

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.

PGM's and Auto Technology of the Future

By Don Belisle, Sr.

Last month I attended a conference on precious metals as used in automotive catalytic converters. The range of topics covered included future prices and demand of the platinum group

metals (pgms) and future automotive technologies. Much of this article is derived from information obtained at that conference.

With hybrids and total electric vehicles seemingly grabbing more of the new car market each year and the production of fuel cell electric cars coming soon, demand for pgms is certainly a topic relevant to all of our businesses.



First, let's look at pgms used in internal combustion engines now and in the future. Overall, regulation on auto emissions

gets tougher into the future and that is no surprise. Some of the ways the oems are addressing this, is with the technology of getting increased performance from smaller engines. As a general rule, a smaller displacement engine produces less exhaust emissions to deal with, so by increasing the performance of the smaller engine the consumer remains happy and the emission standards are met. The converters used on these smaller engines are indeed smaller; however, the loadings of pgms are greatly increased. So, what you end up with on the newer vehicles are two or three small units with good recycling value.

We see more and more small converters from small engine hybrids every day. These converters have special problems to deal with since the engines start and stop several times per day. The main issue is that the chemical reaction in converters occurs most efficiently when the unit gets hot. With a hybrid having several cold starts per day, the loadings of pgms must be very high to meet the emission standards. Yes, these converters are very small but they have very good value.

Battery electric vehicles do not use pgms and so they will not be a part of any future pgm demand.

Fuel cell electric cars which are now in their infancy use a tremendous amount of platinum. These cars use hydrogen as their fuel. The hydrogen mixed with oxygen uses platinum to produce electricity to power the car. The only by-products from these cars are heat and water and no emissions! Fuel cell cars also have similar range on a full tank as a traditional car, unlike the battery electric car which has a very limited range after an overnight charge. They also have very good performance - similar to a traditional car.

So, what does all this mean to us the recyclers? The experts predict that hybrids, electric and fuel cell vehicle sales will grab more market share in the next 20 years; however, the total market will grow and the number of traditional cars built will remain the same.

The demand for pgms will remain strong for the foreseeable future although the individual metal demand will change. Now of the three metals, (platinum, palladium and rhodium), demand for palladium is the greatest. In the future, a gradual shift will go to platinum. Presently, palladium recently hit an all-time high value where platinum is at a two-year low. As far as demand of the recycled metal from us recyclers are concerned, our product will be critical to the production of future vehicles. The virgin ore coming

PRSR STD
U.S. POSTAGE
PAID
FIVE MAPLES

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PGM's and Auto Technology of the Future *Continued from Page 1*

out of the mines of South Africa seems to be declining. There have been some permanent mine closures, and the product coming out of the ground is not nearly as good as it was in the past. It costs the mines about \$800.00 per ounce to produce platinum, there is no room for profit for them in today's market.

Some random related bits:

Fiat/Chrysler recently recalled nearly one million vehicles to have their converters replaced.

Electrically heated converters are now being considered.

Silicon carbide and aluminum titanate now being used in some diesel converters are presenting a big problem in their recycling.

A Lithium ion battery that catches fire from a vehicle collision is nearly impossible to put out. There have been cases where these batteries burn for 5 days! What would the effects of that be on your yard?

In the US there are 80 cars per 100 people in western Europe the ratio is 60-70, in China only 20 cars per hundred.

Rhodium is still the best at reducing NOx emissions in cars. That is why we see a little RH in just about every converter. At \$3,000.00 per troy oz this is a good thing for recyclers.

By the year 2050, ice (internal combustion engines) cars will still have 60% of the market.

China continues to institute emission standards similar to the rest of the world. This, combined with their desire to have more - many more - cars than they have now, will have a big increase in demand for pgms.

Lead acid batteries would not exist today without recycling. There is not nearly enough lead mined underground to keep up with today's production demands.

Fuel cell vehicles are here. All new buses in China are fuel cell and many fork lifts and other equipment worldwide are fuel cell powered.

Overall, our future looks good; however, we MUST continue to change with the times!!! Did you attend our free presentation on the care, handling, and marketing of the new types of batteries on May 1 at the ATRA NH meeting?

