

ARA E-Commerce Report

By David Gold, Chairperson of the ARA E-Commerce Committee

The E-Commerce Committee is a very active and engaged committee. Our productive group consists of ARA members and professional stakeholders in our industry, who have varying perspectives and opinions, and who have been instrumental in the advancement of the initiatives for which our committee is tasked. This committee was tasked with establishing very important E-Commerce related ARA Standards, that will prove to be instrumental in furthering our part sale initiatives to our most important customers, the Collision Repair Industry.

Year in Review

This year we have successfully enhanced the ARA Parts Grading Document and have made it available on the ARA Web site for everyone to benefit from and use. The ARA Parts Grading and Description Guidelines are intended to improve communication between automotive recyclers and our collision and mechanical repairer customers and insurance customers.

This document brings standardized part descriptions and terminology to the parts inventory process. It identifies common parts and terms used to describe parts conditions and parts options. By standardizing part descriptions, the recycling industry can more easily set customers expectations and increase sales of recycled parts to companies in the repair process.

Definitions: Our committee successfully defined "X" as un-graded part and "N.I.Q." as Negative Information or Quality. In February 2006, our committee unanimously agreed on these definitions.

Part Type Categories: At the ARA Mid-Year meeting, we realized that it was important to standardize the parts grading process even further. In doing so we have identified parts that fall into the following categories: Body Parts, Mechanical Parts, and MISC Part Type Categories. These categories are fundamental to ensure that recycled parts are being graded by their appropriate format. Miscellaneous Parts are those parts where neither mileage nor units of damage best describe their quality. Instead they are *only* downgraded with N.I.Q.

Essentially we are trying to standardize whether or not the ARA Damage Locator accurately and usefully describes the condition of the part or does mileage. If this is the case,

we will use these as the method for grading the part. If the part cannot or should not be graded by the above, we then need to associate a negative word to the part, which would then define the grade. We accepted the Part Type Categories we generated as an industry standard.

ARA Damage Locator Document: We successfully approved 10 new ARA Damage Locator Graphics. The ARA Mid-Year meeting was a great place to showcase the new ARA Damage Locators and receive some positive feedback. Revisions were made as a result of the feedback, and the E-Commerce committee members approved these new ARA Damage Locator Standards.

Color Codes: It was suggested that we review the vehicle color codes that we currently use and compare them with the vehicle color codes that may be more universal. The State of Illinois' color code abbreviations were presented for our committee to review. Our committee successfully voted on adopting the color codes to enhance our existing Color Definitions.

What's Ahead

Internet Auctions. We will attempt to create a set of minimum standards we should expect from the auctions themselves. Perhaps it may be appropriate to bring in various auction representatives to participate in this endeavor.

Air Bag Protocol: Our committee is currently analyzing how we could get the informational supply companies to recognize those recyclers who have ARA Protocol Air Bags.

CIECA: A Collision Industry Electronic Commerce Association (CIECA) Standards Development Manual is under review by our committee. CIECA can help us organize the data and assist with implementing new versions of our existing standards. This teamwork plays an important role in the E-Commerce Committee going forward.

Negative Word List: Negative words applied to a part should make it easy to grade. Any damage on a part (or negative word) automatically puts those parts to a B Grade part (for example scratch) and when more damage is evident (for example a crack) the part should now be considered a C Grade part. We will review this list again, and perhaps we will finalize this list in the near future.

To my committee, thank you very much for your hard work to advance the auto recycling industry. All ARA member auto recyclers are grateful for your efforts! ♦