

Working Together

Repairers and recyclers share a lot of common ground.



by David Gold

This past year I have seen many memos, e-mails and presentations on issues that affect both repairers and recyclers. Interestingly enough, many of these issues are similar in nature and have therefore led me to believe that we have more in common than we have differences.

In my last article I wrote about the way in which collision repairers are compensated for using recycled parts. The mark-up paid by insurance companies for used parts is not flattering, especially when compared to new OEM part mark-up amounts.

reasonably priced salvage is becoming harder and harder to procure. Most of us are forced to buy our inventory at auctions where anyone else can compete. It is as if we really haven't fostered any real significant relationships with the insurance industry on the salvage issue.

We are told that the salvage manager's main focus is to extract the highest returns on their salvage. This is irrespective of the message the insurance industry sends to recyclers whereby they want and need our recycled OEM parts.

It's almost as if the left hand doesn't know or care what the right hand is doing. To make matters worse, "Branded

be asking a series of questions directly related to solving issues now, and improving the existing situation between our industries on a consistent and never-ending basis.

In my next article I look forward to sharing with you what I have learned and what I am doing to help improve the current situation. The ideal end result of this exploratory venture will mean improved business dealings between our industries. Recyclers want to make sure that we are easy to do business with and the net result will be better for everyone.

As for the issues facing our two industries, and what we can do about it, there may be a need for serious measures. We need to speak up, stand up and not be afraid to push for what we want. We are obliged to do this for the sake of our businesses. Supporting our trade associations is crucial!

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Today we see the "squeeze" insurance companies are exploring as they attempt to regulate many other areas of the industry.

NEW DEVELOPMENTS

In Europe, 14 organizations stood together and expressed their concerns on the developments within the automotive body repair industry. These organizations are concerned because they know these new developments will give them far less control over their own destiny.

Here in Ontario, Rosanna Armata has clearly identified this for her members and as in Europe, she is rallying her members in order to combat those pressures by insurance companies as they unfairly interfere with estimating systems, the spare parts supply chain, discount rates and more.

In many ways, recyclers are experiencing similar pressures to compete and stay in business. On our most serious issue,

Irreparable" vehicles are being bought by non-recyclers and shipped out of the country to be fixed up and put back on the road. No matter what your opinion is on this issue, we all need to understand that the net result is a shrinking of available quality recycled OEM parts.

Since repairers and recyclers have similar pressures dominated by outside factors where we have little control it seems clear that we ought to work together more closely. The answer can't solely be in consolidation and large banner groups. How many more discounts and backward steps can even the big banner groups afford to offer?

To learn more about our most important customer a member of my staff and I are taking the time to visit 50 collision repair facilities to get a feel for your industry and how we can work together more closely. We will

FREE FLOW

It is time a collective effort is made to publicly highlight our benefit to society and to denounce those outsiders, the unlicensed, unregulated and unfair competitors we face everyday.

Perhaps both provincial auto recyclers and collision repair associations should meet more often to help promote the free flowing of ideas and to support one another!

I know there are many dominant personalities in both industries and if we can rally enough support, maybe we can help enhance both our industries for the better!

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