



## SPECIALTY EQUIPMENT MARKET ASSOCIATION

### **BOARD OF DIRECTORS CANDIDATE QUESTIONNAIRE 2019 ELECTION YEAR**

# **CHRIS JOHNSON**

#### **Part 1 – Personal/Professional History**

1. Please provide a history of your professional background and education (including professional development). Feel free to attach your résumé and/or bio. Describe the specifics of your current job responsibilities:

• SCT/Derive Systems: 2003–current  
- Titles: CEO/President/Vice President 2003–2013  
- SCT Founder/R&D Principal 2014–current

• JMS: 1993–current  
- Titles: CEO/President/Founder

AT&T/Lucent Technologies/Bell Labs: 1989–2003  
- Titles: Member of Technical Staff - Senior Technical Associate

• Waubensee Community College – A.A.S. Computer Science; Engineering

2. Indicate your historic and/or current involvement with automotive industry initiatives specifically, as well as other professional and philanthropic associations, societies and organizations you have been actively involved in. Please be specific about other boards (if any) on which you have served or are currently serving:

I have served as an advisor or on the board of directors of the automotive companies that I have founded.

3. Please highlight specific career accomplishments including, but not limited to, patents received, product innovations, awards and recognitions, publications, marketing or business programs, presentation to business and/or industry symposiums. Share any and all significant or notable accomplishments:

• SCT/Derive have received several awards from SEMA and is a Platinum SEMA Data Co-op member.  
2016 SEMA Show Stopper New Product Award  
2014 SEMA International Ambassador Award - SCT

2012 SEMA Best New Performance-Street Product  
 Several Global Media Product Awards

- JMS is a Platinum Data Co-op member.
- PRI 2010 Presentation – Aftermarket ECU Calibration - ATEC Conference
- Publications/Articles–Over the past 26 years, I have personally appeared in more than 60 aftermarket automotive magazine tuning articles and several TV shows.
- As one of the pioneers of the aftermarket tuning industry, I am very hopeful that the new EPA/Derive aftermarket tuning agreement will provide our industry with a path forward into the future.

4. Please mark each of the skill categories where you believe you possess a level of expertise:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Manufacturing                       | <input checked="" type="checkbox"/> Motor Sports/Racing                |
| <input checked="" type="checkbox"/> Distribution/Logistics              | <input checked="" type="checkbox"/> Vehicle Shows/Auctions/Exhibitions |
| <input checked="" type="checkbox"/> Supply Chain                        | <input checked="" type="checkbox"/> Financial Planning/Management      |
| <input checked="" type="checkbox"/> Engineering                         | <input checked="" type="checkbox"/> Accounting                         |
| <input checked="" type="checkbox"/> Vehicular/Product Design/Innovation | <input checked="" type="checkbox"/> Human Resources Management         |
| <input checked="" type="checkbox"/> Product Management                  | <input checked="" type="checkbox"/> Business Management/ Development   |
| <input checked="" type="checkbox"/> OEM Design/Technology               | <input checked="" type="checkbox"/> Sales                              |
| <input checked="" type="checkbox"/> Brand Management                    | <input checked="" type="checkbox"/> Business Technology                |
| <input checked="" type="checkbox"/> Advertising                         | <input checked="" type="checkbox"/> Data Management                    |
| <input checked="" type="checkbox"/> Marketing                           | <input type="checkbox"/> Internet Utilization                          |
| <input checked="" type="checkbox"/> Strategic Planning                  | <input type="checkbox"/> Other (specify):                              |
| <input type="checkbox"/> Public Relations                               | _____  |
| <input type="checkbox"/> Crisis Management                              | _____  |
| <input checked="" type="checkbox"/> Regulatory Compliance               | _____  |
| <input type="checkbox"/> Legislative/Lobbying                           | _____  |

**Part 2 – Personal/Professional Attributes**

5. What are your specific areas of expertise? What unique skills or perspective do you think you could bring to the leadership of SEMA? What business or life experience do you have that prepares you to help shape the direction of the industry? What industry issues are you particularly passionate about?

My specific area of expertise is: the ability to blend the automotive dream, electronics and business management into a package that most folks can understand.

Unique perspective:

- A) The viewpoint of someone who transformed a small hobby business into one of the larger player’s in the automotive aftermarket.
- B) The viewpoint of someone who has had to interface with Air Resources Board (ARB) since 2002.

I am particularly passionate about continuing the expansion of aftermarket tuning. Our future is being decided today. We must continue a dialogue with the EPA/ARB and focus on enhancing our calibration compliance.

