

INDUSTRYNEWS

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Enthusiasts Planning to Spend More in Next 3 Months

As a means to begin forecasting future consumer behavior, Fast Lane Research has initiated a quarterly in-house study of automotive enthusiasts. Data from the study will be included in the regular TORQ.

One of the features of the forecast will include an insight into the spending habits of enthusiasts. With periodic surveys to collect information from a representative sample of people interested in customizing, racing or restoring their vehicles we can formulate an index of spending over time. During a five day period in March, over 650 automotive enthusiasts contributed their thoughts and information into our database. The chart below illustrates their responses to the two-part question about individual spending on custom parts and accessories. Both parts include the distribution of responses throughout the spending scale from not spending anything on parts during the period (\$0) to spending a great deal (\$20,000+).



Source: Fast Lane Research

As the car show, racing, and cruise seasons kick into full speed it should come as no surprise that consumers would be more willing to spend money on their hobby; especially for hobbies that involve a dedicated lifestyle element. The upwards shift of average spending from the bottom levels to the upper-middle are a clear indication that people are ready to participate in the hobby again after withholding for the past few months. With just a few percentage points changing within the \$250-\$2,500 range there is not a significant amount of difference for this area. However, the bracket with the most change was that in the \$2,500 to \$5,000 range which seems to have skimmed off the lower ranges. Essentially, the central chunk of spending does not appear to have much fluctuation, but there is a migration of planned spending from the bottom up.

Source: Fast Lane Research

GM Announces Manual Transmission E-ROD Package

GM Performance Parts' E-ROD crate engine lineup expands with a new version calibrated for manual-transmissions. It is available for immediate ordering under part number 19256487.



The manual-transmission package includes all of the same parts as the original, automatic-transmission-calibrated package (19244805); only the electronic control module's programming is different. The list price for both versions is \$9,375.

GM Performance Parts (GMPP) recommends the following parts to complement the manual-transmission E-ROD package:

- Camaro LS3 six-speed manual transmission (92236241 - includes hydraulic release bearing actuator)
- Flywheel (12571611)
- Flywheel bolts(11569956 - six required)
- Pilot bearing (12557583)
- Pressure plate (24255748)
- Pressure plate bolts (12561465 - six required)
- Release bearing (19210297)

The E-ROD kit includes the same, basic LS3 production engine found in the current Camaro SS and Corvette. Standard elements of the kit include:

- 6.2-liter LS3 crate engine, rated at 430 horsepower and 424 lb.-ft. of torque
- GMPP LS3 engine wiring harness
- GMPP engine control module
- Exhaust manifolds
- Catalytic converters
- Oxygen sensors and sensor bosses
- Fuel tank evaporative emissions canister
- Mass airflow sensor and sensor boss
- Accelerator pedal (for use with the LS3's electronic throttle)
- Air filter
- Instruction manual

In addition to the E-ROD system, the builder will need to source additional fuel system components to complete the assembly and get the vehicle running. Please refer to the installation instructions for further details. All of the GMPP installation guides can be found at www.gmperformanceparts.com/Extras.

E-ROD engines also require a front-end accessory drive system suitable to the vehicle. The instruction manual includes recommendations and measurements for the accessory drive kit, as well as gear ratios and more.

The E-ROD crate engine packages are available through GM dealers, authorized GMPP retailers and via the GMPP Web site, www.gmperformanceparts.com.

General Motors backs the GM Performance Parts crate engines with a 24-month/50,000-mile warranty (whichever occurs first). All other GM Performance Parts components carry a 12-month/12,000-mile warranty.

GMPP crate engines, blocks, heads, high-performance transmissions and components can be purchased from GMPP Authorized Center dealers or any other GM dealership nationwide. To shop for GMPP products, or for more information, visit www.gmperformanceparts.com.

Source: GM

China Automotive Climate Index At Record High

Here are the current trends for the China automotive market. First, the index of Q1 continues to increase, hitting an historic record high. Secondly, the indicators of production, sales, profit, tax, etc. all record increases to different extents. Thirdly, the capital occupation rates for finished products and accounts receivable rise quickly, but their proportions in sales revenue are decreasing, indicating that the inventory and account sales are in a normal condition. Finally, entrepreneurs are optimistic about the market development, but the Dealer Manager Index records a significant drop, revealing that the over-heating market in the second half of the previous year has somewhat cooled down.

