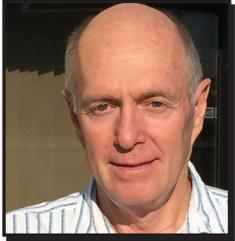


RECORE *Newsletter*

TRADING COMPANY, L.L.C.

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www.recoretrading.com



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

Validation!

By Don Belisle, Sr.

Having just returned from the annual ARA convention in Orlando, I can report the show was very well attended. It was reported that there were in excess of 900 attendees! The fact that the location was at Disney World certainly was a contributing factor. Just about everyone I spoke to said they combined the trade show

with family vacation time in the parks, and why not? It is always great to see yard owners that I don't get to see on a regular basis. It seems that many of these friendships are only face to face once a year. In talking to the movers and shakers, they are doing well and most of them were very generous in sharing their pathways to success. As usual, I most enjoy bumping into people I know in the halls and reception areas. There were many seminars on the schedule. Some were informative, some not so and



D.J. Harrington with Don Belisle at the ARA Convention

poorly attended. I found the seminar on getting the most value for your catalytic converters extremely interesting. Every presenter and virtually every processor I spoke with now emphatically proclaim that the **ONLY** way for a yard owner to get the most for their converters is to sell based on assay! This is a complete about face from what they have been saying for years. Up till now they have been pushing their 10,000+ item price lists and their

fancy phone apps. At Recore we pioneered and professed assay based payments for 7 years now! We developed the processes and do everything in-house. We are still one of just a handful in the country that can do lots as small as 100 pieces and pay based on return of precious metals. A couple of the other processors even admitted to me that I was right all along.

The trade show floor was well represented by the usual vendors and a few newbies. The show itself did not appear to me to be as well attended as I would have thought, considering they did not schedule seminars during trade show hours. As usual, there were more converter buyers than any other industry. Each claimed to have the best deal. A couple of yard owners I spoke with told me they were covering their ID badges in the common areas because they were tired of being accosted by converter buyers with the "best deal".

The Average Game

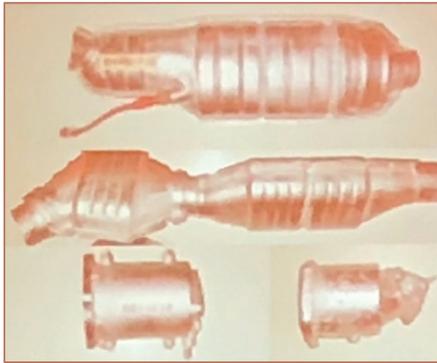
Unfortunately, salvage yard owners are in a position where they have a valuable product to sell (converters) and really have no way of knowing what the product is worth. In an effort to make some type of comparison of selling to different buyers, some yards have tried selling based on average price received. On the surface this sounds very reasonable and makes perfect sense. We have seen averaging more this past year than ever before. Let's look at how the game

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PRSRST STD
U.S. POSTAGE
PAID
FIVE MAPLES

Here We Go Again! *Continued from Page 1*

is played. Take a look at the picture on the right. How many cats are there? The reality is there are 6 converters in the picture. The top cat has 2 converters inside, the second row is also 2 converters and the bottom row contains 2 pre converters. So to make the math easy, let's say buyer A is paying \$100.00 a piece on average. He counts the converters at 6 and pays \$600.00. Buyer B is paying \$110.00 a piece but says pre converters are halves so his count is 5 his total is \$550.00. Now buyer C comes in paying \$130.00 a piece and counts the top cat



as 1 the next 2 as 1 each and the pre's as halves, his total is 4 for a total of \$520.00. Looking at average pricing buyer C is the hero. In reality, buyer C cheated you out of \$80.00 and buyer B cheated you out of \$50.00! We recently went into a yard and bought the man's converters. When our buyer presented the paper work the owner quickly tallied the number of pieces then divided the total received by the quantity. He came back and said your average is off. The last guy in here was \$20.00 a piece higher. Our buyer asked "Was the box you store the cats in at the same level as it was today." He answered that it was nearly identical. Our buyer asked what the previous buyer had for a count, the yard owner said 83. Our buyer counted 121! Our total was also \$3,100.00 higher, but on paper the other buyer had a higher average price. In reality our our buyer was paying much more. Don't fall for the "Average Game"!

