

Association Merger Still on the Table

By Traci Matt
Associate Editor

Although the Electrical Rebuilder's Association (ERA) board voted unanimously in August not to "move forward" on a proposed merge with the Automotive Parts Remanufacturers Association (APRA), last month ERA formed a committee to further consider the idea.

ERA President Jim Thomas said the committee to "study the feasibility of the ERA running the Electrical Division of the APRA" will be chaired by former ERA President Mike Schroeder.

"I feel this will give the ERA the fairest, most honest appraisal of the possibilities for the future of both organizations," said Jim Thomas. "We will look at any possibility that we have misunderstood any of the information presented, but it will be on our time schedule and not the APRA's time schedule."

Emotions have run high since the proposal, the result of informal closed-door talks for two years, was brought to the boards of both associations this summer. The proposal was drafted by two APRA past chairmen, two ERA Executive Committee members and APRA Electrical Division Board of Governors Chair Dennis Jacinto. APRA approved the agreement in June.

"As one who has served on the boards of both groups I can tell you that much effort has been put into being mutually supportive rather than competitive or con-

frontational. This agreement would simply be the next logical step," said Jacinto.

Under the proposal the ERA would be assimilated into the APRA Electrical Division. It states that the ERA president would become the division chair and select the board members. Other points of the one-page proposal include:

- Dues for ERA rebuilder members in their first year with APRA would be the same as the "lowest tier" APRA rebuilder dues (\$215). Dues would be prorated to avoid overlap during the first year.
- After the first year, all members would pay "the going rate based on number of employees." (According to Jim Thomas, there was discussion of current ERA members being grandfathered in with the lowest dues rate indefinitely, regardless of number of employees.)
- The division would have "autonomy" with its training budget, which would consist of a \$50,000 contribution from APRA, and ERA funds remaining on the date of the merger. The goal would be to eventually create a self-sustaining training budget with "all revenues derived from training" used to fund the program.
- Annually saving an estimated \$57,000 in ERA overhead (office expense, technical services, printing, etc.) and \$23,000 by discontinuing support of the ERA Trade Show and *Electrical Rebuilder's Exchange* subscriptions.

The proposal also included a supporting document stating that each association has approximately 350 members that do not also belong to the other organiza-

tion. It estimates if 80 percent of ERA-exclusive rebuilders and suppliers joined APRA it would increase the APRA's dues base by more than \$65,000 a year.

At the September ERA meeting, ERA Executive Committee Member Dan Smith, who helped draft and present the proposal, resigned. Smith said he will be replacing Jacinto as chair of the APRA Electrical Division Board of Governors. He will continue to be an ERA member and hopes to "help maintain an amicable relationship between these two important organizations."

Jacinto will move to the APRA Executive Committee this fall.

Smith said that "like many others" he had issues with the APRA and was not in favor of the merge when first approached, but was convinced it was best after "many conversations" with APRA Executive Board members.

"I see the APRA today, as opposed to 10 years ago, as leaner, more focused and dedicated to the small rebuilder," he said. "They have seen how the ERA has managed to address the needs of our members and are looking to do the same for theirs. The most sensible, economical and intelligent way to do this would have been for the two groups to join together."

E-mail correspondence from both Smith and Jacinto to some members of the ERA board and other industry players after the August meeting indicated APRA planned to move on with its own training and electrical rebuilder-focused Web site similar to the ERA's. This correspondence was forwarded to the *Exchange* by a number of different parties.

"We put a lot of things on hold with the expectation that we would incorporate

some of the ERA programs into our own," wrote Jacinto. "As that is not going to happen, it's time for us to refocus on those things that we want to accomplish."

Although Smith wrote that he takes responsibility for the proposal not being affirmed in August, he issued a five-page admonition to the ERA board: "Anyone who thought (or didn't think) that the APRA would just go away and not become aggressive is mistaken. People who see the ERA as a detriment to the APRA will be pushing hard to bring the APRA back to its position as the preeminent association for the electrical rebuilder and we will have no say in it...They have observed our model and want something for their membership that is as good as or better than what we have."

Jim Thomas and some other board members clarified that the ERA was still open to discussing the issue, but were riled by the competitive tone.

"I think the fact that the APRA would come to the ERA for the sole purpose of raiding the good ideas that we have implemented for our members so they can embellish them as APRA programs is deceitful, regardless of how they presented it," said Jim Thomas.

He said ERA is composed of "like minded people that understand and live the small rebuilder experience every day.

"So far the APRA has not shown that they even begin to understand that mentality. In any association, ERA or APRA, that relies on volunteers there is always a limited number of 'worker bees' and that won't change even if there is a merger, however, in my short tenure as president of the ERA I have had no shortage of members willing to step up and help grow

our organization.”

ERA Regional VP North Central Hank Henke said the problem is the “culture” of the two organizations which are too dissimilar to mix.