China Economic Monitoring Center of China National Bureau of Statistics and Sinotrust International Information & Consulting (Beijing) jointly release the "2010 Q1 China Automotive Industry Climate Index."

1. The Comprehensive China Automotive Industry Climate Index registers 105.8 points

The China Automotive Industry Climate Index records 105.8 points in the first quarter of 2010 (2001=100), up 3.8 points over the fourth quarter of 2009. In 2009, the economy of China overcame the financial crisis successfully and attracted worldwide attention. The automotive industry developed rapidly with production and sales volumes surpassing the U.S., becoming a key power promoting the stable recovery of the economy of China and making China become the world number 1 auto market. In 2010, under the influence of supportive policies from the government and the improving external environment, the Automotive Climate Index continues to rise and makes a good start.

2. The Pre-warning Index of China Automotive Industry records 133.3 points

The Pre-warning Index is an important indicator reflecting the climate of the auto industry. In Q1 of 2010, the indicator reaches 133.3 points, 16.6 points higher than in Q4 of 2009, showing a recovery trend in the four consecutive quarters and experiencing a fast increase. The index is in the "Yellow Zone," indicating that the automotive industry has already recovered to normal growth after being beaten by the financial crisis in the second half of 2008.

3. The Entrepreneur Expectation Index of China Automotive Industry registers 115.6 points

The Auto Industry Entrepreneur Expectation Index reflects automakers' perception of the current market situation as well as their future anticipations. The index registers 115.6 points in Q1 of 2010, down as much as 10.7 points from Q4 of 2009, but still higher than 100 points. This indicates that entrepreneurs are basically satisfied with the current market status and are still optimistic about the overall market operation in Q2.

4. The Dealer Manager Index of the China Automotive Industry registers 97.9 points

The Dealer Manager Index demonstrates dealers' perception of the current market situation as well as their future anticipations. The index registers 97.9 points in Q1 of 2010, below 100 points for the first time in history and 19.5 points lower than in the previous wave, showing that dealers are not that optimistic about the future market trend.

Firstly, automakers predict that a possible surge in raw material and energy prices will add to cost pressure. A full 60.0% of automakers report that the prices of the raw materials and energy they purchased in 2010 Q1 are higher than those purchased in 2009 Q4, and 80.0% think the prices will go further up in 2010 Q2.

Secondly, dealers' sales close rates show a decline. According to the survey, 71.5% of the respondents report that in 2010 Q1 their sales close rate experienced a decline from 2009 Q4. However, when asked to predict their sales close rate in 2010 Q2, 41.8% think the rate will rise. The figure (41.8%) is nearly 20 percentage points higher than the proportion of the people who think the situation will deteriorate.

Thirdly, dealers are a bit overstocked. Nearly 40% of the dealers report they are somewhat overstocked and more than 50% think their inventories will continue to increase in 2010 Q2.

In conclusion, the price surge of raw materials and energy will add to automakers' costs, and meanwhile the decline in sales close rates and the increase in inventories will bring down vehicles' prices, which in some degree will reduce automakers and dealers' profits. In addition, the "cooling off" of the passion of dealers will soon pass on to automakers and finally slow down the fast growth of auto production and sales.

The China Automotive Industry Climate Index was developed jointly by China Economic Climate Monitor Center of China National Bureau of Statistics and Sinotrust International Information & Consulting (Co., Ltd.) at the beginning of 2009. The index gives a quantitative description of the development trends of the auto market in China.

The quarterly-issued China Automotive Industry Climate Index consists of the Comprehensive Climate Index, Pre-warning Index, Entrepreneur Expectation Index, Dealer Manager Index and Regional Buying-power Index, based on which, the Reports for the Research on China Automobile Industry Climate is compiled to analyze the reasons and trends of climate changes, estimate industry development period, identify the peak and bottom of industry development, and give pre-warning signals. All this paves the way for national macroeconomic control over the auto sector and the creation of production and sales plans by automakers, and guides the sound development of China's auto industry with its accurate and most-up-to-date information.

