



SPECIALTY EQUIPMENT MARKET ASSOCIATION

CHAIR-ELECT CANDIDATE QUESTIONNAIRE 2019 ELECTION YEAR

RUSSELL STEPHENS

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:

I started in the industry in 1979 with MSD. Worked at MSD through high school and college. I graduated from the University of Texas at El Paso with a bachelors degree in business marketing option in 1988. Upon graduation, I took over sales for MSD. I ran sales for MSD for 17 years, overseeing the huge sales growth of the '90s. I was president of MSD from 2009–2019 where I had full P&L responsibility. This included significant manufacturing, sales, marketing and engineering operations. I am experienced in private equity and CARB compliance, and I have a deep passion for racing. I oversaw MSD's Circle-Track racing program for more than 20 years. I began racing go-karts at 11 years old and graduated to dirt-track stock cars when I was 17. Recently, I left MSD and founded my own consulting company, Performance Brands Advisors.

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:

My SEMA service is well over 25 years. As you can see from the attachment, I have served three terms on the Board and have sat on and chaired numerous SEMA committees. I've always enthusiastically accepted any assignments from SEMA. I have also served on the MPMC select committee. I am currently vice-chair (senior lay elder) of the Elder Board for Cielo Vista Church, a large, non-denominational mega-church in El Paso with weekly attendance around 2,000 people. I am also currently involved in a national ministry called Fathers in the Field. This is a faith-based program that pairs fatherless boys with godly men to mentor them using the love of the outdoors as a platform. I am the church champion for the program at CVC, so I mentor a 16-year-old fatherless boy and oversee two other men who are mentoring fatherless boys. In addition, I disciple a young man every other week.

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:

Most of my career has been spent in the sales field or the executive field. However, I contributed to the design of several products, including the MSD Blaster SS coil and MSD Wire Separators. I am also listed as an inventor on the patent for the MSD Atomic Airforce intake manifold. I have also named several of the key MSD products, such as the Super Conductor Spark Plug Wires and the Atomic Fuel Injection. I was PWA Person of the Year in 2005 and won the MRC Inaugural Sales Team of the Year award. I helped bring the MSD MVP program to the industry. This was the first unilateral pricing program brought to market by a major performance manufacturer. In 2005, I was the keynote speaker at the PWA Annual Breakfast at the SEMA Show. I have been a longtime member of the SEMA PAC Presidents Club.

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 type="checkbox"/> Financial Planning/Management
<input type="checkbox"/> Engineering	<input type="checkbox"/> Accounting
<input 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 type="checkbox"/> OEM Design/Technology	<input checked="" type="checkbox"/> Sales
<input checked="" type="checkbox"/> Brand Management	<input type="checkbox"/> Business Technology
<input checked="" type="checkbox"/> Advertising	<input type="checkbox"/> Data Management
<input checked="" type="checkbox"/> Marketing	<input checked="" type="checkbox"/> Internet Utilization
<input checked="" type="checkbox"/> Strategic Planning	<input checked="" type="checkbox"/> Other (specify):
<input checked="" type="checkbox"/> Public Relations	As President of a large organization, you
<input type="checkbox"/> Crisis Management	can almost check every one of the
<input checked="" type="checkbox"/> Regulatory Compliance	boxes. You may not be an expert in each
<input checked="" type="checkbox"/> Legislative/Lobbying	field but you have working knowledge of
	every category.

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 area of expertise is people. I have more than 30 years of business experience specific to the performance aftermarket industry, but my passion is helping employees and other people succeed by being the best they can. I believe in personal growth, personal character and helping people by encouraging and empowering them. I believe that is the single most important skill the Chairman of the Board should have. I have been a passionate car person my entire life. I have worked in the industry my entire professional career. I am a big race fan and especially love sprint cars, modifieds and late-models, but I like all racing. My two dream cars are a '70 Plymouth Superbird and a '32 Ford five-window coupe (after I saw *American Grafitti*.) The Superbird is out of my budget, but I currently have a hot-rod red '32 Ford five-window coupe with a 500hp fuel-injected LS3 engine.