Nordstrom's 2.0 Open House *By D.J. Harrington*



It was a great turnout for Nordstrom's 2.0 open house that was held September 7th and 8th at their home office location in Garretson, South Dakota. A large crowd of 500 people came out on Friday and an even bigger crowd of 900 toured their new facility on Saturday. Many inquisitive folks came to see for themselves what a new state-of-the-art, fluid separation system looks like. The Fluid Separation System is undoubtedly the future of the automotive industry.



The Nordstrom family is one of a kind because they started in 1969 when Art and Marie Nordstrom worked hard, milking cows in the morning and selling used auto parts in the



afternoon and evenings. Even though farming and milking cows are respectful ways to make a good living, I'm sure they were always thinking of innovative ways to make a bigger living. If you haven't done it yet, peruse the Nordstrom's Facebook page and view their latest TV commercial which was produced by Fox 7 in Sioux Falls, South Dakota. The commercial played just before the Vikings and Green Bay Packers game. During the open house of Nordstrom's 2.0, they asked the public to bring non-perishable food and took donations while happily receiving boxes and boxes of food that were donated by generous people.

It was a VIP moment during the ribbon cutting ceremony when the Mayor's office as well as the Governor's office arrived. Sitting next to me at one point was Shannon's state senator who couldn't stop bragging about Shannon Nordstrom and his wonderful family. Nordstrom 2.0 was recognized as a Purple Heart Business. Not surprising! It's a real honor to be chosen for that award, but if you ask Shannon, he feels it's a bigger honor to offer his true Military Discount Program to those special people who have served our country in the past or who are actively serving our country as a member of the United States Armed Forces.

Shannon believes that our veterans and active service men and women are highly respected and should be appreciated. The Nordstrom Military Discount does that. Honored at all

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CATALYTIC CONVERTER EXPERTISE



Recore Trading Company has been in the catalytic converter business since the very beginning of catalytic converter recycling. With over 28 years of precious metals experience, we have assay based knowledge to group similar metal content cats together and process them that way for maximum return.

Understanding Your Profit and Loss Statement



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.

Most owners don't like financial statements, so they don't look at them. In today's fast world though, where it's harder than ever to make a buck, it's critical that you spend some time on the financial statement. As I discussed in an earlier article in this series about using your flashlight, you should be getting the financial statement by the 10th of the month in order to review and work on improving your bottom line during the month you are now in.

The profit-and-loss statement needn't been intimidating. In fact, there aren't more than a half dozen numbers that deserve your maximum attention. Always review it in the context of the prior 12 months so that you are seeing the same month last year and every month up to the current month. Although all columns are needed, the most important places to compare are last year for the same month and the PL for the previous month.

There are usually not more than a half dozen lines that you can control to a large degree. You should review those, comparing the current month, the prior month, and the same month last year. So, if you are reviewing March, you will be comparing the numbers to February, and to March in the prior year. If you prepare an annual budget, which you should, you would also be comparing to that number. The numbers needing the most attention, in order of importance, are likely to be these:



Sales - Did you hit the sales you wanted? How did they compare to last month and last year? You will want to consider the number of working days in the month. When you sell, say, \$20,000 per day, a few days short or over can

be material to results. If you didn't hit the goals, why not? The first culprit in many cases is purchasing; if you didn't buy enough product, you can't have enough sales. In the auto-recycling business, we don't buy cars; we buy sales, as my good friend Jim Counts says. Read my earlier article about purchasing, cost of goods, and inventory turns.

The next place to look, of course, is sales staff. In most cases, I find yards selling less than \$25,000 per month times the total number of employees aren't profitable; above \$30,000 per month per employee, the yards become quite profitable, above 10% net profit.