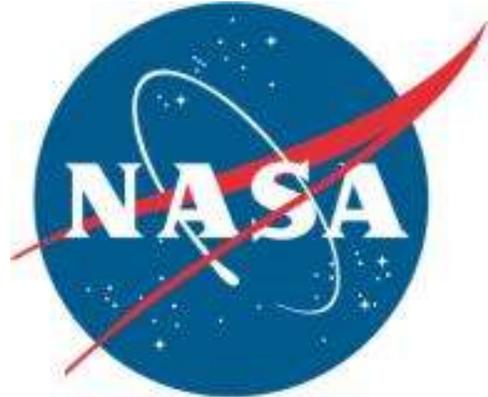
Sinotrust is a leading supplier of marketing solutions to the Chinese automotive market. With offices in Beijing, Shanghai and Guangzhou.

Source: Sinotrust

From Rockets To Race Cars, NASA Comes To NASCAR

From better brakes and safer tires to heat-resistant paint and cleaner emissions, NASA's contributions to the racing world will be featured in the traveling exhibit: "From Rockets to Race Cars" the weekend of April 30-May 1 at the Richmond International Raceway.

Over the years, NASA has provided technology that not only helps the racing world, but also improves conditions for all drivers while helping to protect the environment. On display will be a quarter-scale NASA Benefits Race Car as well as a Wheel Exhibit, that includes a NASCAR tire, Shuttle tire, Lunar Rover tire, Lunar Tweel (a non-pneumatic tire/wheel combination) and a Spring Tire allowing fans the opportunity to see, touch and compare the wheels of yesterday, today and tomorrow.



Fans will get a shot at NASA Spin the Wheel where they can win prizes if they answer NASA-related questions correctly. A "Rockets to Race Car" photo opportunity will allow visitors to have a photo taken with their own camera in which they look like they are sitting in a NASA Race Car.

To find out what else NASA and NASCAR have in common, check out the exhibit at select NASCAR races through June.

NASA's "From Rockets to Race Cars" will be at the following races:

Richmond International Raceway, April 30-May 1
Charlotte Motor Speedway, May 29-30
Kentucky Speedway, June 11-12

For more information about NASA, visit: <http://www.nasa.gov/>

You may not be aware of it, but NASA has a technology transfer program that allows industry to access the innovations developed as part of the US space program, or find solutions for challenges that NASA has. Some of the products developed with NASA technology are: memory foam, cordless tools, scratch resistant lenses, wireless measurement acquisition system.

For those wanting to help find solutions for NASA, a good example is Maverick Corp. of Cincinnati, OH. Maverick developed a family of low-toxicity polyimides that exhibit glass transition temperatures up to 335°C (635°F) and excellent thermal oxidative stability to 316°C (635°F) in aircraft engine environments.

- These "novel" polyimides can be manufactured from fabric or braid using a variety of processes including: autoclave, solvent-assisted Resin Transfer Molding (RTM), and compression molding
- Complex parts produced included: LH2 Test Duct for Reusable Launch Vehicles, High Pressure Cooling Tube, Center Vent Tube, and Stator Vane Bushings
- Thermal and mechanical properties were measured to be comparable to the current state-of-the-art resin system, PMR-15.

The resins will reduce the cost and weight of aerospace structures; hence, useful to NASA's space program. Motorsports have many of the same needs and requirements that NASA does, and could benefit from solutions developed for NASA.

NASA technologies available for license can be searched at the NASA Techfinder portal (<http://technology.nasa.gov>). In addition, the following publications provide insight into available NASA technologies, commercial applications of NASA technologies, as well as technology needs of the Agency:

Tech Briefs Magazine - (www.techbriefs.com) A monthly publication that includes technologies available

for licensing, technologies available at no cost, and NASA's technology needs for which NASA is seeking dual-use technology development partners.

Spinoff Magazine - (www.sti.nasa.gov/tto/) An annual publication featuring about 50 NASA technology transfer successes.

