visit their site to find out more information. There is a lot of information available online about how to use these methods.

**Sell Ad Space in Your Publication:** There are some companies who are so successful at this approach that their entire publication is paid for by others! There are lots of non-competitors who would love to sell their products and services to the very same people you market to. Create ad space in your newsletter or marketing publication for them.

So there you have it! You have learned that a slow economy is actually a great time to advertise your business. You are now armed with several no cost or low cost advertising methods you can immediately put to work for your business.

Used by permission, Mike French & Company, Inc. All rights reserved. Contact Mike French at 1-800-238-3934, or email at [mike@mikefrench.com](mailto:mike@mikefrench.com); or visit his website at [www.mikefrench.com](http://www.mikefrench.com).

# OUR INSURANCE PROGRAM SMASHES THE COMPETITION



**DISMANTLING • RECYCLING • SCRAP METAL**

Our specialized customer service team offers broad, comprehensive insurance coverage from “A” rated carriers for:

- Garage Liability
- General Liability
- Property
- Inland Marine
- Crime
- Physical Damage
- Umbrella
- Workers' Comp

With higher limits and lower deductibles, we offer you more.

**Call today.  
(610) 792-5353**

**KEYSTONE  
ALLIANCE**  
INSURANCE SERVICES, LLC

[www.keystonealliance.net](http://www.keystonealliance.net)

**G.J. Sullivan Co.**

Insurance Services

*Member of the Sullivan Group*

*Program Administrators of the Auto Recycling Program*

# Inventory Turns and Purchasing

Continued from Page 4

off of it in one month, how many turns do you have? 12 turns annually, because you got your money back in one month, and there are 12 months in a year. Now, if that same \$1,000 car has \$1,000 in parts in 6 months, you have 2 turns per year. It took you 6 months to get your money back, and there are 12 months per year. The best yards get 4+ turns annually; many middling yards get fewer than 2.

Make sure you pay attention to your days-to-break-even on your reports. Look at cars you bought from 360 to 720 days ago. They've been in stock at least one year, but not more than 2 years. What were the days-to-break-even on each car? It's easy to see which were the winners and losers.

Now, what does that mean for cash flow? That car that had 12 turns means that, if all your cars had had that turn rate, \$1,000 spent on cars would have produced more than \$12,000 annually in cash flow. The \$1000 car with 6 turns will produce \$6,000 in annual sales. WOW. A 100% increase just from faster turn. Make sure that you are focused on days-to-break-even in addition to cost-of-goods percentage.

I've tried to make it simple enough to get you started and to give you enough so that you will know where to start looking to make improvements. Most yards are still buying what they think will sell, without doing the work to know what to buy. It's simply not good enough in most markets. You have to understand which parts on which cars will sell, for how much, and how fast. Your computer or BidBuddy (an aftermarket product) will put that data at your fingertips. It's more work, but it's not an option to do it any other way.

By the way, after you get a handle on these functions and start meeting weekly or monthly with the buyer, you will see instant results. Teach them these factors to consider and then incent them with bonuses based on the decreased cost of goods and increased turns they can achieve. This is the single biggest cost you have, and really, perhaps the easiest path to improving your financial results and cash flow.

## FREE MARKET WATCH EMAIL PROGRAM

As the ferrous and nonferrous markets change, we will keep

you informed via a blind group email. Most yard owners are way too busy running their business to watch the markets all day. How many times have you said I wish I knew the market was dropping/climbing I would have sold or held? We keep an eye on the markets all day and when there is a significant change, up or down, we will let you know. This information can have a direct impact on your bottom line, so sign up today. It is absolutely free and there is no obligation. To get on our list, send your email to Pat at: [sales@recoretrading.com](mailto:sales@recoretrading.com). Get paid **MORE** at **RECORE**.

Spot Prices May 11, 2018 at 10:27 New York Time				
www.kitco.com Please Press Reload or Refresh to Update				
▲ GOLD	▲ SILVER	▼ PLATINUM	▼ PALLADIUM	▲ RHODIUM
1321.90	16.75	922.00	991.00	1905.00
+0.70	+0.06	-3.00	-3.00	+25.00

## Remember only you can make business great!

Ron Sturgeon, Mr. Mission Possible, has been a successful business owner for more than 35 years. As a small business consultant, he can deliver wisdom and advice gleaned from an enviable business career that started when he opened a VW repair business as a homeless 17-year-old and culminated in the sale of several businesses he built to Fortune 500 companies.

Ron has helped bankers, lawyers, insurance agents, restaurant owners, and body shop owners, as well as countless salvage yard owners to become more successful business people. He is an expert in helping small business owners set the right business strategies, implement pay-for-performance, and find new customers on the web.

As a consultant, Ron shares his expertise in strategic planning, capitalization, compensation, growing market share, and more in his signature plainspoken style, providing field-proven, and high-profit best practices well ahead of the business news curve. Ron is the author of nine books, including *How to Salvage More Millions from Your Small Business*.

To inquire about consulting or keynote speaking, contact Ron at 817-834-3625, ext. 232, [rons@MrMissionPossible.com](mailto:rons@MrMissionPossible.com), 5940 Eden, Haltom City, TX 76117.