Costs of Goods - Most of you treat your purchases as cost of goods sold (COGS). This paragraph is for you. You simply must understand what you need to spend on vehicles to hit the sales number you want based on previous data. If you don't buy enough, you won't hit the sales goals. Also consider your year-to-date number, as buying does go up and down, but your purchases over 3-4 months must be at the historical percentage to MAINTAIN sales. If you want to increase sales, you must buy more. To do that, you will have profits and or increased capital or lending. I am always amazed at the yards that don't seem to understand that freight costs should be included with vehicle costs for this analysis. I see yards stop their buying out of town because the freight costs are too high, with no regard for what the cost of goods percentage is for the cars themselves. Why do you care if the freight costs from Seattle are \$1,000, and the car costs \$1,500 with a 33% cost of goods sold percentage? (Meaning it will produce \$4,500 in sales) so the car actually cost \$2,500, and produces sales of \$4,500, or a total COGS of 55%. But they will pay

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Nordstrom's 2.0 Open House *Continued from Page 2*

their locations, it's a discount for those that are serving now or served in the past. Let's make it a practice. Whenever or wherever you see someone who's a veteran, let them know about the Military Discount Program which is available at Nordstrom's 2.0, Ewe-Pullet Self-Service, Used Auto Parts Facility and the Nordstrom's Installation and Diagnostic Service Center.

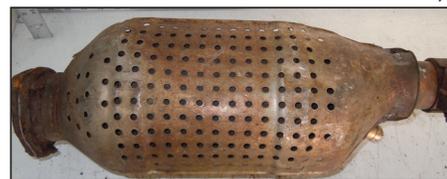
Folks, I'm proud of this great family and for all they do to promote the good name of auto recycling. Next time you're close to Garretson, South Dakota, stop by and see first-hand what one of the best run places really looks like. Learn what happens when you work to put God first, country and customers second, and yourself third. I'm proud to call Nordstroms friends!

See you next time.

D.J. Harrington can be reached at 800-352-5252, email: dj@djsays.com, website: www.djsays.com.

CALL US TODAY TO INCREASE YOUR BOTTOM LINE

Maximize your profits at Recore Trading Company!! We do everything in house from de-canning, processing, milling and sampling, and precious metal lab analysis cutting out all of the middlemen. We also sell our end product to an automobile manufacturer for the making of new catalytic converters. Our customers are consistently seeing significantly higher returns for their product. You will get paid **MORE** at **RECORE!**



Powerful Selling Words and Phrases By Mike French



It is amazing how close some of the Olympic participants were at the finish line in the last Olympic games. Some athletes won by a photo finish. The difference between winners and losers was often infinitesimal, maybe a slight fraction of a second; yet the top prize, along with all the glory and its benefits

went only to the winner. The winner got 100% of the top prize. Does this mean that the winner was 100% better than the losing competitor?

No. What it means is that the winner had the winning edge.

That winning edge made all the difference in the world.



The same can be said about advertising in the new millennium. Because of all the competition and the new sophisticated advertising methods and strategies being utilized, marketing is no longer a cakewalk. Gone are the days of "just getting your name out there" to achieve a great response. You now must work hard to get your message even noticed to compete in a busy, dog-eat-dog, marketplace. You have to go for the "marketing edge."

How much of a marketing edge do you need? According to the experts who keep track of such things, you only need to be slightly better than the competition to get the edge. In marketing, you just need to know what makes ads work or fail. There are many little things that cause people to respond, so use them in your advertising.

The first direct mail project I did for an auto recycler was about twenty-five years ago. It was easy and uncomplicated. I just took some black and white photos of wrecked cars, lined them up in rows on each page, printed the job on cheap newsprint and mailed it to a large list of auto repair shops. Soon the phones started to ring off the hook. In fact, they had no trouble knowing when the mailing had been delivered by the post office. The response was fast and dramatic. In fact, the phones were already ringing when the counter staff arrived for work. They took one call after another without letup. As soon as they put the phone receiver down, the phone rang again with a new order. The staff had never worked so hard! The phones were still ringing at the end of the day when they left. The phones stayed jammed for days. At the end of the month there was a huge increase in the company's bottom line! Those were advertising's "good-old-days!" That was then, and this is now!

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Understanding Your Profit and Loss Statement Continued from page 3

\$2,700 for the same car locally, and \$150 to haul it, for a 63% COGS. There are other advantages to buying out of your market because you are likely to see more cars and to be able to buy the ones you need the most.

Cost of Goods Percentage Method - If you use a percentage method, based on actual history and algorithms, which is the best and most accurate method, then you must dig a little more to determine actual purchases, but its key to understanding your sales performance.