Technology Innovation Magazine - (www.nasa.gov/offices/ipp/products/product_innovation.html) An approximately quarterly publication providing information on NASA's technology needs and associated partnering opportunities, as well as on NASA's partnering successes.

In addition, the public may contact the Innovative Partnerships Program (IPP) National Network (www.nasa.gov/offices/ipp/netowrk/index.html) points of contact and visit Field Center IPP websites for information on NASA technologies available for license. NASA Industry Days held at various NASA Field Centers can also be a useful source of information on available NASA technologies and NASA's technology needs.

The spectrum of technologies key to NASA's missions is so broad that it is difficult to imagine a key industrial sector that could not benefit from NASA's inventions in one or more technology areas. The IPP program, through its various program elements, therefore provides the opportunity for a broad spectrum of industry, large and small companies alike, as well as invites the genius of individuals, to create innovative technology and technology applications for the benefit of NASA's missions and the Nation.

Source: NASA

Master The Courage To Interrogate Reality

A new book by Susan Scott, "Fierce Conversations: Achieving Success at Work and in Life One Conversation at a Time" is an interesting read. Here is some of what she says.

Things change. The world changes. You and I change. Business colleagues, life partners, friends, customers. We are all changing all the time. As Lillian Hellman wrote, "People change and forget to tell one another." Not only do we neglect to share this with others, we are skilled at masking it to ourselves. It's no wonder relationships disintegrate.

The traditional practice of annual strategic planning sessions is a thing of the past. It no longer works for a company's executive team to spend two days on retreat, determine their goals, roll out an action plan, and call it a year. The team members must reconvene quarterly to address the question "What has changed since last we met?" As a company president recently admitted, "I'd like to get a firm grasp on reality, but somebody keeps moving it."

No plan survives its collision with reality. The problem is, reality has an irritating habit of shifting at work and at home, seriously complicating our favorite fantasies. And reality generally wins, whether it's the reality of the marketplace, the reality of a spouse's changing needs, or the reality of our own physical or emotional well-being.

The best we can hope for, to quote business consultant Robert Bridges, is "the masterful administration of the unforeseen." Stuff happens. Internally. Externally. Some you can affect. Some you can't.

The customer responsible for 50 percent of your business files for bankruptcy. Your most valuable employee is recruited away from you. Your competition comes out with a great, new whiz-bang product that you are not prepared to match or beat. New technology renders your product or service obsolete. The economy goes upside down. You go upside down, lost in the complexity of your organization's goals

and challenges.

Perhaps you suddenly landed that huge customer you've been pursuing but never believed you'd get, whose expectations you are unequipped to meet. In the last quarter of 2001, the owner of a crab fishery in the Bering Sea scrambled to fulfill twice the normal orders for crabmeat from his customers in Japan. Why the demand? Following the September 11 terrorist attack, many Japanese canceled their travel plans and stayed home. And while they were home, they ate a lot of crab! Few of us would have foreseen a link between terrorism and the consumption of crab.

It would seem companies are stressed either because their sales are too low or because their sales are too high. As individuals, we are stressed either because we don't have enough of the things we want or because we have all of the things we want. We are either shedding or acquiring; either way, happiness eludes us.

Or perhaps you realize that you're operating at a new level of effectiveness in a particular area of your life. Life feels like your favorite class at school, with a rush of learning every day. You've received a promotion or you've fallen in love with a wonderful person. Whatever it is, something spectacular has happened and you don't want to blow it. It feels like acing a final exam and winning the lottery on the same day-exhilarating and a touch frightening. You've been given a valuable gift-a thrilling new reality-and you know it! And in some corner of your heart, a loving voice suggests, "Listen up, bucko. You'd better make some serious changes or you're gonna blow this deal!"

Let's face it. The world will not be managed. ***Life is curly. Don't try to straighten it out.***

Whether you are running an organization or participating in a committed relationship, you will find yourself continually thwarted in your best efforts to accomplish the goals of the "team" unless reality is regularly and thoroughly examined. You know this. Describing reality, however, can get complicated.

