



It's A Jungle Out There!

How to Survive and Prosper in a Competitive, Ever-Changing Auto Recycling Industry

By Marty Hollingshead

Our industry is in a vast state of change and evolution. Survival will depend on your ability to change and adapt. I have been in the business for over forty years, and the cycles of change are becoming shorter and more severe. Change can be upsetting for sure, but change also creates opportunity. What can we do to not only survive, but to grow and prosper?

I will touch on several points here, but everything will revolve around three basic elements, which are:

1. People
2. Process
3. Product

This will be a four part article.

Part 1 Leadership: *It all starts here.*

Part 2 Position for success: *building your organization.*

Part 3 Use of *Technology/Analytics.*

Part 4 *Negative Perception of the Industry and how to change and overcome it to create new opportunities.*

Overview of our Industry

Throughout the years, the auto recycling industry has grown from the old “fly by the seat of your pants, make money in spite of yourself,” junkyard days to a business that is unique and in some aspects more sophisticated and scientific than many others.

LKQ, what have they done, and how it applies to others:

Through consolidation and diversification (whether you like them or not), one thing is for certain, that they have raised the bar, thus encouraging and sometimes forcing independents to be better. This in turn creates more opportunities for the usage for recycled parts. This has benefits for all of us in the industry. After all, competition is good, and all things being equal, winning or losing boils down to hard work and effort or lack of it. To have an edge in competition you have to be able to do or provide something your competition cannot.

What is your edge?

There is opportunity out there for all of us if we are willing to adapt and improve our operations in all aspects, people, product, and process. Any successful business can't become complacent. There always has to be some sense of urgency and a strong desire to constantly improve.

This industry can be as sophisticated or as primitive as the facility operator chooses it to be. Fortunately, this industry has evolved through the hard work of many good operators to overcome the stigma of the proverbial wrecking/junkyard. Unfortunately, not everyone shares the same commitment to operate their business at a professional and responsible level.

The bad news is, all operators have to suffer from the mistakes made by poor operators. However, the good news is, these poor operators' days are probably numbered.

I think at the end of the day, what will emerge will be stronger and better operators. There will always be a need and a place in the market for well-run independent operators.

The future is now, folks. What are you going to do?

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Part 1: Leadership: It all starts here

In any successful business, both large and small have something in common. They all have good, strong leadership. Strong leadership is a must. The best leaders are the ones that lead by example. They train, teach, and develop. They make others around them better. Commitment, dedication, and what I call “TWM,” (time, work, and money) are the keys. The leader creates a plan. He gives his employees and others around them the tools and the direction needed to succeed.

A leader must be competitive. Sometimes, it's not about how good you are, but how hard you try. Always remember, hard work beats talent, when talent doesn't work hard. You can't be a

person who won't give up. Be that person. What are you prepared to do?

When a business is successful and doing better than others, the competition says (in envy), "They have an unfair advantage" or "They are just plain lucky." In reality, both statements are probably false. Maybe the competition is doing something that they can't, or don't want to do. Remember, luck is what happens when hard work and preparation meets opportunity. Nothing worthwhile in business or life comes easy. At the end of the day, it all comes down to, "How bad do you want it?"

Workplace Culture

- *What is culture?* Culture is attitude or outlook at how we see and do things.

- *How is it created?* It is created by the work environment and interaction with other workers and to a greater degree, the values, expectations, and philosophies of leadership.

- *How is it changed?* Simply put, 1. Change the target, and 2. Change the focus, and you'll change the culture.

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The biggest part of leadership is decision-making.

In any decisions made, the golden rule should always apply. You should look at the effect of your decisions on all involved. You should also consider the other person, then say, "How would I like it if it affected me?" If the answer is "I wouldn't," then the answer should be "No." That really should be all the advice and direction needed. Decision making can be as complex or as simple as you want to make it. I believe that simpler is better, your first instinct is probably the right one, and lastly, most important, common sense isn't so common anymore.

Whenever I feel overwhelmed, I always remember something a wise person told me many years ago. It was, "How do you eat an elephant? One bite at a time."



Marty Hollingshead has been in the business since 1973 and the owner of Northlake Auto Recyclers, Inc., Hammond, Indiana, since 1984.

Marty is a board member of the Indiana Automotive Recyclers Association. Both Marty and Northlake have received numerous awards and recognition for excellence in the industry and the community. You can reach Marty by phone: 219-937-3960, or visit his website: www.narparts.com.



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