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Total Loss & Parts: What is the Relationship?

Presentation by the 2005 CIC Parts Committee

Las Vegas

November 1st, 2005



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Karen Fierst KerenOr Consultants US Liaison for Taiwan Auto Body Parts Association (TABPA)



Automaker Total Loss Discussion

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Causes of Total Losses

Total Loss Formula

- Cost of Repair vs. Vehicle Total
 - ◆ Cost of Repair = Repair Cost + Vehicle Rental Cost
 - Cost of Total = Residual Value –
 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?