Think of your company as a beach ball. Picture the beach ball as having a red stripe, a green stripe, a yellow stripe, and a blue stripe. Let's imagine that you are the president of the company. That's you standing on the blue stripe. The blue stripe is where you live, every day, day after day. If someone asks you what color your company is, you look down around your feet and say, "My company is blue."

How do you know? You're surrounded by blue. You open a drawer and it's full of blue. You pick up the phone and listen to blue. You walk down the hall and smell blue. Every day you eat, drink, and breathe blue. From where you stand, the company is as blue as it gets. Cobalt blue, to be precise. So here you are in a meeting, laying out your strategy to launch an exciting new project. And, of course, you're explaining that this strategy is brilliant because it takes into consideration the blueness of the company.

Your CFO listens intently. Her brow is furrowed. She lives on the red stripe. All day she's up to her armpits in red. Cash flow is tight. She takes a deep breath and ventures, "I'm excited about this project, but when I hear you describe our company as blue, I wonder if you've studied the latest cash flow projection. I'm dealing with a lot of red these days. Can we talk about this?"

While many leaders do not welcome opposing views, you are highly evolved, so you respond, "Okay, put that red on the table and let's take a look at it." And the debate is on. Blue, red, blue, red, blue, red.

Meanwhile, your director of manufacturing is starting to squirm. He lives on the green stripe. He is thinking, "Man, oh man. The timing on this project couldn't be worse, but every time I share concerns I am viewed as a naysayer. Besides, it's nearly lunchtime and no one will thank me for complicating this conversation even further."

Your VP of engineering, who lives on the yellow stripe, has a strongly held, differing opinion, but his experience has taught him that differences of opinion lead to raised voices and strong emotions, after which someone dies. In his experience, for some people win/win translates to I win. I win again. And the

last time he stuck his toe over the line with a controversial idea, the most vocal member of the team shot it off. So this key executive, who is privy to useful information, pulls off an amazing feat. He shrinks his subatomic particles and disappears.

This is possible, you know. Think about all the times a meeting has ended and you found yourself trying to remember if your VP of engineering was present. He was; he just made himself invisible. Some people are extraordinarily talented at this. They may be brilliant, but disappointingly (and irritatingly), they neither fish nor cut bait, they are neither hot nor cold. They appear to be, at best, politely indifferent.

The ability to hide out at meetings was so prevalent at one company that the behavior eventually got a name. Picture a leader holding forth from one end of the boardroom table. She is espousing the cleverness of the current strategy. Like all good leaders, at some point she offers an opportunity for others to respond. Something like, "So what do you think?"

It gets quiet around the table. Unnaturally quiet. Like the quiet before a tornado, when birds fall silent and not a leaf stirs and a bilious sky warns of an approaching storm. Around the table, eyes fall. Each individual practices the art of personal stealth technology, attempting to drop beneath the leader's radar screen. At one point the leader calls on some poor bloke who is less skilled at vanishing than his team members.

"Jim, what do you think of the plan?"

Jim gets that look on his face like a cat occupied in the litter box-sort of far away as if to indicate that he is not really here and neither are you. The leader waits Jim out. Jim has to do something. Jim nods. His head moves up and down as he gazes fixedly at a spot on the boardroom table.

The leader smiles.

"And what about you, Elaine?" the leader persists.

Elaine steps into the litter box. Head down. Eyes averted. She nods.

And so forth around the table, as the leader scans the room.

The Corporate Nod.

Satisfied, the leader concludes, "Good. We launch on Monday."

In the funnies, characters' thought-bubbles float overhead, capturing the unfiltered notions bobbing about in their heads. We love the Dilbert comic strip because the characters actually say what they're thinking and it's often what we have thought ourselves. If we could read the thought-bubbles floating over the heads of people sitting around the boardroom table, the very people charged with implementing the strategy, we might see: "There's no way we can do that! This is crazy!" Or "This sucker is going down. Time to dust off my resume." Or "Wonder if my family would notice if I bought a ticket to Barbados and disappeared."