Industry Issues: I have great concerns about the future of the industry. Every one of us should list the youth initiative as a key issue. Each year I am encouraged by the young people at the SEMA Show, but the world is changing. The future of our industry is contingent on connecting with younger generations. The second industry issue that concerns me and many other people is legislation that attacks our industry. There are threats coming from many directions, and SEMA needs to continue fighting hard for our right to modify and customize our cars and trucks.

Qualification to lead SEMA: I feel my combination of industry experience, SEMA

experience and being a lifelong gearhead with a passion for racing and hot rods gives me a unique perspective to help shape the direction of the industry.

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

I would have to say that the longtime relationships with customers, competitors, professional racers, employees and other industry people is my most notable achievement. Even among people about whom I've had to make hard decisions or even terminate, I have been able to continue the friendship and relationship. I have always tried to treat people fairly and honestly, and my reputation within the industry is what I am most proud of in my career. In my personal life, I am most proud of my beautiful wife Michele, our six kids and six grandchildren. I am truly blessed.

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.

I believe every threat is an opportunity, and the specialty parts aftermarket has several opportunities that need to be addressed in the next five years.

1. The first is the continuing attack on an individual's right to modify their car. New legislation is continually being introduced that impact modifications to the engine, exhaust, ignition, induction, headlights, bumper heights and other automotive systems. The EPA has issued a proposed regulation saying the Clean Air Act prevents an individual from modifying a motor vehicle to convert it into an off-highway racing vehicle only. SEMA is the frontline defense to these extremist, over-reaching regulations. The opportunity here is the chance to introduce common-sense laws, such as the RPM Act, that protect the future of racing and an individual's right to modify their car or truck. SEMA is the only organization fighting for the automotive aftermarket industry.
2. The second opportunity is the involvement of younger generations in our industry. This used to really concern me, but I have come to realize there is a strong level of interest in cars and trucks by young people. The proof is right at our own SEMA Show. There are young people everywhere at the Show. They are working the booths, they are building cars, they are walking the aisles searching for the latest new products, and they are producing their own social-media programs. Attend a local car show, drag race or local dirt-track race. There are young people everywhere. Often, they are second- and third-generation kids carrying on the family tradition. Our industry is exciting, attractive and popular, and there are a lot of great young people out there that love their car or truck. SEMA's opportunity is to identify those trends that are attracting the younger generation and market and promote

them.

3. Another opportunity is electric vehicles or vehicles that utilize gas and electricity for power. Are they 500-cid, wild-cammed, 800hp beasts? Of course not, but can they be fast? You bet they can. Electric motors can produce some very fast launches because of their instant torque. SEMA cannot control what vehicles and technology the OEMs choose to implement. However, SEMA can be the channel that the technology flows from the OEMs to industry manufacturers. Our industry is filled with some of the brightest minds in the world. We have a history of taking every change in technology and converting it from a threat to an opportunity. Our industry showcases capitalism at its finest. I can't wait to see what the future brings for modifying electric and gas/electric vehicles.
4. Autonomous vehicles are the opportunity that I do not have an answer for. This one concerns me. Will this change happen overnight or even in my lifetime? I don't think so, but it will be here before we know it. SEMA will be the only organization fighting for the right for an individual to drive his or her own car. This will be one to watch, but I believe there is so much passion in our country for personalizing and driving your own vehicle that there will always be opportunities to do so.

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?

As I mentioned, the autonomous, self-driving vehicles of the future concern me the most. The technology is coming. SEMA cannot do anything about that. The driving experience is what has driven our industry for more than 100 years. Think of the racing venues, the drive up Highway 1 in California, the Power Tour cruises and the thousands of local cruises or races that take place every week across the United States. Americans and enthusiasts abroad love to drive their vehicles. Self-driving cars will have to be a technological and a cultural revolution. SEMA will be the organization that prevents the complete takeover by self-driving cars. SEMA must help industry manufacturers access the new technology so that they can find the opportunities for products. Maybe it is special cupholders, seats, interior improvements, Wi-Fi access, etc. There will always be new product opportunities. SEMA's second role is to be the voice of the drivers, those who are passionate about driving and customizing their vehicles. I envision a world where both self-driving and traditional vehicles can co-exist.

