

**SHORELINE COMMUNITY COLLEGE  
DOL/ETA – High Growth Initiative Grant  
Automotive Training & Career Opportunities Project**

**Skill Panel Meeting Notes**

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**DATE:** January 24, 2006  
**PLACE:** **Korum Automotive Group – Puyallup, Washington**  
**TIME:** 9:30 a.m. – 1:30 p.m.

**PRESENT:** Skill Panel Members  
Keith Dyson, Clover Park Technical College  
Octavio Gamez, Southwest Dealers Services  
Gloria Hatcher-Mays, Seattle Jobs Initiative  
Joel Lewellen, Korum Automotive Group  
Guy Post, Southwest Dealer Services  
Loren Richardson, Jiffy Lube International  
Linda Rider, Seattle Jobs Initiative  
Tim Sim, Jiffy Lube International

Automotive Project Team  
Terryll Bailey, Skill Panel Research Consultant  
Cameron Hightower, Project Director  
Madhuri Hosford, Skill Panel Consultant  
Matt Houghton, Pilot Project Manager  
Tom Mackin, Skill Panel Facilitator

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*Tom Mackin* welcomed everyone to the 6<sup>th</sup> Skill Panel meeting and facilitated introductions.  
*Madhuri Hosford* distributed Skill Panel binders and updates.

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**SouthWest Dealer Services, Inc. Presentation**

**“Building Your Automotive Business”**

*Tom* introduced Guy Post, President, SouthWest Dealer Services, Inc., who spoke on the topic of “Building Your Automotive Business” by fostering high standards and uniformly training each employee to emphasize the uniqueness your automotive business offers in the marketplace.

*Guy's* background spans over 22 years in the car business, beginning in the area of automotive Finance & Insurance. He spent the first 20 years working for Pat Ryan and Associates and then struck out on his own two years ago to start his own business.

### **Pat Ryan and Associates: Pioneers in Professional Training & Development**

Pat Ryan and Associates started in 1964. Pat sold cars for his Dad's Chevrolet dealership in Chicago during the summers. After his Dad passed away, the competitive dealers in the area thought Pat wasn't qualified to run his late father's dealership. They banded together and forced Chevrolet to take the dealership away from his family. Pat worked for a family friend's dealership, where in 1962 he invented the process of financing sales within a dealership. He advocated recruiting, training and developing finance managers in dealerships. He tried to create a culture that would change and transform the dealership experience for those who worked there.

The AEON Corporation is the parent company to Pat Ryan -- larger than Ford or Chrysler. They train more F&I people than anyone in the country. Most training is seminar based. Pat had finance managers -- most of whom tended to be experienced finance managers -- go through a tough two-week long instructor-led training. Well seasoned students were in the training alongside new recruits, and they were all videotaped in role plays as they presented products and handled objections. That leveled the playing field among experienced managers and new people. Everyone mellowed out and dropped their egos and became more open.

### **On the Front Lines in Local Dealerships**

In 1964 when Guy began by selling old used cars, the company sent him to Chicago where the AEON trainings were based. He traveled for two years around the county conducting these two-week trainings in 18 dealerships on behalf of Pat Ryan. Pat wanted his people to understand that every dealership is different. He knew that only by being on the front line doing the actual trainings can you really learn and adapt to the differences among dealerships' businesses. The dealerships want to know the latest in finance, but they also operate within their own unique culture. Pat discovered that "outside" trainers have to jump behind the counter and work alongside the dealer employees to help customers if they hope to learn what the dealers face.

### **Entrepreneurship Leads to Independence**

Pat Ryan promoted only from within and mentored his people. He created a culture so distinct that dealerships knew when a Ryan employee walked in the door. Guy climbed the ladder there for the next 20 years, and in 2004 was named Senior Vice President for the Western U.S. After a stint in that role, he decided to start his own company.

Another Ryan employee, Steve Alderson, worked with Ryan for eight years, working up to the position of West Coast Service Contract Manager. At that point in the 80s, he decided to return to retail. He went to work for Jim Click, the big Ford Dealer (14 dealerships) where he oversaw their F&I operations for two years. Then, when Click fired its entire management team and recruited specific new people to run the dealerships, Steve left and formed SouthWest Dealer Services in Orange County to market service contracts and aftermarket products. He knew his customer base well enough to see and take advantage of several opportunities to fill their needs.