We don't know what people are thinking unless they tell us. And even then, there's no guarantee they're telling us what they really think. Yet, if asked, most people avow that they want to hear the truth, even if it is unpalatable.

A friend who is a high-level executive, intimidating to many, recently promoted a courageous employee who walked into his office with a large bucket of sand and poured it on the rug. "What the hell are you doing?" demanded my friend.

The employee replied, "I just figured I'd make it easier for you to bury your head in the sand on the topic I keep bringing up and you keep avoiding."

You can be assured this employee would not have taken such a bold and risky step if he were not convinced that the company was about to embark on a road to ruin. After a sleepless night, he had determined that he owed it to himself, his colleagues, his customers, and his leader to either make himself heard or leave the organization. He told his boss, "Everyone's in-basket and out-basket are full, but I'm concerned we're avoiding the too hard basket."

The conversation following this outrageous act interrogated reality, provoked learning, tackled a tough challenge, and enriched the relationship. It is no small thing that, as a result, the company made the changes necessary to avoid a potential disaster.

If you're in a similar situation, I don't advise you to buy a bucket of sand. However, do recognize that there is something within us that responds deeply to people who level with us, who do not pamper us or offer compromises but, instead, describe reality so simply and compellingly that the truth seems inevitable, and we cannot help but recognize it.

And if you are the boss who deserves a bucket of sand, you may have been defending yourself with the complaint: "I pump out energy and it's unilateral. Nothing comes back." Perhaps you are not allowing it to come back.

The Corporate Nod shows up in living rooms as well as boardrooms. Companies and marriages derail temporarily or permanently because people don't say what they are really thinking. No one really asks. No one really answers.

Ask yourself ...

* What are my goals when I converse with people? What kinds of things do I usually discuss? Are there other topics that would be more interesting?

* How often do I find myself-just to be polite-saying things I don't mean?

* How many meetings have I sat in where I knew the real issues were not being discussed? And what about the conversations in my marriage? What issues are we avoiding?

* If I were guaranteed honest responses to any three questions, whom would I question and what would I ask?

* What has been the economical, emotional, and intellectual cost to the company of not identifying and tackling the real issues? What has been the cost to my marriage? What has been the cost to me?

* How often do I recall members of my team or staff putting their real concerns on the table in an attempt to make the conversation genuine? What about my conversations at home? How honest are my partner and I being with each other?

* When was the last time I said what I really thought and felt?

* How would I describe the level of collaboration, alignment, and accountability of my executive team? of my family members?

* What are the leaders in my organization pretending not to know? What are members of my family pretending not to know? What am I pretending not to know?

* How certain am I that my team members are deeply committed to the same vision? How certain am I that my life partner is deeply committed to the vision I hold for our future?

* When was the last time I confronted someone at work or at home about his or her behavior and ended

the conversation having enriched the relationship?

* If nothing changes regarding the outcomes of the conversations within my organization, what are the implications for my own success and career? for my department? for key customers? for the organization's future? What about my marriage? If nothing changes, what are the implications for us as a couple? for me?

* What is the conversation I've been unable to have with senior executives, with my colleagues, with my direct reports, with my customers, with my life partner, and most important, with myself, with my own aspirations, that if I were able to have, might make the difference, might change everything?

* If all of my conversations with the most important people in my life, including my spouse and family members, successfully interrogated reality, provoked learning, tackled the tough challenges, and enriched relationships, what difference could that make to the quality of my life?

Are My Truths in the Way?

It would be a gross oversimplification to suggest that each of us simply needs to tell the truth. Will Schutz, who has taught seminars on honesty for decades, suggests that truth is the grand simplifier, that relationships and organizations are simplified, energized, and clarified when they exist in an atmosphere of truth. Yet Schutz acknowledges that truth, itself, is far from simple.

Pause for a moment and think about the truth. After all, what is the truth, and does anybody own it?

What each of us believes to be true simply reflects our views about reality. When reality changes (and when doesn't it?) and when we ignore competing realities (remember the beach ball?), if we dig in our heels regarding a familiar or favored reality, we may fail. Perhaps what we thought was the truth is no longer the truth in today's environment.

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