repairlink℠

Collision Parts Sales vs. Mechanical Parts Sales

Aspect	Collision	Repair	Comparison	Opportunity
Sales Process	• Shop provide entire list of parts • Dealer has ability to conquest parts • OEM provides funds	• IRF sources select part(s) list • IRF seeks best price/high quality part • Pricing/availability drive buying decision	• Gross margin associated w/ Collision parts is a race to the bottom • Wholesale mechanical parts is untapped market for dealers	• WSMP offer greater GPM vs. WSCP. • Shifting focus from internal service lane (captive) to external • OEM needs to change the game
Business Earned or % of Business	Controlled by large wholesalers with well developed logistics plan	Dealers accept being last call which drives current price structure	Collision- large wholesaler have buying power; WSM earned thru price competitiveness, responsiveness	Dealers must shift to external focus, conduct high level market research, price competitively & inc. responsiveness
Delivery/Service	Low urgency: 2-3 days Limits order to 1 vendor	High urgency IRF expects parts 1/2 – 3 hrs.		Develop predictable/consistent delivery model…hot shot is the exception
Time Sensitivity	Shops accustomed to waiting for response – prefer OE parts fit/warranty	IRFs need to turn bays, will sacrifice part quality to increase margin	Collision customers -rental cars reducing urgency – Repair customers are inconvenienced	Recognize the need to treat mechanical & collision as 2 independent BU
Market Place	Limited # of players	Lack insight into the # of IRF in mile radiuses	View IRF as competition to service BUT do not view IBS as competition	Conduct high level market research regarding number of IRF within service area, fast moving parts pricing