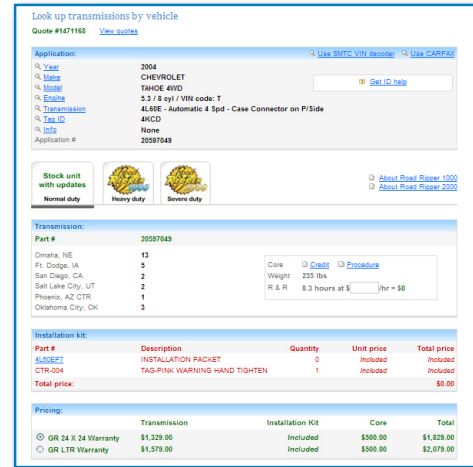


“SHOW ME THE CARS” SOFTWARE:

A phone call to a parts supplier versus a computer look-up can prove to be very valuable. Why? We all know, they may tip us off on something to be aware of when selling a particular part. Or maybe, they tell us we are sniffing up the wrong tree on a diagnosis when they have never sold a particular item that we are asking for a price on. On the other hand, the fact that there are 20 on the suppliers shelf tells us we are up the right tree. The Toyota Rav 4 earlier in this issue is an excellent illustration of that. So when you call us for a price on a transmission, if there is something we think you ought to check, we will mention it. As a side note, for that particular vintage of Rav 4, Certified Transmission includes the computer as well as the fluid in the box with the transmission.

However, for those of you who hate making a phone call to parts house, we have look up software available. Skip all the conversational semantics. You can check price as well as view our local inventory and the inventory of the next three closest warehouses. If you see computer (ECM) noted in the install kit with the transmission, you might go back & check your diagnosis. ■



Snap Shot Show Me the Cars (SMTC)

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At Tri-City Transmission all we have to know is our specially, Transmissions. So, we are passionate about regularly scheduled transmission service. We perform as many as thirty pan-off “services” every week. With that said, a couple times a week we are correcting a prior transmission service that a customer had done wrong at another repair facility. The customer may never know that the negative symptoms they come to see us for and the prior transmission service are connected. A proper transmission service is a real value to the customer when done right. However, it’s better not to service the transmission than to service it improperly.

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DAVE’S CORNER:

What’s New at Tri-City

We are just coming up on our third year of doing business with Certified Transmission out of Omaha, NE. Although Certified Transmission has been around since the late seventies and has always had a great reputation, now, Tri-City Transmission is no longer reliant on just Certified’s reputation; we have first hand experience for the last three years. While we rebuild the majority of the transmissions that comes out of our shop, we are happy to use a remanufactured Certified Transmission at our shop whenever it’s a good fit for the customer.



Dave Riccio
President
Tri-City Transmission

With this confidence in Certified Transmission, we are continually growing our wholesale remanufactured transmission business. We are adding part numbers to our inventory every quarter. The inventory is dynamic, so when our system sees consistent “look ups” for a particular application of a transmission that we do not have, its added to the next stock run. We don’t plan on having every possible application of transmission, but we will be focusing on the top moving part #'s with the window being between 5 and 15 model years back. However, if we don’t have it on the shelf here in town, we have 4 other western warehouses that we transfer Certified Transmissions in from.

On another note, be sure to welcome Gary Elliott, our outside customer support. Many of you are familiar with Gary as he has been in auto part sales support in the valley for the last six years. We are excited to have Gary onboard since we have always appreciated his candor when he called on us.

Thank You for your continued support of Tri-City Transmission.

Sincerely,

Dave Riccio



Volume 1. Issue 1

In this Issue:

Dave’s Corner – What’s New at Tri-City

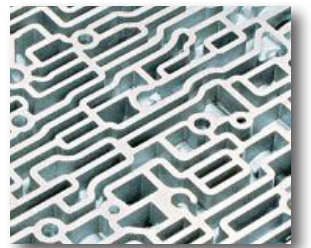
Industry Outlook – The Modern Transmission

Case Study: Toyota Rav 4

Dispel a Transmission Myth: To Service or Not to Service

INDUSTRY OUTLOOK: The Modern Transmission

Well, the transmission business is changing quicker than ever before. The modern transmission is a fabulous piece of machinery. They are lightweight, smooth and super efficient. Five speed automatics have become standard with the six speed automatics following close behind. Nine speeds are not an unusual find in your higher end late model luxury cars.



The modern transmission is highly adaptive to clutch wear and driver habits. Manufacturers have constantly improved the idiosyncrasies typically associated with the automatic transmission. With that said, the On/Off, Open/Closed shift solenoid is a thing of the past. All the solenoids have gone to Pulse Width Modulated (P.W.M.) operation, like a dimmer switch as opposed to a light switch and they are specific to each gear change function. One Electronic Pressure Control (E.P.C.) solenoid no longer covers all the gear shifts, it’s done at each individual shift solenoid and there are twice as many of them. The Transmission Control Module (T.C.M.) is more commonly moved to the valve body inside the transmission instead of behind the glove box.