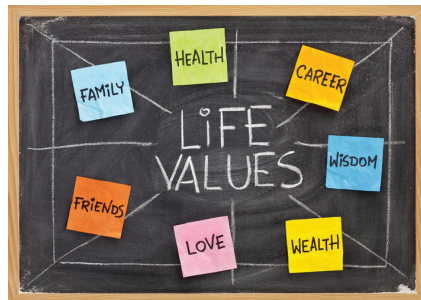
Do You Have What It Takes? *By D.J. Harrington*



Having come back from Northlake Auto Recyclers in Hammond, Indiana, I bet you're wondering if it snowed while I was there. I was prepared for it, but thank God, it didn't. Here's what I discovered. Northlake Auto Recyclers is run by Marty Hollingshead, the new Secretary on the board of ARA. In the

past, Marty has been named, "Boss of the Year". In fact, a few years back, his company, Northlake Auto Recyclers, was also named, "Car Recycler of the Year for ARA". What characteristic or innate ability must a person or business possess to be granted such prestigious honors?

Glad you asked. Marty has what I call, LIFE VALUES. There are some principles or things that will guide a person or business on the pathway of being credible. I



believe Marty Hollingshead, Jim Butler from Butler's out of Florida, and Shannon Nordstrom of South Dakota have outstanding principles.

Each of them is to be admired because they stand for something. As the country western song goes, "If you don't stand for something, you'll fall for anything." People must be willing to stand for something or believe in something. This, I believe, becomes a sign post on one's credibility journey. In turn, values are relevant to credibility. To do what we say we will do is the behavioral definition of credibility. We must know what we want to do and how we want to behave. That's what our values tell us.

All three men that I've named here know where they're going. In fact, there are plenty more within the recycling business who know where they're going, such as Jeff Schroder from Car-part.com. Jeff works hard, showing fellow recyclers what is in the future.

All these men know what they believe in, and what they stand for. Their values and frankly, our values and value systems as well, serve as plans, perhaps road maps, for guiding us toward our long-term visions. I also think they help us in resolving conflicts or disputes along our journey. We are always making a choice on principle, and when we come to a fork in the road (and at some point, we will) there may be a variety of paths we can take. Values provide us with the direction in which to head when those kinds of choices emerge.

Values keep us focused on what we are doing. They help us to understand that in the difficult times, there's a higher purpose or a greater calling than simply the task at hand. Values are the silent banners we wave that tell us that we can be proud of where we are going. Even though

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.



Think Out of the Box 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.

After blocking and tackling (another in this series), you have to think out of the box to stay ahead of the competition and the industry in general. Here are a few ways to stimulate your out-of-the-box thinking:

- Read, read, and then read more. Your competitors aren't doing it, so they don't know what they don't know. The latest management and leadership tactics, tax avoidance, technology tools, the list goes on and on, but it's all out there; there aren't really any secrets.
- Attend conventions, join your association, and go to as many training courses as possible, at least 4 per year. Your association's trade show and seminars are great ways to learn more.
- Although trade shows and conventions are great, hanging out in the bar with other operators will give you a wealth of ideas about what to do and what not to do.
- I loved attending trade shows of related industries. The collision repairers had great conventions and tradeshow, and I attended every third year or so. I saw the greatest new tools, marketing techniques and products, technology and HR-related items. The new car dealer's association, NADA, was 10 years or more ahead of us in almost all areas, and their members were focused on getting the customers' money and keeping them happy, while making a good profit. What great goals for any business owner!
- Don't be afraid to be a rebel. I was one of the first to use direct mail. Nationwide. I had competitors call me from across the country and tell me "Don't be mailing my customers your materials; when they need something,

they will call me, and I will call you." WOW. But old habits and paradigms die hard. Try things you learn that have never been tried; some will be great and set you apart from your competitors.

- I also read publications off the beaten path, like Advertising Age, and magazines related to factory production and efficiency. I read to learn what others were doing and teaching. There is a wealth of information out there. I love marketing, and think it's key to maximum success, so I was always hungry for the latest ideas. INC magazine wrote a 4-page articles in 1995 about how my yard tracked mailers, prospects, customers, and close rates, which was truly innovative at the time. Even today, most yards don't do it. Read my article on prospect and customer acquisition cost for keys to how to measure your marketing initiatives.



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.

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we may not have gotten the right results yet, our values reaffirm that "You're on the right path...keep going." So, now they give us a motivational purpose.

I named four people, three running very successful yards and one running a very successful, software company. All of them, at any given time, can tell you their values and what they believe in. All four are entrepreneurs who can point out specific times in the growth of their business that their values got them over each hurdle. For all four people, I can look up and call them friends. The recycling business is better because these four individuals are leaving a legacy where they walk.

If you feel your values and principles need revamping, it's okay. You can start today. There are plenty of successful people and business owners that you can model at any of the ARA meetings or URG conferences.

See you next time. .

