



**AUTOMOTIVE
AFTERMARKET
SERVICES**

Automotive Aftermarket EMPLOYER'S ADVANTAGE

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Important Legislative Updates
on line at
www.aasi.cc/bulletins.html



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Address: 5750 Sunrise Blvd #250,
Citrus Heights, CA 95610

E-mail: advantage@aasi.cc

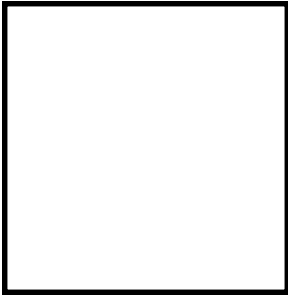
Valued customers and friends like you are the foundation of our success.

We extend our best wishes for a happy holiday season and a new year of joy, peace and prosperity.





Legislative UPDATE



Clarence Parkins
VP Legislative Affairs

Things have been relatively quiet at the capital for the last couple of months with the legislature on their fall break, but everyone here is bracing for the fireworks when they reconvene in January.

The defeat of most of the Governor's initiatives at the polls in November have added a concern for his constituents, and given his opponents renewed optimism. We expect a number of new bills supported by the labor unions, trial lawyers, and other job killing groups to resurface and reintroduce legislation similar to that the Governor vetoed during the last legislative year.

One of the Governor's biggest victories has been in workers compensation reform. Measures enacted as part of SB 899 have played a significant roll in reducing rates as much as 40% from their high just two years ago. Now the special interest groups, sensing a weakened Governor, are expected to present new legislation designed to overturn a lot of these reforms, which will negate some of these rate reductions.

Other legislation likely to appear will be another attempt to raise the minimum wage law and put in a factor connected to the cost of living to automatically raise it each year. Many issues affecting small business will be introduced, and we should have a good idea by the end of the first quarter of 2006, just what we will be up against this year.

In our opinion, a major factor in the suc-

cess of all of this will be how the Governor fares in the polls in his bid for re-election. How much his politics will enter into his position on some of these issues will be the deciding point, in some instances, as to how much success these issues will have.

As always, we will be at the state capital representing the interests of the automotive aftermarket. If you have any comments, or questions, please call me anytime at 888 383-2274 ext 317, or our Legislative Advocate, DeAnn Smeltzer, at ext. 324.



Help Us Keep You Informed Fax Authorization

Fax Authorization Form



Political Communications with Employees: Time to Brush Up on Dos and Don'ts

I've always been a firm believer that employers should inform their employees how certain pending legislation, regulations and ballot measures may affect them and their jobs.

California companies don't operate in a vacuum. Our success depends on multiple factors, one of the most basic of which is ensuring that our revenues exceed our costs. Although specifics vary from industry to industry, cost considerations for most businesses include areas such as labor, energy, health care, workers' compensation, unemployment insurance, taxes, fees, rent, maintenance, utilities, property taxes, transportation and education.

Impact on Jobs/Benefits

Government action or inaction in these areas has huge impacts on both sides of the revenue/cost equation. What lawmakers and regulators do, or fail to do, affects the general business climate and ultimately our ability to be successful and provide good-paying jobs and benefits to our employees.

What I've outlined here, most employers know all too well. Yet I often hear from colleagues that they worry about making employees aware of concerns about pending legislation, regulations or ballot measures for fear of running afoul of the law.

Quick Overview

The California Chamber of Commerce has prepared a brochure that gives a quick overview of what employers can and can't do when communicating with employees about legislation, regulations or ballot measures.

You are within your rights as a business owner to inform your employees and stockholders about the potential impacts of proposed state legislation, regulations or ballot measures. State law and regulations, however, do lay out certain requirements about what you can and can't do, as well as when you need to report what you spend on political communications.

The Chamber brochure will help you understand the basic issues involved with political communications to your employees and where you might need to seek more information, depending on your company's circumstances.

I urge you to take a moment to read the "Guidelines for Political Communications to Employees" brochure posted on the Chamber's website at www.calchamber.com.

Employees Want Information

Many studies suggest that employees listen to and want information from their companies regarding things that affect the well being of the company. After all, the success of the company is vital to its employees!

The extent to which you choose to communicate with your employees and stockholders about political matters is up to you, of course; but I encourage you to do something. The issues facing California are too important to leave the message to someone else.

Our employees and stockholders need to hear the employers' side of the story in order to make informed decisions. With three elections coming up between now and November 2006, there will be numerous items on the ballot that will affect their jobs, your business, and the future health of the state's economy.

Add to the ballot measures the huge number of "job killer" bills that too many legislators still seem to be advancing, and the need for employees and stockholders to hear from employers becomes even more urgent, as does the need for legislators to hear from the employees who will feel the impact of these misguided proposals.

Encourage Communication

Employers need to take the time to tell their story. We need to encourage employees to communicate their concerns to their elected representatives.

Ultimately, when employees understand the consequences of pending proposals, they are more likely to engage in the public policy-setting process. The greater the participation by well-informed employees, the better the outcome will be. I urge you to take advantage of the Guidelines the Chamber has developed. It can and will make a difference.