### **Vendor Problem Brings New Marketing Prospect**

A large Honda dealer approached Steve to represent a car alarm. The dealer liked the product but not the company representing the product. Car alarms were beginning to take off at that time. Steve used his Pat Ryan training and sat down with Sales, Service, and other departments to survey what they liked and didn't like about that product. He learned that the product looked good on the surface but didn't hold up. There was no sales training, and the dealership was struggling trying to install the alarms themselves.

### **Keys to Success: Better Inventory Control**

Another issue affecting the car alarm installation process was inventory control of keys – because the cars are not drivable if the right keys aren't available. This presented a very frustrating problem for salespeople who couldn't do demos because the key inventory was a mess. Steve initiated a better car/key inventory system which streamlined customer satisfaction with immediately available demos.

### **Auto Theft and Car Alarms in Dealerships: Opportunity for Innovation**

Auto theft is a huge problem in large dealerships. Steve recognized the security dilemma that dealerships face. He partnered with dealers to create a type of alarm that helps solve dealers' concerns about auto theft.

Steve partnered with AudioVox to design an alarm that serves two purposes. For dealers, locks are managed by remote control so that sales people can get access to inventories of cars they want to demonstrate. Service people and vendors can also get access as needed, yet cars remain safely locked on the lot when not in use by the dealership. Every car on the lot can be locked by this passive alarm system. A master remote device controls the entire fleet if the system is set up that way, and the entire inventory of cars can be time controlled, which eliminates the problem of sales people leaving and – knowingly or unknowingly – taking a remote (which, even if that occurs, will “time out” so that the “lost” remote poses no threat) with them.

Steve discovered that if dealers install a full feature alarm on every vehicle, there is a 70% chance the customer will keep the alarm instead of having it removed (Alarms take 30-45 minutes to install but only two minutes to remove).

Steve recruited Pat Ryan's F&I trainer from California. He wrote training programs for selling alarms and hired a field sales force to market the product plus a technician force to install over 70,000 alarms per month. The average education level for these sales and installation technicians is barely at the high school graduate level. These jobs presented opportunities to youth who otherwise may not have found an easy entry into the job market and who were very successful in these jobs. Steve discovered that if you give people what they want, they'll give you what you want.

Steve allowed his top representative in Southern California buy into that business covering the Southwestern U.S. and he partnered with Guy to build the largest general agency in the country, writing over 16,000 service contracts per month and earning \$17 million in revenue during 2005.

Technicians get full medical dental paid benefits, have a matched contribution 401K Plan, supplied uniforms, and they're paid on the basis of production – the more alarms they install, the more income they make. Some are making \$70K - \$80K per year, and some are doing so without a high school education. SouthWest Dealer Services has 8 Technicians in the Northwest and could easily support 4 more today if they could find them. Qualified Technicians must be able to install 300 alarms per month in a busy large dealership plus maintain all the car alarms on the lot.

In WA State, stealing a car is a Class C felony, while stiffing a hotel or stealing a cow is a Class B felony. Over 65% of auto theft in WA – 44,000 stolen in 2005 – is performed by professionals. The Police can't even keep up with the auto theft in this market.

Most cars arriving from the factory don't come with an alarm (or if there is it's not much of one). SouthWest Dealer Service is helping to stop the professional thieves who know how to defeat alarms from the factory by selling these service contracts to dealers and teaching their Technicians to install the remote controlled alarms. If a thief sees a car security sticker, it's a huge deterrent; he/she will turn to the nine other cars that have nothing.

### **SW Dealer Services' Technical Training for Technicians**

*Guy* has found that hiring Technicians is a whole different animal from hiring Sales people. He's approached Tom Mackin at Shoreline Community College looking for students and/or incumbent workers who show promise to be hired as Technicians.

The most successful Technicians need to show competency with some electronics background, however informal. SouthWest Dealers' two-week long training teaches them in the classroom and then provides on-the-job training after that. They do apprenticeships and partnerships. Some go to school in the daytime and work at night, performing alarm installations in dealership service departments in the off hours where it's well lit.

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### **GST Training Update**

*Tom* introduced Matt Houghton, GST Training Pilot Program Manager, who gave an update on how the GST Training program is coming along. Twenty-five people are being trained at SCC now (January 2006) and in less than a year they will have the competency to enter the market.

The program started January 9 with 10 students in the EST class, 15 in daytime class for native speakers. They are trying to get three more students in that class. In early June (by the 15<sup>th</sup>) students will be ready for internships. The Adult Basic Education students will be ready for the job market in July/Aug 15. The ESL students will be ready for employment around Nov 10-12. Bob Biesiedzinski (highest certified Honda instructor in the country) is teaching the electronics portion.