6. What would you say is/are your most notable achievement(s) to this point in your career? What are you most proud of?

My proudest moments are when I watch folks succeed. It makes me smile each year when many of the old-guard/long-term “original employees” receive their yearly anniversary recognition. Many folks have been following my leadership for upwards of 20 years. I am very lucky to be involved in an industry that I love.

### Part 3 – Industry Perspective

7. What do you consider to be the top opportunities or threats facing the specialty parts aftermarket over the next five years? Try to be specific to industry trends. You may comment on macroeconomic issues (inflation, unemployment, health care, etc.) but only if they are relevant to your perspective on industry issues.

#### - Industry Opportunities:

##### • **Late-model petrol powertrains—classic vehicle conversions**

###### - Classic Vehicle Petrol Powertrain Conversions

If you tuned in to watch the Barrett-Jackson auto auction in early January, you would have witnessed the sale of multiple '60s Corvettes with late-model petrol powertrain conversions. The sale of these conversion vehicles is a testament to the popularity of installing late-model petrol powertrains into classic vehicles. There will be a continued opportunity for companies in the specialty parts aftermarket to develop parts to support the installation and function of these conversions.

##### • **Hybrid and electric vehicles**

###### - Classic vehicle electric powertrain conversions

Original equipment (OE) vehicle manufacturers are currently repositioning their portfolios to include electric vehicles. An opportunity will exist for the specialty parts aftermarket to develop “drop-in electric powertrain systems” for classic vehicles. Aftermarket parts that will need to be developed include: electric motor-to-OE transmission adapters, automatic transmission pump modifications, climate control systems, variable-frequency drive motor controllers, battery management and much more.

###### - Replacement “hot-rod” control systems for OE electric vehicles (ex. Tesla, Bolt, Volt).

An electric vehicle (EV) enthusiast market will begin to develop as the vehicles gain acceptance. When the EV market segment matures, enthusiasts will be looking for the ability to “hot rod” their electric vehicles. An opportunity will exist for the specialty parts aftermarket to develop replacement parts that will modify the performance of EVs. Aftermarket parts that will need to be developed include: higher-capacity/output battery systems, HO-replacement, variable-frequency drive motor controllers and more.

- Replacement “drop in” hybrid powertrain conversions

As hybrid vehicles grow in popularity, an opportunity will exist for the specialty parts aftermarket to develop replacement powertrain systems for hybrid vehicles (either petrol or full electric drop-in systems). The opportunity to develop hybrid powertrains that will drop into either classic cars or other late-model vehicles will also be a potential aftermarket opportunity.

• **Government (EPA/ARB)–compliance**

- Aftermarket emissions testing, certification and compliance

The path to aftermarket emissions compliance is well defined. It is in the best interest of aftermarket companies to test and certify their products. I believe that companies that focus on compliance will have the best opportunity to grow and avoid the legal consequences of non-compliance.

*Compliance opportunities:*

- 1) Marketing: Certified products can be marketed as “legal-to-install automotive products.”
- 2) Additional Value: Certified products that can be sold without the fear of an environmental civil suit have a higher potential value.
- 3) Certification services: The need for certified products will create the opportunity for companies to specialize in providing aftermarket certification services.

• **Advanced vehicle technology**

- Adding advanced vehicle technology to classic vehicles

A technology bridge will need to be developed between old and new vehicles, as the OEM’s continue to add connected car features. The aftermarket will need to partner with the OEM to insure that what they are developing will be compatible with the latest technology.

- **Industry Threats:**

• **Government (EPA/ARB)–Compliance Civil Suits**

- Compliance civil suits–EPA/ARB vs. SEMA membership

Civil suits and judgments against SEMA membership threaten the health and the future of the aftermarket performance industry.

• **Enhanced OEM vehicle ECU (engine control unit) security**

- Vehicle manufactures have internal teams that are focused on eliminating aftermarket calibrations.

Many SEMA members rely on the ability of the aftermarket to “alter the calibration” of a vehicle’s ECU. The ability for the specialty parts aftermarket to modify the ECU of a vehicle is critical to SEMA’s future growth. If the ability for the aftermarket to modify a vehicle’s ECU is reduced or eliminated, a large number of SEMA-member companies will be affected. A small example of the products that will be affected: wheels and tires, camshafts, intakes, cylinder heads, exhaust systems, supercharging systems and turbocharging systems.

