



## The ABC's of parts grading

*A common language is attainable*

**The automotive industry has to ask why OEM used parts haven't gotten a bigger piece of the pie.**

**If you're** reading this issue from front to back, you already know about the recycling forum that took place at the CCIF meeting in Moncton. This forum displayed three trunk lids from various auto recyclers. These trunk lids inevitably had different degrees of damage associated with them. This much is clear. What hasn't always been clear is how to describe them.

The benefits of OEM used parts are enormous. The question we in the recycling industry are asking is "What is it going to take to get our customers to consider us as their first choice for replacement parts?"

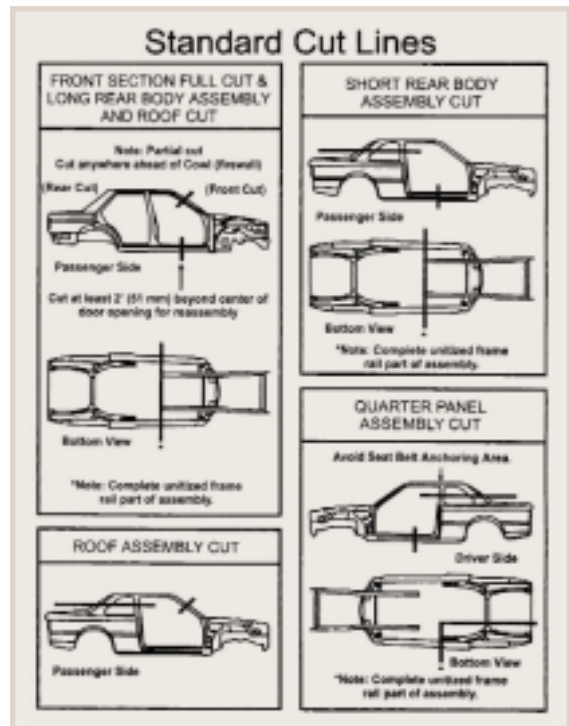
Product availability, great service, product knowledge, and timely delivery are a must. What should also be a must is accurate description of the parts. Someone very close to me keeps reminding me that, "There's no business like the used parts business: Damage Location, Damage Code

Tables, Damage Standards, cutlines and parts grading." This quote can mean a few different things, but it helps illustrate the issue at hand. Just as the above quote can mean that used parts are easy to work with and consistently great, it can also mean the opposite depending on how you interpret it. I can tell you that this quote is meant to be vague but our part descriptions are not. The auto recycling industry is trying very hard to standardize the following.

With common understanding and appreciation for the above we can better describe our parts, which helps you, our customers.

### **Easy answer is incorrect**

Knowing this, the automotive industry at large has to ask themselves why OEM used parts haven't gotten a bigger piece of the pie. Depending on whom you talk to, it appears that OEM used parts make up about 5% to 10%



of parts used for collision repairs. Answers to this question usually site quality as the biggest reason. I believe this is the easy answer, which is incorrect.

The reason I can't accept this answer is because there are various states in the U.S.A. reporting twice the percentage of used parts being used by the insurance companies as in Canada. I believe they accomplished this because their relationships with recyclers are centered on the following various key issues of describing the used part in a standardized format.

### **Damage Locator**

The first step in parts grading is being able to accurately describe the damage location. The Automotive Recycling Association has come up with a "Damage Locator" that breaks down any given body panel in 7 to 9 increments so damage can be pinpointed accurately.

The second step in the parts grading process

is to accurately describe what kind of damage is on the body panel. This can range from no damage, to a paint problem, a scratch-surface only, rust of surface, parking lot dings, lip, buckle, rip or crack, hail, bent, dent, crease or burn problems.

### **URG Damage Standard Card**

The third step in the parts grading process is being able to describe the extent of damage. The United Recyclers Group has come up with a "URG Damage Standard" card. This card is a standard credit card size and covers the URG standard of approximately one-hour of damage. Damage increases by approximately one hour for each incremental increase of the card size. For the first time, an hour can mean the same thing from one recycler to the other.

The fourth step to a standardized parts process is standard cut lines. These help illustrate where recyclers have cut front, rear, roof and quarter sections. Collision repairers can also use standard cut lines to describe where they need a body part to be cut.

### **Premium parts**

The fifth step stems from the United Recyclers Group's emphasis on increased business to professional auto repair centers.

For mechanical parts, qualifying means they will have less than 15,000 miles per year and never over 60,000. They must also be triple-checked under URG's quality assurance program. All URG Premium Parts qualify for extended warranty and installation coverage.

For body parts to qualify, they must need no more than one hour of repair time. Also, all parts and components will be OEM.

Some recyclers have an inventory management system that automatically grades mechanical and collision parts. Mechanical parts must be low mileage and collision parts that are not OEM are not allowed to be "A" parts. Only the highest quality "A" parts are released for automated insurance estimates.

The five steps of parts grading are essential for successful parts exchange from recycler to the collision repair industry. Auto recyclers have bonded

together to create this common language of the used OEM part. Let's make use of this new common language to ensure that there are no surprises on delivery! 📄

*David Gold is co-owner of Standard Auto Wreckers in Scarborough, Ontario. He is also Executive Director of the Automobile Recycling Association's Eastern Canada/Region 11. David urges anyone who wishes to obtain a URG Standard Damage Card to e-mail him at [david@standard.actual-america.com](mailto:david@standard.actual-america.com).*