Forecasting for Growth

To be effective as a leader, you must develop skills in strategic thinking. Strategic thinking is a process whereby you learn how to make your business vision a reality by developing your abilities in team work, problem solving, and critical thinking. It is also a tool to help you confront change, plan for and make transitions, and envision new possibilities and opportunities.

Strategic thinking is like making a movie. Every movie has a context (or story) which it uses to get you to experience a certain outcome (an emotion, in this case) at the end of the movie. Strategic thinking is much the same in that it requires you to envision what you want your ideal outcome to be for your business and then works backwards by focusing on the story of HOW you will be able to reach your vision.

As you develop a strategic vision for your business, there are five different criteria that you should focus on. These five criteria will help you define your ideal outcome. In addition, they will help you set up and develop the steps necessary to make your business vision a reality.

The following is a list of the five criteria of the strategic thinking process:

Organization. The organization of your business involves the people you will have working for you, the organizational structure of your business, and the resources necessary to make it all work. What will your organization look like? What type of structure will support your vision? How will you combine people, resources, and structure together to achieve your ideal outcome?

Observation. When you are looking down at the world from an airplane, you can see much more than when you are on the ground. Strategic thinking is much the same in that it allows you to see things from "higher up." By increasing your powers of observation, you will begin to become more aware of what motivates people, how to solve problems more effectively, and how to distinguish between alternatives.

Views. Views are simply different ways of thinking about something. In strategic thinking, there are four viewpoints to take into consideration when forming your business strategy: the environmental view; the marketplace view; the project view; and the measurement view. Views can be used as tools to help you think about outcomes, identify critical elements and adjust your actions to achieve your ideal position.

Driving Forces. What are the driving forces that will make your ideal outcome a reality? What is your company's vision

Continued on page 6

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The following column will appear as a regular in future Employer's Advantage Issues

Employee Benefit Tips

EMPOWERING EMPLOYEES THROUGH EMPLOYEE BENEFITS

For the last several years the latest employee management tool has been "empowerment". One way to improve job satisfaction and moral is to educate or empower employees to make informed decisions. Many employers are bringing this empowerment into their benefits arena. One way to help drive down rising health care cost is to help make our employees better consumers of health care. Many employers are looking to some of the new risk management tools such as HSA's (Health Savings Accounts) and HRA's (Health Reimbursement Arrangements) to push employees into consumer driven health care. These are excellent tools and definitely should be explored by all employers; however, they may not always be a fit for your company. Many employers like the concept, however feel it is too big of a change for their employees.

There are three very simple strategies that you may implement to greater empower your employees and give them more control over their benefit plans.

1. **Health Plan Choices** - Allow your employees to choose from two or more health plans. Offerings may include lower-cost plans which offer reduced benefits or higher deductibles along with higher cost plans with more comprehensive benefits. You may want to include an HMO option along with the more traditional PPO option. Some employers may also include a qualified HSA plan design for their employees to choose from.
2. **Voluntary Benefit Choices**- Provide a variety of voluntary benefits to enhance your employees benefit portfolio. This allows employees to choose specific products that meet their needs. These are typically benefits the employees could not purchase on their own; in addition they are able to enjoy the convenience of having the premiums payroll deducted on a pre-tax savings basis. Product offerings may include; dental, disability, accident, specified disease, long term care, supplemental medical etc. Many employees may prefer to take a lower cost health care option and purchase supplemental products with the savings.
3. **Defined Contribution Approach**- This is actually a combination of the two options above. Many experts believe this is the most cost effective way to empower your employees and actually manage or control your annual employee benefit cost. With this approach instead of providing all of your employees a generous health insurance plan, give employees a benefit budget or dollar amount and let them choose which benefit plan or voluntary benefits they wish to purchase. Employees wanting richer benefits will pay more out of their pocket or paycheck in premiums.

The key to any successful empowerment campaign is education. You must take the time to educate your employees on



"Forecasting," Continued from Page 4

and mission? Driving forces usually lay the foundation for what you want people to focus on in your business (i.e., what you will use to motivate others to perform). Examples of driving forces might include: individual and organizational incentives; empowerment and alignment; qualitative factors such as a defined vision, values, and goals; productive factors like a mission or function; quantitative factors such as results or experience; and others such as commitment, coherent action, effectiveness, productivity, and value.

Ideal Position. After working through the first four phases of the strategic thinking process, you should be able to define your ideal position. Your ideal position outline should include: the conditions you have found to be necessary if your business is to be productive; the niche in the marketplace that your business will fill; any opportunities that may exist either currently or in the future for your business; the core competencies or skills required in your business; and the strategies and tactics you will use to pull it all together.

By working through these five areas, you will begin to get a clearer picture of exactly how your business vision can be accomplished. As your vision becomes more focused, your ideas will appear stronger and more credible. Not only will it be easier to convince others that your idea is a good one, but it will also be easier to maintain your own conviction and motivation when you reach any pitfalls or obstacles in the road.

