

Worth Its *Weight* in Gold

ARA's two best-in-class programs are setting the bar high for the industry. Here's why you need to strike gold too.

By D. L. Foor



Art by Cayn Smith; Image: iStockPhoto.com/Guy Parsons

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here's something about those who achieve great things. We study them, listen to them, follow them. They keep us on our toes by continually pushing the envelope as we try to attain their level of success. In the automotive recycling industry, there are those who have achieved this high level of excellence and who are leading the industry into the mainstream green movement. But the good news is that there is a method to success available that takes out all the guesswork.

In October 1997, the Automotive Recyclers Association struck gold by establishing the Gold Seal program. This set automotive recyclers, who were already Certified Automotive Recyclers (CAR), on the trail to even higher standards of professional conduct and to the peak of customer satisfaction. The Gold Seal program is geared towards the customer service and business aspect of the automotive recycling business, focusing on the wholesale industry with the collision shops, mechanical shops, and insurance companies. The CAR program focuses on facility safety and environmental practices.

It Starts with CAR

The CAR program, established in 1994, sets standards for general business practices, as well as environmental and safety issues, and provides guidance for the members adhering to these standards. CAR helps recyclers keep up with regulations and current issues, such as storm water drainage and mercury switch removal.

After members complete the application process and become CAR certified, they then go through an annual audit. The audit is conducted by an environmental professional the first year, then the facilities are eligible to conduct self-audits every other year with an environmental professional completing the corresponding years. These audits make facilities aware of any deficiencies in any area of the CAR standards, allowing yards to keep up instead of catch up.

"By participating," Shannon Nordstrom, Nordstrom's Automotive, Inc., said, "you are taking a proactive stand, an offensive move, instead of wait-

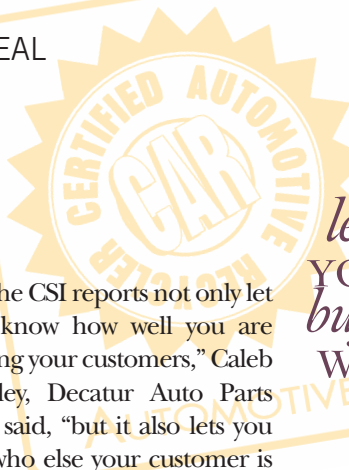
ing to see what the market will do for you. When you get the CAR certification done and you maintain it, you're going to maintain your business. Once you get to that level, you start spilling into the Gold Seal culture. By doing the multi-step quality inspection that the program requires, you begin to see improvements with your customers. They will have more confidence in doing business with you, and that is going to lead to more sales."

Going for the Gold

Gold Seal certification is awarded to those who have first met the CAR program standards; complete the Gold Seal program's requirements; and agree to maintain the professional business practices, rules, and regulations of the Gold Seal program. Endorsed by the largest trade association that represents the collision industry, the Automotive Service Association (ASA), Gold Seal creates guidelines that cover best business practices, customer service, description and grading of all parts using ARA damage codes and grading system, scheduling and delivery, and written warranties. Also, ARA partnered with Customer Research Inc. to provide quarterly customer satisfaction surveys. Customer Service Index (CSI) surveys provide members the opportunity to see how they rate in overall satisfaction with sales people, cleanliness, accurate description of a part, or the ability to resolve a problem.

"CSI scores discourage some recyclers," Eric Shultz, AAA Auto Salvage, Inc. and Chairman of the Gold Seal Committee, said, "but the CSI is an amazing tool. Don't let the CSI intimidate you; the help is there to improve your business. Use it to your advantage."

GOLD SEAL



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“The CSI reports not only let you know how well you are serving your customers,” Caleb Beasley, Decatur Auto Parts Inc., said, “but it also lets you see who else your customer is buying from and how well the customer thinks your competitor is doing. The CAR audit and the CSI programs give you a means to stay on track. In the day-to-day operation of your business, there are things you know you need to implement or review during the year but that may get moved to a to-do list. These programs can help you move forward.”

Manual for Success

Those automotive recyclers who have a desire to become industry-preferred automotive recyclers and customers’ first choice – more customers, increased revenue – know these programs are a must. The goal of the CAR and Gold Seal programs is to bring members to the leading edge of the automotive recycling industry, assuring the highest level of service to customers and delivery of high-quality recycled OEM parts, all the while remaining environmentally responsible. This, of course, doesn’t happen overnight. Taken one step at a time, these certifications are achievable. The point is to start.

