

Abex
Friction Products Division
Troy, Michigan

~~Mr. R. Connors~~

June 3, 1983

To:- Mr. L. L. Adams
Winchester

Subject: STAFF REPORT - AUTOMOTIVE AFTERMARKET - MAY

I. FINANCIAL

- A. Total Automotive Aftermarket sales were \$946,000 against a forecast of \$850,000. The increases were in all three areas, Rolled, Disc and Other. Although the strip area is not split into two areas, Heavy Duty and Aftermarket, we are responsible for approximately 30% of these sales which also exceeded the forecast.
- B. Import/Export - A new export order has been received for approximately \$12,000 from Brebo of Australia. A total of six quotations have been made and forwarded to the New York Office.

We are advised that we should be receiving a \$100,000 roll order for Egypt. The Iranian order for \$1.9 million of blocks is still in question because of Abex-Pagid bid of February.

II. MARKETING

- A. Lost Account - We have been notified by Hampden Automotive that they will be buying their requirements from another friction material manufacturer. The reason for them leaving us is poor service; they cannot live with 8 to 15 weeks delivery. We have no backup inventory for their needs and requirements.
- B. Warning from NAPA, Rayloc and Genaut. Over the past few months, NAPA has asked us for some quotations for new part numbers that are needed in their line. Our prices have been too high and they have sourced those parts elsewhere, such as, from Certified. Beware: If we are losing applications for the new cars, it will only be a matter of a few years before we have the smaller portion of NAPA business, and another company will get the volume.

continued

SCF-NAPA-1900

OBR 01984

II. MARKETING (cont'd)

- C. NAPA 1983 Program. The 1983 program is still moving along very well. In Indianapolis, Fort Wayne and Louisville, the program has generated over half-a-million in brake shoe sales.
- D. NAPA Brakes 1984 Program. A planning meeting for the new 1984 program is set for June 14-15, 1983 with all manufacturers that sell NAPA any segment of brake parts. NAPA has seen how well a brake program can go and are asking all of us to pull our programs together and promote together. This has been tried many times before with not much success, but we will give it another go.
- E. Midas Meeting Set. A meeting with all of the heads of Midas International is set for June 16, 1983 in their Chicago, Illinois office. The purpose of this meeting is to explore the ways that we have come up with and the pricing that we have obtained to service this account.

Our present objective is to obtain the import shoe and disc pad segment first; get that portion running and then move ahead into other areas. This program will be a first for Abex U.S. and we will want to be very careful.

- F. Independent Rebuilders Complain. The independent rebuilder marketplace is complaining greatly at Abex because of its inability to get orders to them. Recently, checking on some orders from Guardian, there have been part numbers that have taken as much as 6 to 8 months to be shipped. If we decide that this is the way we are going to do business, we won't have any!!

III. MANUFACTURINGA. Customer Service/Order Fill

NAPA Distribution Centers	88.0%
NAPA Rayloc-Memphis	82.2%
NAPA Rayloc-Atlanta	73.8%
NAPA Rayloc-Payson	33.3%
NAPA Rayloc-Hancock	81.9%
NAPA Genaut-Morganfield	82.7%
NAPA Genaut-Stephenville	87.7%
EIS - Cali-Blok	49.7%

This business represents \$8.1 million in Winchester business. If we do not improve upon this greatly, we will lose the business. We do recognize the fact that we did improve our order fill from last month, but our goal should be at least 90% to 95%.

continued

IV. HUMAN RELATIONS

- A. Mr. Jim McCool has rejoined Abex in the Automotive Aftermarket area as the Manager of Marketing Administration.



/mc

R. V. Bagley

cc: LHBoyd
RConners
ADIndelicato
BTSant1111
RLWard