• **Hybrid and electric vehicles**

- Electric vehicles (EV)–potential aftermarket industry disruptor

EVs have the potential to disrupt the specialty parts aftermarket. It is critical to expand the current partnership that exists between SEMA and the OE vehicle manufacturers. An expanded partnership

should include a pathway for SEMA companies to partner with OE manufacturers.

8. Of the issues you identify above, which ONE concerns you the most as to how it will impact the industry's future? What would you do to initiate change to either expedite a positive outcome or prevent a potential disaster?

• **Government (EPA/ARB)–Compliance Civil Suits**

Civil suits and judgments against SEMA membership threaten the health and the future of the aftermarket performance industry. It has been my observation, that among fellow SEMA aftermarket business managers: "fear of the EPA/ARB" has never been higher. I believe that this fear should be addressed with constant, accurate information from SEMA. The information provided should be a re-written, simple to comprehend rehash of current EPA/ARB aftermarket settlements. It has been my personal experience that education and constant communication will reduce fear and enhance awareness and involvement.

**Part 4 – Association Specific Observations**

9. Do you feel that the Board of Directors and SEMA are currently pursuing the initiatives that are critical to our business segment? What would you place more emphasis on? What would you discontinue? What would you add?

I sincerely appreciate and support the current initiatives that SEMA is supporting and pursuing.

It would be great to see additional emphasis placed on educating the membership on the pathways to EPA/ARB compliance.

Adding or discontinuing programs: It would be great to see the data/metrics on current programs before making any recommendations.

10. As a SEMA Board member how do you feel you would be uniquely qualified to help address the issues you identified above?

Since 2002, I have personally been involved with ARB compliance testing. I believe that this prior experience would uniquely qualify me to help SEMA educate its members about the path to emissions compliance.

11. What do you see as SEMA's weaknesses?

It has been my experience that politicians typically will listen to the group with the largest sphere of influence.

- The size of the current SEMA membership could be viewed as a political weakness (~7,500 industry members). I think that we need to grow the size of the SEMA membership so we can apply additional leverage to our legislators.

12. How about its strengths?

- SEMA is a well-organized, well-funded group that represents an exciting and dynamic industry segment.
- The ability of SEMA to catch and hold the attention of media and its membership is very impressive.

13. If you were chosen to chair the Long-Range Planning Committee, which topics or issues would you want your committee to be deliberating on?

Increasing/expanding the SEMA membership base.

- If membership was expanded: it might make sense to discuss splitting the Vegas SEMA Show into two shows.
- Vegas Show 1: "open to the public and trade SEMA show" similar to the current SEMA with glitz, glamor, OE displays and modified vehicles.
- Vegas Show 2: "closed to the public show", this show would be small and intimate. It would be designed and cater to "SEMA buyers only". No glitz and glamor, 10x10- or 10x20-ft. booths and strict credentials (no BIG displays or vehicles, models, flashing lights and distractions).
- Add additional programs that would appeal to the next generation of SEMA members. These programs should excite and empower the young folks of today.

Expanding SEMA government legislation/lobby efforts.

- Discussion would center on: how to support and promote politicians that are "pro race-car".

## Part 5 – About You

14. Questionnaires can be very limiting. In the space below, share with us anything we didn't ask that you believe will help the Nominating Committee develop a better understanding of you as a candidate:

As a veteran racer (I won my first NMCA Drag Racing event in 1996) and car enthusiast, I have a strong passion for preserving and protecting our racing industry.

I am running for the SEMA Board of Directors because I am passionate about protecting and growing our industry for the business leaders of tomorrow. I believe in Strength in Numbers, Accelerating Compliance, and keeping SEMA focused on being Future Forward.

Expanded SEMA membership strengthens our political power, earning us a better seat at the table. Growing SEMA's base through individual memberships will give our community a stronger voice to protect, enhance, and grow our businesses, our industry, and our passion for the vehicles that we love.

Educating SEMA members on the pathways to compliance, and how to work with the EPA and ARB is a critical task. I believe that this should be addressed with constant, accurate information from SEMA. We will continue to work with government agencies to insure the future of the aftermarket performance industry.

SEMA's future is being decided right now. We must focus on growing our industry on our terms and not let anyone else control it for us. What is important to SEMA's members, their customers, and their families needs to be important to SEMA, and it is our job to work together to build a future that offers tremendous opportunity to us all.

Thank you – I sincerely appreciate your consideration for the SEMA Board of Directors.

To follow my SEMA campaign, please visit: [www.votechrisjohnson.com](http://www.votechrisjohnson.com)