*Gloria Hatcher-Mays* of Seattle Jobs Institute pilots any new programs SJI does. Some of their students are in the GST class. They help train non-traditional students and do case management for a year after they graduate. SJI has six students currently in the GST program.

SJI used to be part of the City of Seattle under Mayor Norm Rice. Only four cities have implemented this plan. The program started by tracking employees for two years -- now they track for just one year. The program is always on the outlook for industries offering more than an entry-level job and those with stepping stones that offer career paths to continue in the industry.

*Tim Sim* introduced Loren Richardson who shares the south sound Jiffy Lube market with him. Between them they work with franchisees that have about 80 stores. Jiffy Lube has a great need for employees such as those who come out of the GST Training classes.

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## **Internships**

Providing internships makes total economic sense. When hiring new employees, employers must go through a screening period which takes time and money. Getting to know an intern first saves resources in the long run.

To help facilitate an internship, instructors help match students to the right opportunity. You get the benefit of the classroom being the vehicle for trying them out and babysitting them. If you like them and want to invest in them, then the hiring process is simplified. Major benefits for the students are the chance to practice the knowledge they learned and apply it in a way they never could in the classroom, plus they have access to permanent job opportunities. Internships can be paid or unpaid.

*Gloria* agreed to make her SJI slides available to the group. The ratio of employment to internships is especially valuable.

In 1997, the program recruited 138 people to train (91 completed the program and SJI placed 69 of them). 68% stayed on the job for a year or more. SJI does a lot of work around what it means to be in the workplace and what to expect. Soft skills are critical (soft skills are thoroughly incorporated into the GST program) to be sure new employees can receive feedback and handle stress (some have not been in the job market for a while). SJI provides counseling; transportation; food and clothing so they can concentrate on getting ready for the job market. Gloria listed employer profiles who participated in the SJI program (Dealerships: Honda, Volvo Mercedes, Audi, Saab, Porsche, Toyota, Ford, Volkswagen and National Service Providers Goodyear, Firestone, Sears and Jiffy Lube).

The current GST program attendance reflects a similar demographic as the SJI study. Most participants are Caucasian except for two women from ethnic groups. All have aspirations to do

something that really interests them (NASCAR driver and pit crew; Automotive Design - Body & Engine; Automotive Technician; Custom Shop Owner/Manager; Technical Design: Alternative Fuel Conversion; Diesel Maintenance & Repair).

The auto industry is very attractive to multi-ethnic groups. The future demographics of this industry show that the workforce will be comprised of multi-ethnic groups. A diversity of language skills may become even more important in the decades to come.

If you upset one customer that one unhappy customer will exponentially affect your bottom line. Conversely if you make one customer happy that one happy customer will also affect your bottom line. Internship programs cover this to teach the students the value of customer service.

### **Skill Inventory**

The required skill set is aptitude in math, electronics, ability to get along with co-workers and diversity of customers; specific tools to use on the job and computer skills.

The cost of employment turnover includes overhead costs to interview, select, and hire replacements, plus the time and energy spent placing and orienting new replacements.

Interns can help form a strong base to deter turnover. Higher turnover = higher unemployment insurance rates. A lot of these things can be offset by hiring interns. Case managers, pilot program managers, instructors all help deal with issues that come up with new employees and help build their competency. Interns provide a very low cost investment with potential employees. The interns develop loyalty and aren't as likely to leave.

### **Employer Care Program**

SJI has an Employer Care Program that begins with finding out what Employers want in an Intern. This process mirrors the Employers' process in recruitment, reference checks, etc. before the Interns are even accepted into SJI's training program. SCC also works with students to identify their learning goals and have them sign a contract stating they'll hold to that agreement. The purpose is to make sure there is a match between the Students, the job environment, and the Employers. The internships have very strict attendance guidelines just like a real job. Interns must complete work tasks as requested.

An overview of the Internship process begins with a Student Pool where they indicate job preferences. Then they complete a Student Assessment where Instructors, Case Managers and Employer Brokers evaluate student ability. Employers are recruited, and Students are matched with Employers. Evaluation happens throughout the Internship and Employers get access to a Case Manager and Instructor.

The key to Internship success: Employers must have willingness to coach, mentor and assign work; oversee work and give feedback; and work with GST program staff during the process.

GST Training will be offered around the State and throughout the country beginning in 2006. All Job Corps automotive training will be based on GST.