Overall, you can apply strategic thinking skills to any area of your life. But by making a concerted effort to apply them specifically to your business venture, you will have a much better chance of bringing your vision to life. And isn't that what you want? From Small Business Administration website; www.sba.gov.

Group Medical Benefits

Automotive Aftermarket Insurance Services, Inc. (AASI) provides a variety of Employee Benefits Program choices for independently owned automotive aftermarket businesses. Our clients purchase benefits to attract and retain valuable employees. By taking advantage of AASI benefit resources; they are able to achieve these goals.

AASI understands how the administration of an Employee Benefits Program can drain your operating budget almost as much as the cost of the insurance premiums. Therefore, we have taken many of these burdens off the Employer and have put it onto our plate through Client and Employee Services, which includes:

- Plan Administration
- Claims Support
- New Hire Enrollment
- COBRA Notification
- Plan Administration

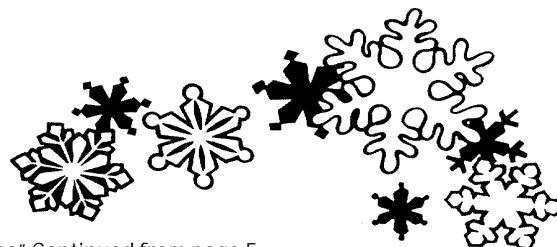
Our Team:

All of our agents are cross-licensed in both Life and Property / Casualty. However, they are primarily Benefit Specialists, and have the experience and product knowledge to analyze every aspect of our client needs. We have a Member Service Department that is accessible toll-free by phone, fax and email. Our CSR's are the best in the business.

Additional Services:

AASI is your one-stop resource for all of your health care needs. We have an in-house Agency Software program that tracks every available HMO, PPO, POS in your geographical area. In addition, we offer a Human Resources program for all clients, Section 125 and COBRA for no additional cost to your business.

For more information call 888 383-2274.



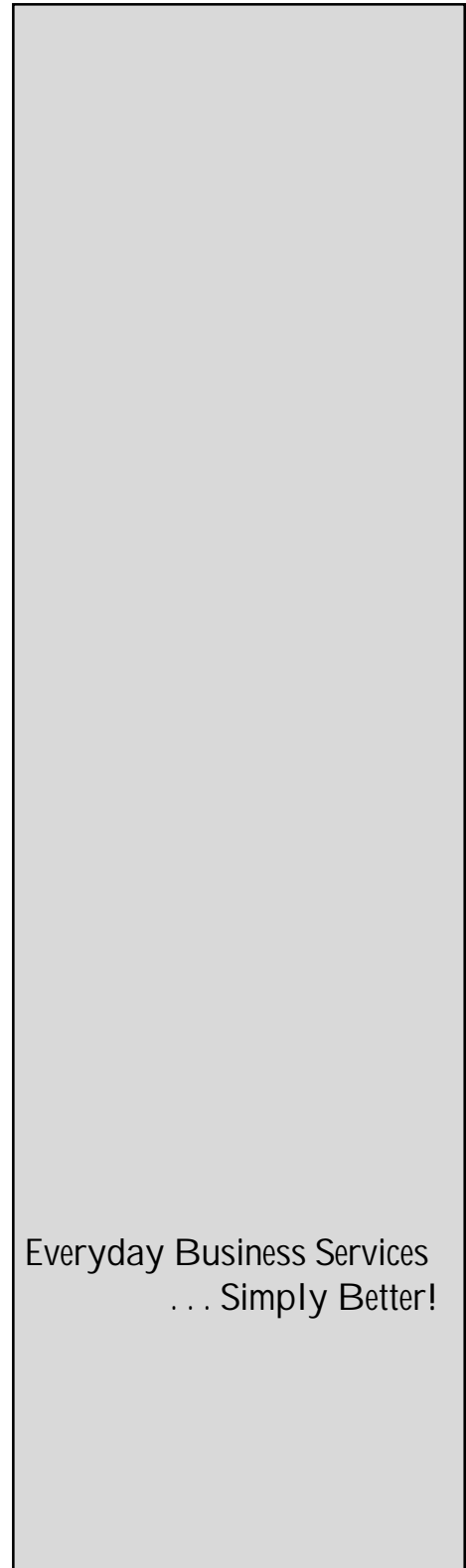
"Employee Benefit Tips" Continued from page 5

the value of the different options and the choices available to them. Most experts agree that when employees have greater choices in benefit designs and coverage's available they are much more satisfied with their employee benefit plan. Contact your Universal Underwriters Account Executive or call 1-800-8842 ext.1616 today to see if these tools are right for you and your employees.

Article provided by **Brian A.Mills, CIC, RHU, REBC, LUTCF, Director Employee Benefits, Universal Underwriters**



THE SURGEON AND THE MECHANIC



Everyday Business Services
... Simply Better!



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A Publication of
Automotive Aftermarket Services, Inc.

5750 Sunrise Blvd, Ste 250
Citrus Heights, CA 95610

Phone: 888-383-2274
Fax: 888-383-2211
Email: advantage@aasi.cc



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