All this being said, what does all this mean to our industry? Well, diagnostics can be considerably harder and a misdiagnosed transmission repair just got **way** more expensive. The cost of the transmission has gone up exponentially. The days of a Turbo 350 rebuild for \$350 are history.

The customer's initial phone call was from her brother inquiring about the cost of a transmission for her 2002 Toyota RAV 4, 4WD. He was adamant about getting a price on a transmission over the phone. I told him I would be happy to give him one once we had a chance to take a look at it. He then said, my sister was already told that she needed a transmission, so how much is yours!? Here is how the story ends.....

Customer Concern / Symptoms:

The vehicle feels sluggish, and it sometimes feels like the engine won't connect with the tires when leaving a stop light. When your rolling along and you punch it to accelerate, it won't down shift.

Test Data & Diagnosis:

Diagnostic trouble codes (DTC's) on arrival: P0750 – Shift Solenoid "A" Fault. Transmission fluid condition on arrival: Black in color, with a burnt odor. The fluid level was full.

The transmission started in the wrong gear and would bind up from time to time. Vehicle driveability was horrendous. The scan data and light bar test showed power going to the wrong solenoids in the transmission which were applying opposing clutches. This pointed us in the direction of a failed sequence of operation from the computer. Research from the known problem data base shows a technical service bulletin from Toyota for these exact symptom that we verified. The computer is faulty.

Recommendation & Resolution:

Replace the computer as a first step in the repair process, follow by a road test of the vehicle to verify if the transmission operates properly. The transmission may have already been damaged from the faulty computer. However, this transmission is pretty tough and could still be a viable unit. If the transmission works properly after replacing the computer, then a service of the transmission including a complete fluid exchange to remove the oxidized fluid, a filter replacement and verification there is no evidence of transmission debris lying in the transmission pan would properly complete the job.

"They wanted to find out really what was going on with my car and didn't buy into the lie I was being told."

Tri-City Transmission Comments for this Repair:

We learned this one the hard way several years ago. We sold a transmission to a customer with this same vintage Rav 4 and when we removed it from the vehicle, dis-assembly of the transmission did not indicate that there was anything wrong with the transmission. Just like our case study, the transmission fluid on this one did look badly discolored as well, but it was more from a lack of maintenance than anything else. We ended up resealing this transmission at no expense to the customer and selling them a computer. This was an expensive mistake for us, and our customer was fortunate that we didn't just sell them a remanufactured transmission or we wouldn't have discovered the error of our ways.

In this particular case study, this customer left our shop for the price of a transmission service and engine control module. She was told by XYZ transmission shop that she needed a transmission for \$6000. This price may or may not have included a computer. At Tri-City Transmission, we have now done this repair enough times and we have seen this transmission survive for several years after we replaced the computer and not the transmission. Guess what? They still work great to this day.

We have seen this same type of problem to be more common in the Toyota lines. This particular transmission is referred to as a U140E or U140F depending on if it is 2WD or 4WD. This transmission is common to many of the front wheel drive cars for Toyota and Lexus. Here's a few other U140E & U140F equipped models: Lexus ES300, RX300 or the Toyota Rav4, Highlander, and Camry.

Customer's Final Comments Posted on Dex (shortened for clarity)

Best in the Southwest by Ragmop - 05/27/2011
Tri-City Transmission is the Best in the Southwest. I have never had such an awesome experience with such a First Rate, First Class group of auto professionals. I was told my car had to have the transmission replaced ... to the tune of \$6000! ... that first quote nearly gave me a heart attack. Thankfully my good friends and several associates advised me to get a second opinion fromTri-City Transmission. I now know, there is no transmission they cannot fix. Listen to their ad on the radio, KTAR-FM, it sums up how they are up front and honest. It was ...refreshing to have a BIG company go that extra mile. They wanted to find out really what was going on with my car, ... and they didn't buy into the lie I was being told about needing 6k in repairs. They are very good at communicating with you EVERY step of the repair and they even had a loaner car for me at no cost. I did not need a new transmission as Tri-City determined my car needed a faulty computer replaced to correct the problem ... Call them they are #1.



Industry Comments & Insight:

Our industry is programmed to think that transmissions only last 100k miles. This is partly because 1 in 3 transmissions are rebuilt or replaced unnecessarily, and because the installing shop never sees the inside of the transmission. They never find out what the root cause of the problem was, unless the rebuilt unit does not solve the problem in which case they now have to call back the customer and somehow justify a PCM or TCM replacement along with the additional cost of repair.

We have found that 2/3rd of the time at our shop; the relationship with the customer generally follows this same path as described above. Customers need to be aware that if you call a shop for a price on a transmission, some will be happy to sell you one, whether you need it or not. It wouldn't be because they are dishonest. The process started out on the wrong foot. Especially if it falls into the incorrect expectation that transmission only last 100k miles. This particular car above has 130,000 miles on it. We find this particular transmission to regularly last 200,000 miles.