SJI doesn't promote paying interns. They suggest a tool kit as great compensation at the end of the program. There must be consistency in providing compensation or students will not think it's fair that some do receive such a "bonus" and others don't.

### **Insurance for Internships**

Regarding insurance to cover internships, Ron Olson has a letter from Washington State Labor & Industries saying they will allow job shadows for students younger than 18 yrs old. WA State also offers reduced rate insurance for minors.

### **GST Training Locations**

*Matt* has a list of colleges in the area offering the GST Training. Renton Technical College is offering it but there is no information available about how many students are enrolled. Yakima Valley Community College will give the status of offering the GST tomorrow at the SCC Skill Panel meeting. South Seattle might be offering GST (SJI is negotiating with them for that in the fall). Other interests: Clover Park, South Puget Sound, Skagit Valley have expressed interest.

Other Community Colleges and Technical Colleges have not begun the process of setting up the program and running with it.

SBCTC has a pilot project for CCs and TCs that offer GST with ESL instructor (team taught ABE/ESL) to compensate the school with enriched (almost doubled) funding for schools willing to do that.

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### **Career Pathways Chart Development**

*Terryll* is working with Skill Panel members and SCC faculty advisors to select boxes on the Career Pathways chart for which she'll develop salary ranges, trainings required and certifications required. Terryll asked for input on which "silos" or lines of career path to develop since the current grant won't accommodate developing all the boxes. She asked Panel members to email her feedback about which career paths to concentrate on.

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### **Joel Baxter**

*Joel* is very involved in bringing young people into the automotive industry. He distributed Career Activity Packets that he gave out to students earlier that day at a high school Career Day. His focus has been to get some cross over to use for everybody—GST, AYES, High School, mentor based training, etc. Joel provided this information in hopes it will help us update materials given to students at career days.

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### **ASE Automotive Careers Video**

The ASE video (15-minute version) was shown during lunch. It was noted that no one in the video wears an ASE patch. NATEF is not very well represented in the video. Students don't look professional. The ASA one-panel brochure looks outdated, too. Consensus was that we need a more current look. Joel is applying to ASA with a proposal in a couple of months for funding from car dealers to create a new brochure and video.

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### **Training & Education Pathways Worksheet**

*Joel* showed a Training & Education worksheet he distributed to the students at the Career Day. 75% of students said they expected to get further training but they are not sure about completing AA or other degrees. Most have money issues and have to maximize their education. They tend to stay in state and go to local college to reduce costs. Having a mentor-based training in local communities (such as the program Renton Technical uses) will help them maximize their training dollars without incurring debt.

Skill Panel members noted that the Aged Based Chart should list the Community Colleges ages of students should say 18-21 years of age not 19-19. Joel explained the he listed ages of young people only because the audience (high school students) at this event was so young. Actually, there should be no age limit on the college audiences, since people of all ages attend.

### **Career Ladder**

*Joel* had students mark on this sheet where they'd like to go to match their interests (horizontally and vertically) and talk about how they will get there. He had them write down salary ranges for different boxes on the career chart (wages they could expect by the hour and gross wages for the year). Looking at income potential clearly peaked the interest in the students. The reality is that the census bureau says the difference between having a just a High School degree versus holding an AA or BA is \$600K more earning power in your lifetime. The students also learned advantages of graduating from High School, such as, that it would take forever to go from Lube Tech to Line Tech if they didn't graduate from High School.

### **Age Dated Career and Life Ladder**

*Joel* used this "ladder" to illustrate how the choices the students are making today at ages 16-18 will affect their future. The ladder is dated by age and personal focus (age 16 with a focus on being known as the "best party girl or guy" versus age 28 with a wife and child to provide for). The chart tells kids how to get where they want to go and what training options are involved at what cost. This would serve as a business plan metaphor in planning their lives.

*Joel* had the students draw a line at the top of the young years (age 20) showing if they stop their education there at that age, their lifelong earnings will be about \$200K less if they don't acquire some college. Then they drew another line through ages 44-65 to represent another \$200K of earning power depending on the type of work experience they acquire. *Joel* also explained to them that the biggest increase in wealth for the individual in the U.S. is equity in their own home.

*Joel* suggests that students take the chart home and fill out their own life ladder, and that they interview successful adults, have them fill out life ladders and look for similarities.

Skill Panel members suggested: Don't show the students the whole Career Life and Laddersg chart -- it's too much information.