Labor expenses - Compare to prior periods, to understand as a percentage of sales and total dollars. Months with 5 payroll periods instead of 4 will, of course, be higher. Also, how is it trending year to date, especially if you are working on reducing it? In the auto recycling business, I seldom see labor costs much below 20% of sales, but anything over 40% is a danger sign.

Other expenses - Next review expense items that you have control over, those that are above 3% of sales; there's

likely no need to look at depreciation, utilities, or rents, for instance, so this category of items to review is pretty small. It might include advertising or hauling. Auction buyer fees and transportation should generally be included with purchases for analysis, because you can't usually control them.

Tow trucks - As an aside, I don't know anyone who still owns a tow truck and tows their own cars in, except in tiny rural markets.

Looking carefully at these larger items will give you control over your bottom line, while only reviewing a very few numbers.

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, 5940 Eden, Haltom City, TX 76117.

ROLL OFF CONTAINER AND PICK UP SERVICE

Recore Trading Company offers roll off container and pick up service throughout the Northeast for all automotive scrap they purchase. They provide prompt, courteous service with immediate cash payment by some of the best people within the industry.



The November ATRA NH Meeting

There was much discussion concerning our upcoming Christmas/December meeting. The raffle tickets are selling well, there will be over \$15,000.00 in Cash drawings!!! The donated auction items are also pouring in. This year in addition to all the great big-ticket items there will be many smaller value items and things of interest to both sexes, something for everyone.

Don Belisle of Recore gave his monthly market report, he also explained that anyone can get Market Watch emails

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President David Wiltz welcomes members to the meeting.

Powerful Selling Words and Phrases Continued from page 4

In today's marketplace, it is nearly impossible to get a landslide response to any kind of advertising campaign or promotion. Why is this so? To begin with, back when we sent out our first mailer, hardly any recycler was doing professional advertising. Many are doing it now, so today's marketplace is very different. Consumers now face an avalanche of advertisements coming at them from every direction. Advertisements go directly to their businesses by U. S. mail, telephone, email, faxes and the Internet. Then there is advertising aimed at them on television and radio. They also see it on signs along the road, on buildings and on the side of vehicles of all kinds. It is printed on clothing and on thousands of promotional products of all kinds. It's even in some previously unthinkable places. I read in this morning's newspaper that you will soon be able to buy advertising on postage stamps. It's no wonder that consumers are becoming blind to advertising.

What this means is that advertisers must work harder and smarter than ever before to get advertising noticed and responded to. You can't "just get your name out there" and expect measurable results. You now must study advertising carefully, know what you're doing, and know what causes people to respond. You must create advertising purposefully. It must be intelligently designed to include the right response devices and triggers. Only then will you achieve an "edge" over the competitors marketing in your territory. And yes, don't kid yourself about it, there ARE competitors marketing in YOUR territory. There are large recyclers advertising and shipping nationwide. A repair shop just down the street from you may receive advertisements from a faraway parts provider selling the same parts as you. They may offer attractive coupons and other incentives to make your customers choose them over you. Usually there is no return address on their flyer to say where they are located. There is only a toll-free number to call to order parts. You can be sure they are getting a response or they wouldn't continue to advertise in your area.

So, what should you do?

First, make sure you are advertising regularly in your own marketplace. Failing to do so will make your customers sitting ducks for anyone else who is advertising to them.

Secondly, make sure you include the right marketing ingredients in your advertising product mix. Remember the secrets of what makes consumers respond. For example, two ads might appear side by side in the same publication, or arrive together in the same batch of mail. Both are the same size and both cost the same amount of money. The only difference between the two is that one is "benefit" driven and the other is not. Ads that spotlight benefits always edge out ones that don't. That's only part of it. Good ads must have powerful headlines & subheads, irresistible offers, attention getting teasers, well written testimonials, powerful illustrations & photos, valuable coupons, easy-to-understand response devices, correct color choices, strong & professional graphic design, contact information placed in the correct location as well as clear, strong, call-to-action statements.