In our industry, we are often rushed by the customer and the first pieces of the repair process to get short cut are the "Sales Labor" and the "due diligence" needed to make an accurate diagnosis. Sales discipline is greatly lacking and is needed. It is easier to just sell a transmission then take the necessary steps to correct the customers' wrong expectations and spend the customer's money unwisely. Frankly, often the customer is as much to blame for having these unrealistic expectations.

When I think of how long it takes my family to set aside \$3,200, I realize that in the scheme of 365 days a year, that I drive my car, I could hold out for an accurate diagnosis, and spend a little money on a rental car if needed. Also, if a customer would realize how much money is spent "right or wrong" on an auto repair, they would not choose an auto repair professional simply based on convenience. Your car can be your second biggest investment. Don't trust it to just anybody. Consumers need to be honest with themselves and do their homework before picking an automotive professional. ■

Industry Outlook: The Modern Transmission: continued from page 1

The Cost of a valve body with an integral TCM like the one in the late model Nissan Frontier runs \$1,000. That is just one commonly replaced component that would go into an overhaul/ rebuilt or a remanufactured transmission.

More than ever, manufacturers are trying to stay out ahead of the transmission rebuilder industry with more and more proprietary products. However, the transmission industry continues to shadow the manufacturers through organizations like A.T.R.A. or ATSG. We are fixing more and more transmissions with scanners, pressure gauges, lap-tops and an internet connection. In other words, we change TCM parameters to make the transmission work better instead of replacing widgets, tweaking springs, adjusting T.V. cables or replacing vacuum modulators.

In summary, we may not always like it, but it is our belief that we need to continue to learn, change and adapt in our industry. This means staying current with quarterly schooling, take full advantage of our technical support and to continue to embrace the change. With the price of a transmission going way up and a weak economy, if we can fix a transmission for a customer without replacing it, our value has skyrocketed to the consumer and that's where we continue to choose to be. ■

DISPEL A TRANSMISSION MYTH:

To Service or Not to Service:

Here are the questions that I ask myself. Do we service transmissions because it is a profit center for our shop? I certainly hope not! Do we service transmissions because it gives our customer piece of mind? Yes, that's part of it, but not all of it. So why do we recommend a transmission service to our customers?

I think for most good shops, the idea behind servicing transmissions is because it prevents our customer from needing to buy a transmission prematurely. Let's take a customer who buys a new car every 10 years. At a typically average of 15,000 miles per year here in the valley means they will be holding onto the vehicle till 150,000 miles. Taking the great, the good, the bad, and the ugly transmission models that are out there all combined, the average bell curve of transmission failure starts at around 80,000 miles, peaks at 130,000 miles and tappers down to near completion at about 180,000 miles. This is very general, there are always those few exceptions and did you see that I mentioned the ugly transmissions. However, with proactive service of our customer's transmission, we can prevent them from buying a transmission before they are done with the vehicle.

So why do some auto manufacturers claim "Lifetime Fill" on their transmissions? I am not sure, but I have some theories. Here is one we can all relate to. How long does Dex Cool last? G.M. claims Dex Cool last anywhere between 100,000 - 150,000 miles depending on the particular model vehicle. Or, how well did maintenance free batteries last? Here is an interesting scenario that may change your perspective. On more than one occasions, we have had two vehicles side by side in our shop from completely different vehicle manufacturers, but, both having the same exact model of transmission. One vehicle manufacturer says "Lifetime Fill" and labels it right on the transmission pan while the other says every 30k miles in the owner's manual. Here we have two of the same transmissions with identical technologies, but completely different service recommendations. Is this some sort of marketing that has little to do with good transmission maintenance? "Lifetime fill" sounds trouble free and appealing to the consumer, but, is it in their best interest?

Automobile manufacturers have different motives for their recommendations. They are not only in the business of just selling cars, but also in the business of selling parts. While they are happy to sell us a new vehicle every 3 – 5 years, if they can't, they can still sell us parts. Automobile manufacturers are very much in the remanufactured transmission business as well as selling transmission rebuild components to rebuilders. I would bet, a good portion of the auto manufacturer's revenue comes from parts. How much, I don't know. Ask them.

Is that bad or unfair? No, if they could build the perfect car that didn't use parts, we couldn't afford it. However, we can certainly increase our maintenance to minimize unnecessary repairs. What do we recommend? At Tri-City Transmission, our service intervals are more frequent than most factory manuals. Partly because the fluid breaks down quicker in a hot climate and secondly we know that most transmissions fail for simple reasons that could have been caught with regular maintenance. Minor leaks, loose bands and minor valve body issues are good examples. Also, if we tell our customer once a year, they end up doing it every 2 years. If we tell them every two years,- we may not get done till 3 years. ■

Recommendations:

Pan-Off Service:

Every 12 months or 24,000 miles, whichever comes first

Complete Fluid Exchange w/ Filter:

Only when fluid has been neglected based on smell & color

