

**Addendum
To**

**Taiwan Manufacturers
Trip Report**

**By
Chuck Sulkala**

I would like to express my personal gratitude to Lou DiLisio for his willingness, time, and commitment to write this report. It should also be said that although he authored the report, because of our ongoing discussions during the entire visit, I stand in 100% agreement with his written findings, comments, and recommendations.

In addition, a debt of gratitude needs to be given to both the TABPA Board of Directors for their enthusiastic support of our visit as well as allowing us an opportunity to address their meeting, and also the individual companies we visited which provided the most visible definition of hospitality I have ever seen. Lastly, I would be remiss if I did not thank ABPA and Stan Rodman for their part in the planning, funding and execution of this visit. There have been times in the past when Stan and I were at very opposite ends of the same issue; his efforts to include me were genuinely received and I trust a new era in our relationship lies before us.

I proposed “live demonstrations” of aftermarket parts at CIC meetings simply to help educate each other by means of the grade school game of show and tell. The frustration of attending meetings where each side of the issue was continually going back and forth with “they fit”, “they don’t” had finally taken its toll. It was never intended to be a resolution of the issue but an education as to what is meant when the phrase “they fit”, or “they don’t fit” is used with that particular part. For 15 years plus, apparently, both sides thought the other understood where the problems were or weren’t.

It simply seemed to me that since the other side couldn’t or refused to “see” what I was saying, then the only way would be to “show” where the issues were. Since our ability to describe had been ineffective at best, then maybe we could simply point to where the perceived problem was. There was never an attempt to “prove” anything by one demonstration except that perhaps that part on that car at that time either fit or not. But if it didn’t fit, then we would all be able to see where the issues of concern were and at that time decide if the issue with regard to that part was a valid one or not. The goal was never to make a broad assumption, but to simply to physically see what the issue was. The more we each understand where the points of friction are, the more we can work to correct, adjust, or modify them.

The trip to Taiwan provided that same opportunity for us to show to the manufacturers just exactly what and where our issues were with their parts. My concern has always been that CAPA as well as the distributors have never quite clearly understood what those issues with the repairer were. I can’t help but believe that if they were truly interested in resolving the problem, some of these issues mentioned in the report would have been corrected years ago. I will be the first to admit that perhaps our industry has not been the best at getting to the real issue, but others have not been very good at finding what the real issues were either. As such, we have distrusted each other and discarded what each side has said.

Lou has done an outstanding job in the report at verbalizing what we saw and what we were trying to point out. The course, sharp, abrasive edges that cut hands; the points that should be curved instead of rounded; the parts of wrong color; and the brackets not aligning properly; these were all items that are difficult at best to put into writing. In every plant, we pointed out at least some of the issues we saw, and made suggestions and recommendations. Although our goal was not to correct but to observe, we needed to show these manufacturers where our issues of concern were with their parts.

Upon seeing their investment, it would be hard to believe that there is not a desire to do what is necessary for them to sell their parts to recoup their investment. Business is business in any country. When we pointed out these issues of concern as well as the improved packaging in order to get less shipping damage, an almost universal reply came back that it might effect the cost. Having heard this several times, it became very evident that they were price driven not quality driven regardless of their ISO certifications.

It appeared to me that this thinking has probably occurred from the very beginning and in fact has been reinforced to so many for so long that it apparently is now the standard. Insurers have been trying to hold down costs by seeking, asking, expecting, or demanding (your choice) that a less costly product be used. This combined with the fact that Distributors are seeking to buy the least expensive product in order to maximize their return only adds fuel to the fire that cheapest price is the most important fact. There has been little or no drive to improve quality, especially if it may increase the cost to the distributor and indirectly to the insurer at final bill time. Since the Manufacturer was only seeing the distributor or CAPA, (which was 90% controlled by insurance company representatives) there would be no reason for them to understand anything else unless expressed by those groups.

The issue of “quality” for both of these parties has been that “CAPA” has certified these parts as fitting when in fact, the key issues to a repairer are more that just that for which CAPA inspects. They appeared genuinely surprised that I would be willing to buy and use their part if it cost more. A little extra effort to fix the items mentioned in the report could go a long way to decreasing shipping damage increasing repairer satisfaction and therefore increasing sales and usage.

One of the very key issues that I saw was that there is in fact a difference in manufacturing companies but that the distributor has done a disservice to both their customer as well as their supplier by lumping them all together as “aftermarket parts”. When good milk gets mixed with bad milk, you end up with a lousy product, and that is exactly what has been fed to the American repairer; the good and the bad, and that is why sometimes they fit and sometimes they don’t. The net result to the repairer is they

don't. I believe that the time has come to identify the part by name. Those that can supply a quality part that I want to use will benefit by my buying more parts from them more often because the probability of a quality part will be much higher ordering by brand name.

I have personally started tracking my aftermarket usage by manufacturer and my purchasing decisions will be based on who can supply me with the product I am seeking. When repairers use the term "generic" parts, they will get what they ask for. For my business as well as my recommendation to others, if you want an aftermarket, generic part, then order it that way. If you want a part that has worked in the past, order by manufacturer and hold that manufacturer's feet to the fire if the quality is not there.

I believe that CAPA has made a significant move in the right direction by increasing the Board size to include more repairers as well as consumers. The insurance industry would do well to begin seriously listening and supporting the opportunity to better understand and see just exactly where and how and why repairers say the parts "don't fit". Find the areas that has been spoken of in this report and force CAPA to include such items in their quality assessment of those parts. Then and only then will aftermarket parts be willingly sold and used. The habit of discounting the repairers concerns needs to stop and the insurer needs to take heed to what is being said. The continued practice of forcing aftermarket parts onto customers will backfire until someone starts to listen to the economic issue as well as the quality issue.

There is a possibility of light at the end of the tunnel, but all sides need to begin discussions on how to reach that light rather than defend their current position. A win, win, win, can be achieved but not when one party becomes the economic victor and another the 15 year tester of parts that were supposed to have been already tested.

The first steps have been taken by ABPA, TABPA, and I believe some of us in the collision industry as well. I personally look forward to increased positive involvement from the insurers and CAPA as well as others in my industry.