## WHAT SETS US APART?

HERE'S HOW RECORE TRADING IS DIFFERENT THAN ANY OTHER CATALYTIC CONVERTER BUYER!

1. IN HOUSE PRECIOUS METALS LAB!
2. ASSAY BASED KNOWLEDGE TO GROUP SIMILAR METAL CONTENT CATS TOGETHER AND PROCESS THEM THAT WAY FOR MAXIMUM RETURN! NO ONE ELSE HAS THIS!!
3. IN HOUSE DECANNING!
4. IN HOUSE MILLING AND SAMPLING!
5. WE SELL DIRECT TO THE MANUFACTURER!
6. IN HOUSE CONVERTER PROCESSING WITH RESULTS IN 7 TO 10 DAYS ON ANY SIZE LOAD!

RECORE TRADING COMPANY IS THE ONLY CATALYTIC CONVERTER BUYER WITH EVERYTHING DONE IN HOUSE, CUTTING OUT ALL OF THE MIDDLEMEN.

EVEN ON SMALL LOADS OF 100 CONVERTERS WE CAN PROCESS THEM BASED ON RETURN AND PAY YOU FOR EVERY GRAM OF PRECIOUS METALS CONTAINED. EVERY SUPPLIER THAT SELLS THEIR CATS TO RECORE RECEIVES MORE MONEY!

WE UNDERSTAND THAT OUR SUCCESS IS YOUR SUCCESS, SO LET'S SUCCEED TOGETHER!

**Call us for details  
on our Hydraulic  
Tank Filter Retro Kit!**



# **OVERBUILT HIGH SPEED CAR CRUSHERS**

**Only Overbuilt offers the Highest Opening in the Industry  
at 10' and the Patented High Speed Oil Bypass System  
minimizing costs and maximizing production.**



**OverBuilt**

OVB HOLDINGS, LLC

800-548-6469 605-352-6469

**www.OverBuilt.com**

sales@overbuilt.com

## Laughter is the Best Medicine

### Now you see me, now you don't!

Bob left work one Friday evening. But it was payday, so instead of going home, he stayed out the entire weekend partying with his mates and spending his entire wages.



When he finally appeared at home on Sunday night, he was confronted by his angry wife and was barraged for nearly two hours with a tirade befitting his actions. Finally his wife stopped the nagging and said to him, "How would you like it if you didn't see me for two or three days?"

He replied, "That would be fine with me."

Monday went by and he didn't see his wife.

Tuesday and Wednesday came and went with the same results.

But on Thursday, the swelling went down just enough where he could see her a little out of the corner of his left eye.

### 50th Wedding Anniversary

A man and a woman have just had their 50th wedding anniversary. The husband turns to his wife and asks, "What do you want to do to celebrate our anniversary dear?" She replies, "Let's run upstairs and make love." He turns to her and says, "Well make up your mind, we can't do both!"

### Wife at the Strip Club

Roger is a hard worker, and he spends most of his nights bowling or playing volleyball. One weekend, his wife decides that he needs to relax a little and take a break from sports, so she takes him to a strip club. The doorman at the club spots them and says "Hey Roger! How are you tonight?" His wife, surprised, asks her husband if he has been here before. "No, no. He's just one of the guys I bowl with." They are seated, and the waitress approaches, sees Roger and says "Nice to see you, Roger. A gin and tonic as usual?" His wife's eyes widen. "You must come here a lot!" "No, no" says Roger "I just know her from volleyball." Then a stripper walks up to the table. She throws her arms around Roger and says "Roger! A table dance as usual?" His wife, fuming, collects her things and storms out of the bar. Roger follows her and spots her getting into a cab, so he jumps into the passenger seat. His wife looks at him, seething with fury and flips out on Roger. Just then, the cabby leans over and says "Sure looks like you picked up a real bitch tonight, Roger!"



A not so rich couple decided to stay at a very exclusive hotel for a night. The manager immediately recognized them for what they are but could not throw them out, instead he decided to be clever. In the morning the couple came to settle the bill and were surprised to find they owe \$3000. "How's this? We've only been here one night!" the man was annoyed. "So?", said the manager, "this is a very expensive hotel. We have golf courts, tennis courts, swimming pools, exercise rooms, bars and restaurants, all this is very expensive to keep up." "But we didn't use any of these!" explained the couple. "If you didn't use - that's your problem," came the reply. "In that case, you owe me \$2000. You see, my wife is a call girl who charges \$5000 a night, so please settle your bill," said the man. "What do you mean?" the manager was taken off guard, "I didn't sleep with your wife!" "If you didn't use - that's your problem!"

### WE WANT TO EARN YOUR BUSINESS!

Whether you have 10 catalytic converters, 100 or 1,000's, Recore Trading Company is committed to and welcomes the opportunity to earn your business.

We've invested time and money in the equipment to make sure you maximize your profits. You deserve this and nothing less! Get paid **MORE** at **RECORE!**



### PROUD MEMBERS OF:



**WE WELCOME YOUR COMMENTS** Please know that any article or information in our newsletter is the expressed opinion of the writer. If you are enjoying our newsletter, we'd love to hear from you and if for any reason you are not, just let us know, and we will remove you from the mailing list. Contact us at [sales@recoretrading.com](mailto:sales@recoretrading.com).