Show at-risk kids something about how their choices impact their future. Use just two columns on the life ladders. Show them long term goals and how it works. This is something good career counselors can use as a tool. Also use a decision tree (in different colors and timelines attached to each pathway) to see how long it takes to get somewhere, how poor choices set them back, and the economic benefits of their choices.

*Joel* met with 10<sup>th</sup> thru 12<sup>th</sup> grade levels today at a Career Day. Around one third of the students were at-risk. The students in the Q&A session showed real interest when they filled out the career ladder with wage rates and yearly income. Some really got perked up with the life ladder.

*Joel* would like to see some of this put into the career video. The person hosting the career information session needs time to talk afterwards, because typically the students start asking questions after this exercise.

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### **ASA Career Encounters Video**

The group watched a 14-minute video that ASA sponsored, "Career Encounters-Automobile Technician." Panel members were asked, as they watched the video, to note content they thought should be updated when/if the video is redone so they could give that feedback to *Joel* Baxter.

*Joel* plans to approach ASA about doing an updated brochure, and ASE and NATEF about getting funding for an updated video.

#### Video Comments from Group:

- Specialty dealership focus on video.
- Who is our audience? Need to have a target group.
- Too old-fashioned. Needs to be flashier, quicker, fewer words for the 18-28 age group.

- Put specifics about salaries—starting, mid range, expert.
- Talk about specialty shops and have a broader spectrum in general.
- Show young guys working on what kids are into now (include aftermarket and broader balance).
- More about career ladder possibilities.
- ASE is a standard, but needs to be spelled out more clearly.
- Our target audience should have a broader view. Not so much searching for the cream of the crop, which is more the focus of the existing video.
- Given that it is ASE, we will only see technicians—we need to see it applied to parts store clerks too.
- ASE now has 32 certifications. It's like a career ladder - service writers, parts people, etc. They are looking at a broader spectrum than before (when there were 8 certifications).
- This film was made right before the downturn in the economy. Now we have a greater demand for technicians again.

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### **NAFTC (National Alternative Fuels Training Center)**

NAFTC is funded largely by the EPA. They provide infrastructure for trainings and curricula on alternative fuel vehicles and advanced technology (hybrid electric) vehicles. SCC has plans to meet with them in February at their business meeting in Washington, DC to start the conversation about an NTC (National Training Center) being established at SCC. NAFTC invited SCC to join the consortium because they learned about our project and about SCC's acclaimed Professional Automotive Training Center and began the talks about establishing the NTC. More will be reported after the February meeting.

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### **Announcements and Upcoming Events**

*GST Training Program at Eastern Division Job Corps* - Tom announced that Gary Main, GST Curriculum Manager, was in Kentucky presenting the GST Training program to the Earl C. Clements Job Corps Center in Morganfield, Kentucky, to entice the Eastern Division to explore and adopt the GST program (just as the Western Division of Job Corps has adopted the GST).

*NADA (National Automobile Dealers Association) Convention & Exposition* - "NADA – the Voice of the Dealer – Leading the Way!" February 11-14, 2006. Tom will be representing the ATCO project at the 2006 convention in Orlando, Florida.

*Career Day - Shoreline Community College* - February 16, 2006. The ATCO project will offer an exhibit and presentation in SCC's Professional Automotive Training Center Showroom for high school students who will be attending this campus-wide event.

*Washington School Counseling Association Spring Conference* – March 16-18, 2006. Cameron Hightower will speak before this conference audience at the Doubletree Hotel Seattle Airport on Saturday, March 18<sup>th</sup>.

*Skill Panel Meeting - Shoreline Community College* – January 25, 2006. Tom invited all to join the “North Sound” Skill Panel meeting the next day – an extra special event because of the guests and topics to be discussed. Ellen O’Brien Saunders, Executive Director of the Workforce Training and Education Coordination Board, will be speaking on several key training and education issues affecting the industry’s workforce, and will also address what it will take for the State of Washington to view the Automotive Industry as “high wage, high skill” as the Federal Government does. Washington State has identified 16 clusters as most vital, while the Federal Government has named 12 clusters as highest priority for high wage, high skill. Seems strange that automotive is part of the 12 clusters the Federal Gov. has identified, while automotive is not included in the larger group of 16 clusters the State has identified.

Other special guests scheduled to attend the SCC meeting the next day include Walter Liang, Regional Representative from the Office of the Secretary of the U.S. Department of Labor, and Karen Connor, Federal Project Officer with the U.S. Department of Labor.

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### **Adjournment**

Tom thanked everyone for their contributions to the meeting and the Panel adjourned at 1:30 pm.