By the way, I recently noticed two similar display ads that just happened to be side by side in the daily newspaper for the same product. Both ads looked exactly alike in size and shape, only one had the price slightly better than the other. One offered it for \$30.00 and the other for \$29.99—a one cent difference! Guess which one got the calls? Very small changes can make a huge difference in response. I saw an ad this morning in the Seattle Post Intelligencer, that offered a product, "Two for the Price of One." A competitor's ad nearby offered the same product, but said it this way, "Buy One and Get One FREE." Both were the same offer, but the second one was a better sounding offer. Anyone reading the paper, and in the market for that particular product, probably saw both ads near each other and had to choose

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COMMITMENT

Recore Trading Company is committed to and welcomes the opportunity to earn your business. Whether you have 10 catalytic converters, 100 or 1,000's, you can sell your cats to us cutting out all of the middlemen. Customer satisfaction is our utmost concern and we promise you prompt, courteous and friendly service based on our core values—honesty, trust and dependability. You work hard and you deserve to maximize your profits so don't settle for anything less; **GIVE US A CALL TODAY!**



Scenes From ARA's 75th Annual Convention and Expo



The November ATRA NH Meeting Continued from page 6

instantly as conditions warrant by giving Pat their email address. This service is completely free with no obligation. This service is available to both current and future suppliers to Recore. LOL! These Market Watch emails can come anytime there is a change in any market that affects yard owners.

We also had an excellent presentation from AXE. They are a company that can save you hundreds of dollars on credit card processing.

The food was great as usual!



Greg Tautkus of Axe Payments talks about saving hundreds of dollars on credit card processing.

Powerful Selling Words and Phrases Continued from page 5

which to buy. Studies have shown that the second way of wording brings a much better response because it uses the word "free."

GIVE US A CALL TODAY!

The Recore Trading Company team is always looking for new, innovative ways to earn your business. Customer satisfaction is our utmost concern and we promise you prompt, courteous and friendly service based on our core values—honesty, trust and dependability. After all, most of our customers have become our long lasting friends. So if you've been thinking about calling us, give us a call today!



So, in today's marketplace, you must know how to get the "edge" over competitors rather than expect a landslide by simply "getting your name out there." To have that edge, you must either become a student of direct-response advertising methods and strategies yourself, or hire a professional with a solid track record to do it for you. Be careful, though; most graphic designers don't know anything about marketing. They only know how to make pretty flyers. "Pretty" won't give you the "marketing edge". Only applied, tried, and proven marketing methods and strategies will give you the winning edge that you need!

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on our Hydraulic
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*Wishing All A Very
Happy and Safe
Holiday Season!*



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Laughter is the Best Medicine

An Arkansas Delivery

In the backwoods of Arkansas, Mr. Stewart's wife went into labor in the middle of the night. The doctor was called in to assist in the delivery.

To keep the nervous father-to-be busy, the doctor handed him a lantern and said "here you hold this high so I can see what I am doing." Soon a baby boy was brought into the world.



"Don't be in a rush to put the lantern down, I think there's another wee one to come." Sure enough within minutes he had delivered another baby.

"Now don't be in a great hurry to be putting down the lantern young man. It seems there's yet another!", cried the doctor.

The new father scratched his head in bewilderment and asked the doctor. "Do ya think it's the light that's attractin' them?"

A Blonde's Brain at Work

A blonde, a brunette and a redhead all work for a female boss who always goes home early.

"Hey girls," says the brunette. "Let's go home early tomorrow. She'll never know."

So the next day, they all leave right after their boss. The brunette gets some extra gardening done, the redhead goes to a bar, and the blonde goes home to find her husband having sex with the female boss. She quietly sneaks out of the house and returns at her normal time.

"That was fun," says the brunette. "We should do it again sometime."

"No way," says the blonde. "I almost got caught."

Little Johnny, the Conductor

Little Johnny was in the kitchen playing with his toy train as his father cooked dinner.

Little Johnny stopped the train and said, "All you damn a**holes who want to get off, get the hell off. All those who want to get on, get the hell on!"

"Little Johnny!" exclaimed his father. "I can't believe you are using that language! You should be ashamed of yourself! I want you to go to your room and don't come back until you have thought about what you've done!"



So Little Johnny goes to his room and comes back an hour or so later.

He resumes playing with his train, only this time when he stops it he says, "All of you ladies and gentlemen who want to get off, you may now get off, and those who want to get on, you may now also get on. And as for those of you who have a problem with the hour delay, talk to the a**hole in the kitchen!"

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AUTO PARTS



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Recore Trading's dock is open Monday through Friday from 7:30 AM to 4:00 PM for drop off with professional buyers available for immediate cash payment.

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