“Our board is made up of all working-in-the-industry people, theirs is directed by for-hire people who don’t fight the same battles each day as the small rebuilder. I feel we have a brotherhood of friends who are ready and willing to help each other,” said Henke. “Most of our group have been members of the APRA. Why did we leave? We didn’t get from them the respect we deserved. As a small rebuilder, a freight program means nothing. Have you tried their insurance? I was told minimum \$5,000 premium or they didn’t want to talk to me. Wiring diagrams when needed are a good program, but speaking for myself I couldn’t justify the expense for one or two a month. If this is the best for the industry then it should be voted on by all members of both groups.”

ERA Regional VP Southwest Mike Dietrich said that although he welcomes new ideas for the association, joining with APRA is not the way to go.

“The ERA consists of people like myself that are trying to find ways to make our business more successful. Sometimes that requires thinking out of the box and having the freedom of taking new directions,” said Dietrich. “Our current and past leaders have promoted and helped implement programs, policies and procedures that have encouraged many of our members to do just that. The APRA has not shown that type of commitment for the electrical rebuilding industry.”

At least one ERA decision-maker is not willing to move forward until more of

the merger details are clearly spelled out. Executive Vice President Ken Plourde said although it has merit, it appears a “totally supplier-driven” proposal.

“With the contacts that I have made, none of the APRA ‘rebuilder’ board members have a clue as to what the APRA representatives have proposed and/or offered to our group. I have this gut feeling that if we go through with this proposal after a year or two our so-called autonomy will disappear,” said Plourde. “I also find it really hard to believe that the current APRA training personnel will just roll over and let our organization take over the Electrical Division training program.”

Bob Thomas, former ERA secretary, said he could “write a book” on the positive and negative implications of the proposal. The biggest obstacle the merge would cause for him would be the loss of direct support for the privately-owned ERA Trade Show and *Electrical Rebuilder’s Exchange*.

“The ERE newspaper has been there for the small electrical rebuilder for 25 years and the trade show for almost as long,” he said. “Lest we forget, the ERA grew out of that newspaper and trade show. However, the ERA has grown largely on the backs of a few people. Those people are tired, and the membership does not seem to be interested or willing to take over. There is no shortage of souls willing to help make the decisions, but when it comes down to a commitment of time and personal expense, the volunteers quickly dispense. I think the ERA board needs to find a common ground solution where the membership of both organizations benefit. To me, that is what really matters. There’s been a lot of animosity and hostile feelings

between members of both organizations in the past. It is time to set those differences aside and look toward the future,” he said.

Another private enterprise, the Reman Forums Web site, owned by Aaron Tobin, has also been introduced to the equation. According to Tobin, APRA members and “at least one manufacturer” have approached him about purchasing rights to the site.

“If the APRA or even Bosch or WAI wanted to purchase Reman Forums, or purchase the naming rights to Reman Forums, I would be open to that. I would insist that Reman Forums remain free for rebuilders to use and enjoy. For now, I want Reman Forums to remain independent, and supported by user donations and advertising dollars,” he said.

Tobin said he believes there is a conflict of interest having the same people on the boards of both associations, and said it’s time for “board members and other leaders of this industry to make up their minds, and hopefully support the APRA.”

Dick Vensel, *Exchange* columnist and owner of Vensel Enterprises, said in a widely circulated e-mail that it’s time to “forgive and forget and move forward.

“Concentrate on what is best for our shrinking industry (and shrinking revenue) by getting all questions and comments answered on both sides and coming up with a viable solution now,” he wrote. “Then we can get down to the business of helping the small rebuilders and the industry with a strong and even better program...”

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Association Profiles

Automotive Parts Remanufacturers Association (APRA)

(formerly Automotive Parts Rebuilders Association)

Founded: 1941 in Los Angeles, Ca. by R. A. Van Alen and Harry Lester

Headquarters: Chantilly, Va.

President: Bill Gager

Status: Non-profit

Constituency: Rebuilders/remanufacturers of alternators, armatures, generators, starters, carburetors, clutches, distributors, connecting rods, crankshafts, cylinder blocks, engine assemblies, fuel pumps, brakes, master and wheel brake cylinders, power brakes, starter drives, solenoids, automatic transmissions, regulators, springs, windshield wiper motors and water pumps.

Number of members: Approx. 1000

Annual rebuilder dues: \$215 and up based on number of employees

Web site: www.apra.org

Electrical Rebuilder’s Association (ERA)

Founded: 2001 in Overland Park, Kan. by Polly Shea

Headquarters: Union, Mo.

President: Jim Thomas (Volunteer)

Status: Non-profit

Constituency: North American members of the automotive electrical parts rebuilding industry.

Number of members: 460

Annual rebuilder dues: \$150

Web site: www.electricalrebuilders.org