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 truly believe SEMA and the current Board of Directors have the pulse on what is going on in the industry. They are pursuing the right initiatives. I am amazed at all the ways SEMA is fighting for us. The Washington office is an efficient powerhouse, always fighting for SEMA members. SEMA has a powerful lobbying group, an outstanding market research team, the best Show team in the world, and a far-reaching media and marketing group. SEMA is addressing every one of the concerns and opportunities I mentioned above. One thing for sure: SEMA must keep the pressure on the politicians. All it takes is one overreaching law and it could have a devastating effect on many SEMA-member companies. Every SEMA member should be contributing to the SEMA PAC. If there was anything I could add, it would be additional resources to the Washington office and the technology group.

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

I do believe I bring a unique mix of industry experience, SEMA experience and passion to the table. First and foremost, before entering this industry I was already a car guy and gearhead. I raced karts starting when I was 11 years old and started racing dirt-track stock cars at 17 years old. Cars and racing were always what we did as a family. I love all racing, muscle cars, hot rods, cool trucks and really any other modified vehicle. Many nights of my youth were also spent riding dune buggies or cruising my K5 Blazer through the local dunes. I currently have one of my dream cars, a '32 Ford five-window coupe with an LS3 engine that my wife and I enjoy driving to cruises, car shows and church. This passion is what drives my love for this industry.

In addition to my car-guy roots, I bring 33 years of experience working in this industry. Upon graduation from college, I ran sales for 17 years for MSD Ignition. The family-owned business was sold in 2004, and I took on more executive roles, including vice president over sales and marketing and engineering. In 2009, I was appointed president of MSD, a role I currently hold today. Through my lifetime in the industry, I have built relationships with many manufacturers, all of the large resellers, WDs and mail-order accounts, professional race teams and professional racers. These relationships will be important when it comes to representing the entire specialty parts aftermarket.

In addition to industry experience and passion for the industry, I have served SEMA for more than 20 years including three terms on the Board of Directors. It has been a great blessing to be able to volunteer and serve on many SEMA committees and the Board.

These are the areas that uniquely qualify me for the chair-elect position.

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

I don't see that SEMA has a weakness. It is a large organization with many great people and programs. I think there are some things it does better than others, but there isn't an area that I would declare a weakness. I think a challenge that SEMA has is reacting quickly. It is such a big ship to turn, but our industry is fortunate to have SEMA and its programs. One other challenge SEMA has is getting people involved and activated. There is a tremendous amount of SEMA data and information that is produced. Getting SEMA members to read and act on this information is not easy.

12. How about its strengths?

SEMA has so many strengths. I would list leadership, the SEMA PAC, the Washington office, the technology group, SEMA Garage, the market research department, the publications group and financial resources. The SEMA Show itself has to be one of the top strengths. All of these strengths give me great confidence in the future of our industry.

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?

If chosen to chair the Long-Range Planning Committee, I would break it down in to two periods; the one- to five-year group and the five-year-and-more group.

In the one- to five-year, the committee would focus on upcoming regulations and protecting the right of the individual to modify his or her vehicle. Pursuing programs that engage younger generations where they are at is also an area the committee would focus on. The shorter-range committee would focus on keeping the SEMA Show relevant and the powerhouse that it is.

For the five-year-and-more committee, technology has to be the focus. The committee must create a vision and understand where automotive technology is going. Then it must relay that vision and help manufacturers identify the opportunities. The committee would also direct the SEMA resources that are needed to fight against overreaching technology and programs that threaten traditional, human-driven machines and our ability to modify them.

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:

I would want the nominating committee to know how serious I take this leadership position. It is a tremendous responsibility to lead the SEMA Board of Directors, and I would work hard to continue the chain of strong chairmen that the SEMA Board has enjoyed for so many years. Relationships and character are two of my values. I am a consensus builder and would work hard to have a unified Board with everyone pulling in the same direction to the benefit of the industry.