

Parts and Materials Committee Report, Vancouver, January 18, 2003

The CCIF Parts and Material Committee component of the Vancouver agenda provided a significant amount of information to the attendees.

First up was a presentation from Rod Enlow, representing CAPA in the U.S. Rod's presentation provided the audience with the background information on the formation of CAPA, from the structure of the organization to the role CAPA plays in ensuring continuous improvement of aftermarket part quality. Julio Bruno presented a set of guidelines for collision store operators to follow when choosing an aftermarket parts supplier. Key elements of the recommendations focused around communications between all parties and tracking of parts performance.

John Antoniono from ADP and Darrell Power from Mitchell provided the group with statistics on the use of aftermarket and recycled parts. According to the information provided, aftermarket and recycled parts make up about 15% each of total parts usage on repairs. Also interesting was that 64% of the estimates written were searched for aftermarket parts availability and 35% of claims processed used aftermarket parts.

Neil James, acting President of Auto Recyclers of Canada, provided us with a brief overview of the role ARC plays in Canada today.

At the St. John's meeting, discussion was started regarding the potential of insurers providing parts direct to collision stores. Recent press releases show that this type of program is being initiated in the UK. Dennis Hutchinson shared with the group the experience in Canada within the heavy truck collision component, not only of the supply of parts direct from fleet operators and insurers, but also the trend towards the use of used parts on current model year vehicles.

The afternoon breakout session was a lively forum for discussion on all the information provided. There was significant participation in the breakout group from all sectors of the business and in particular a good number of BC collision store owners.

The mandate coming from the breakout group moving forward is as follows:

Aftermarket Parts

Determine what information is available from the car manufacturers about quality of crash parts purchased from the parts departments vs the OE parts on the car. This task will lead us to look at the results from the fit and finish tests conducted at CIC in the US.

Obtain further information from CAPA relevant to areas of discussion in the group.

Recycled Parts

The mandate here is to initiate further dialogue with recyclers. We must determine the best approach. Continued dialogue with ARC will be initiated, but we will also contact the large recyclers in various parts of the country.

to open dialogue.

Contact will also be made with Auto Recyclers of America to gain information that they have on areas of interest to our group.

One particular area of discussion to peruse in the issue of "Service Level Agreements" between parties in the parts area.

Direct Parts

There is an opportunity here to better understand what is in fact happening in other countries and how it may impact us here. We will deliver more information on the types of scenarios in other countries to assist all in a better understanding of the concept.

The committee will reach out to contact Canadian Automotive Dealers Association to understand if the OE car dealers have an interest in sharing information with us in this area or others.

Begin to work on a "value statement" from the collision repairs point of view on the whole issue of maintaining the ability to manage the parts component of the collision repair process.

Larry Jefferies