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

STATE-OF-THE-ART EQUIPMENT

Recore Trading Company is the only catalytic converter buyer throughout the Northeast and beyond with a state-of-the-art in house precious metals lab, milling and sampling line and de-canning stations. Selling to us cuts out all of the middlemen and you will maximize your bottom line.



Yellow Page Advertising By Mike French



One of the things I like to do as I speak at automotive recycler events across the country is to poll attendees to find out what kind of advertising is being done by those within each group. I consistently find that practically everyone advertises in the Yellow Pages, and many say that Yellow Page

advertising is the only advertising they do. Furthermore, most say they believe they pay way too much money for what they get in return. They are usually correct! I intend to help you get more return for your Yellow Page money – in fact, you could save thousands!



I have made it my habit to collect the recycler Yellow Page ads in every city I visit. I now have several folders filled with them. Most of my advice here comes from many years of coast-to-coast research.

Three Things You Automatically Know

When you turn to the Yellow Pages, you automatically know three things about them. First, they are for customers who are ready to buy. Secondly, the customer doesn't know who to buy from, and thirdly the customer can be easily swayed. The problem is, most recycler ads are not persuasive! As I look at my collection of recycler ads, most are wimpy – there is nothing about them that sets them apart from each other. Most are like enlarged business cards. This is a problem because consumers want to be swayed to instantly find what they need and get it easily. They need to be persuaded.

The Same Mistake, Repeatedly

Most recycler Yellow Page ads I see are guilty of making the same mistake. First, they use the name of their company as a headline instead of using valuable space to present a huge, attractive customer benefit to catch the eye of the already interested prospect. For instance, each ad has at the top of their display ad something like "Joe's Auto Parts," "Bill's Auto Parts," "Harry's Auto Parts" located above each company's large logo along with their respective phone number and that's pretty much it.

But the thing is, your name and logo have zero pulling power! If there is no offer, there will be no response. If your ad is the same as others, you will be lost in the crowd.

SELL YOUR CATALYTIC CONVERTERS AS PRECIOUS METALS

Recore Trading Company as buyers and processors of catalytic converters and a leader within the industry has specialized in catalytic converters since the very beginning of cat recycling. Maximize your profits at Recore Trading by selling your cats based on the return of the precious metals they contain. Our customers consistently see significantly higher returns for their product.



The solution is to use the space to create a direct response selling type of ad. Use strong headlines and subheads that emphasize customer benefits along with a compelling, irresistible offer. Include product photos as well as attractive incentives to drive readers to respond immediately, such as "Mention this ad and receive a free widget or x-amount off your order!"

Have a strong call to action (tell them what to do). Make it easy for them to place an order with you and include as many ways as possible for them to place an order with you by phone, e-mail, website, or fax.

So, where does your logo go? Keep your name and logo small and put them at the bottom of your ad along with your phone number. This allows you to use the valuable space at the top of your ad to promote the biggest customer benefit your company has to offer.

Location, Location, Location!

Make sure your ad is located in the right place in the Yellow Page book. If your ad will be mixed in with others, know that studies have shown people read in a very predictable manner. People read from top left to bottom right, diagonally across the page. Knowing this bit of information will help you understand the importance of ad placement on the page. If your ad is in the top left of the page, it could actually be smaller than the others yet still be the first one seen. Believe it or not, the second best location is at the bottom right of the page. But, don't settle for second best; - you're paying for the ad so get what you want.

Your Rep Won't Like it!

Most Yellow Page sales representative will do everything they can to get you to buy the biggest display ad possible. But size isn't important! It is both the placement of the ad and how the ad is designed that will make the difference to readers.

It is wise to have an outside designer create your ad and not the Yellow Pages sales person. They are designing all your competitor's ads and they don't know anything about selling your kind of products and services. Their goal is to sell you the biggest ad possible and they say the bigger the ad is the more people will see it. They will wrongly tell you you should meet or exceed your competitor's ad size if you want to compete with or beat your competitor.

Know How People Use the Book

First, you need to understand some basics about how people use the Yellow Pages. To begin with, they always look for things alphabetically. If they are looking for auto parts, they first look under the heading of "Auto" and then they look for "Parts." Next, they look at the in-column listings under parts from A to Z.

When you buy a display ad in the Yellow Pages, you also get two free listings from the Yellow Page Company, one in the White Pages and one in the Yellow Pages. Instead of buying a huge display ad, place your smaller display ad into the column under your free listing! Make it the same column width as your free listing. It will be narrow, but you can make it longer. Don't buy a bold headline of your free listing

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- ♻️ Thursday Night Kickoff Street Party
- ♻️ 6th Annual Summit of Auto Recyclers
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In Partnership with:



ROLL OFF CONTAINER AND PICK UP SERVICE

This service is available throughout the Northeast and beyond for all the automotive scrap Recore Trading purchases. We offer prompt, courteous service, immediate cash payment and our truck drivers are some of the best within the industry.



