



Parts Committee

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Total Loss & Parts: What is the Relationship?

Presentation by the
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Las Vegas

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Automaker Total Loss Discussion

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Causes of Total Losses

Total Loss Formula

- Cost of Repair vs. Vehicle Total
 - ◆ $\text{Cost of Repair} = \text{Repair Cost} + \text{Vehicle Rental Cost}$
 - ◆ $\text{Cost of Total} = \text{Residual Value} - \text{Salvage Value}$
- How Can/Do the Automakers Help?



“Total” Side of the Equation



“Repair Side” of the Equation

■ Repair Cost

- ◆ Vehicle Design
- ◆ Technical Information/Procedures
- ◆ Technical Training

■ Rental Costs

- ◆ Parts Supply



Vehicle Design

■ Smart Airbags

- ◆ Passenger Airbag Shuts off When Passenger Seat is Unoccupied
- ◆ Reduces Airbag Deployment



Vehicle Design (Continued)

■ Design Balance

- ◆ Damageability
- ◆ Ease of Servicing
- ◆ Salability of the Vehicle

■ Expensive Components

- ◆ Tend to be on high dollar vehicles
- ◆ Are important for Salability



Technical Information

Published Repair Procedures

- ◆ Higher Repair Quality
 - ◆ Fewer Comebacks and Re-dos
- ◆ Fewer Supplements
- ◆ More Predictable Repair Procedures



Technical Information

■ Publications

- ◆ Body Repair Manuals
- ◆ Consolidated Repair Information
- ◆ Quarterly Publications
- ◆ Repair Bulletins

■ Availability

- ◆ Print Format from Dealership
- ◆ Electronic Format via Internet



Technical Training

■ Industry Support

- ◆ I-CAR

- ◆ ASE Certification

- ◆ Automaker Programs

 - ◆ Company Taught Programs

 - ◆ Co-branded Programs



Vehicle Rental Costs

Affected by Repair Time

- Severity of Damage
- Parts Delivery Time
- Shop Production Processes
- Estimate Accuracy



James Watson
ARA – ABC Auto Parts



Questions?