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which essentially turns your free listing into a paid listing. Having your display ad located under your free listing will be enough and save you more money.

Also, you don't need to buy the color your Yellow Page sales person wants you to buy. Remember, prospects are already looking in the book from A to Z and they're ready to buy. Having an ad placed in the right location next to your name, plus having it designed as a direct response ad with compelling headlines is enough. If you must have color, use only red because red is the first color people see. Use it sparingly and only on your best offer.

Making Changes

Here are a few suggestions to initiate changes in your current Yellow Page ad. Remember, your sales person wants you to increase your ad size, not go smaller. First, contact your sales person to find out when the closing date is for your Yellow Page ad; but don't tell him you're calling to make your ad smaller. Make an appointment to meet with him ten to fifteen days before that closing date. Have your ad prepared in advance of your meeting with your Yellow Pages representative. When you meet, instruct him or her to write a new contract based upon what you now want. Then have them explain the new contract to you. Make sure both of you understand what headings your ad will go under and that those details are included in the contract. Also, make sure you get your two free listings.

One last important thing, some sales people have gotten so upset when an existing customer decides to go with a much smaller ad because they're losing lots of money that you're now saving, they may refuse to make the changes saying it's too late. Don't be intimidated. This is why it's important to give yourself plenty of lead-time to deal with this. Be sure to read the small print in your existing contract. Some contracts do state that you must put ad size change requests in writing. If this is the case, I suggest you not only put it in writing, but you also send it to them by certified mail.

Now, just how are you going to spend all the money you're about to save?

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Happy Mother's Day



To ALL the MOTHERS out there and to those about to become a Mom.

May your day be filled With Love, Joy and Laughter.

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Laughter is the Best Medicine

It's Okay, She's One of Us!

A nun really had to go to the bathroom so she stopped at a Hooters. The place was hopping with music and loud conversation and every now and then the lights would go out. Each time the lights went off, the place would erupt into cheers. However, when the revelers saw the nun, the room went dead silent. She went up to the bartender and asked if she could use the bathroom. The bartender said sure, but I have to warn you there is a statue of a naked man wearing only a fig leaf. She said that's fine, I can just look the other way. So the nun goes to the bathroom and comes back out into the bar area. She receives a loud and long round of applause. She asked the bartender why the applause for just going to the bathroom? The bartender says, "now they know you are one of us, would you like a drink?" "No thank you, but I still don't understand," said the nun. "You see", laughed the bartender. "Every time someone lifts the fig leaf on that statue, the lights go out."



Bob The Chicken

Bob came home drunk one night and slid into bed with his sleeping wife and fell into a deep slumber.

He awoke before the Pearly Gates where St. Peter said, "you died in your sleep Bob."

Bob was stunned. "I can't be dead, I've got too much to live for, send me back."

St. Peter said, "I'm sorry, but the only way I can send you back is as a chicken."

Bob was devastated, but begged St. Peter to send him to a farm near his home. Next he is covered in feathers clucking and pecking at the ground.



A rooster strolled past, "so you're the new hen, huh? How's your first day here?"

"Not bad" said Bob the hen, but I have this strange feeling inside. Like I'm gonna explode."

"You're ovulating" explained the rooster. "Don't tell me you've never laid an egg before?"

"Never" said Bob.

"Well just relax and let it happen. It's no big deal" said the rooster. Bob did and a few uncomfortable seconds later, out popped an egg.

Bob was overcome with emotion as he experienced motherhood. He soon laid another egg—his joy was overwhelming.

As he was about to lay his third egg, he felt a smack on the back of his head, and heard his wife yell..

"BOB, wake up. You shit the bed!"

Trip to the Pharmacy

Two young boys walked into a pharmacy one day, picked out a box of tampons and proceeded to the checkout counter.

The pharmacist at the counter asked the older boy, 'Son, how old are you?'

'Eight', the boy replied.

The man continued, 'Do you know what these are used for?'

The boy replied, 'Not exactly, but they aren't for me. They're for him. He's my brother. He's four.'

"Oh, really?" the pharmacist replied with a grin.

"Yes." the boy said. "We saw on TV that if you use these, you would be able to swim, play tennis and ride a bike. Right now, he can't do none of those."

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!



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