ARA provides a CAR Manual that supplies information about how to apply and maintain the certification and outlines each standard: General Business, Environmental, Safety, and Licensing and Regulatory. These standards include maintaining an adequate, well-graded (or paved), well-drained customer parking facility separate from the vehicle holding area; draining fluids properly during the dismantling procedure and disposing them with an authorized processor; having an OSHA approved 15-minute eye wash station readily accessible near corrosive materials; and reviewing and acknowledging applicable OSHA requirements pertaining to Material Safety Data Sheets, Right to Know program, and employee safety.

“It’s a process,” Schulz said, “to get people where they need to be. There is so much support from ARA staff, as well as materials to help guide you through each program, and you can rely on your

peers. ARA is an amazing group of people who are so willing to help. They want to help improve others and improve the industry, so make calls.”

Long-time CAR and Gold Seal member, Nordstrom was inspired to see a program that could be used to improve his business.

“I heard about the CAR program at the Denver convention in 1995,” he said, “and we set a goal to get ourselves CAR certified. There are things throughout the certification process that we wouldn’t have even considered or thought of in our day-to-day business.

“Then,” Nordstrom continues, “we considered what came along with the Gold Seal program. We could start a process to quality check from start to finish and survey our customers after the fact. That great idea made a huge impact because our quality was never consistent. We found that our customers liked doing business with us because of the people we were trying to be, but they didn’t like doing business because of the product we delivered. We have literally reinvented ourselves using the CAR and Gold Seal programs as our backbone. I can tell you from my own experience that by going through the certification process we’re a better business.

“But, as the chairman of the CAR Committee, I want people to be interested in the certification program to make their business at least consider the environmental, safety, and appearance aspects that come along with being a Certified Auto Recycler. Not many people have nailed those things without being a certified recycler.”

A Matter of Pride

Nordstrom believes that the next logical step is to create a Gold Seal culture at your business. “It’s a culture of accountability. For example, one where the people in the delivery department won’t accept an inferior part from the dismantler or the shipping department won’t ship a part to a customer if they see it doesn’t match what’s on the invoice,” he says. “Then you can measure where you relate to your customer with the CSIs. Those results can be reviewed with your staff, department

by department, to see where you're getting the higher and lower scores, and create the benchmark that you need."

A sense of overall pride can be felt by those who have met the highest standards when it comes to best business practices, protecting the environment, and selling to their customers.

"When I look at my business," Schulz said, "I'm pretty proud of the fact that I can look around and say, 'Okay, I've got these customers that I've worked really hard to retain, and the Gold Seal program provided the tools for me to accomplish that.' You're up there with the best in class in the automotive recycling industry."

Ontario-based Sunshine Auto Parts has been a member of ARA for only two years, but General Manager Donald Laniel knows the value of the CAR and Gold Seal programs, and the auto recycling facility is already participating in them. "The general public and many of the garage owners here still call our facility a scrap yard. When you think of a scrap yard, it conjures up the image of

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some mom-and-pop operation with cars piled up all over the place and batteries leaking.

"We became a member of CAR and Gold Seal to achieve a higher level of excellence and expertise of consciousness and for the great exposure. We wanted the certifications to say, 'Yes, we're environmentally

conscious. We do our repeat call backs. We make sure our customers are well-treated, our service is exceptional, and we also want to hear from you.' I wanted the Gold Seal audit because when you go to a customer face-to-face, sometimes they won't tell you the truth. They'll tell you what you want to hear. Although I haven't received one yet, I'm very anxious to see what my customers are going to tell to a separate entity what they think of us.

"There's pride in saying, 'Yes, we've achieved this high level of recognition in North America.' We can also tell our customers, when they ask us what Gold Seal means, that to be a Gold Seal member you have to achieve certain criteria that's elevated. It's bragging rights, really. This is most definitely something I'll use in my advertising."

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Marketing Tool

“It’s up to the individual recycler or group of recyclers to use CAR and Gold Seal certifications as a marketing tool,” Schulz said. “We recommend that they tell their potential customers, ‘We’re CAR and/or Gold Seal certified. We took the extra step to be sure we can serve you better.’”

CAR and Gold Seal give you the ability to tell people that you are a part of an elite group. The certifications tell them you are an environmentally-clean facility, and that you stand behind the deliveries, the warranties, and the different business practices that ensure they get top-notch service.

But just don’t educate people about these certifications, show them, prove it to them. Invite your customers, potential customers, and their insurance carriers to your certified yard for a tour to see first hand exactly what CAR and Gold Seal means and why it sets you apart. Let them see for themselves the up-to-date processes that go on in a professional recycling facility that is dedicated to ensuring safe, clean environments and high-quality parts.

Repairing the Industry

Darrell Amberson, Collision Division Director with Auto Services Association and Chairman of the International Automotive Congress and Exposition, likes the idea of the salvage industry doing more to monitor itself, differentiating the more competent recyclers from the others.

“The CAR and Gold Seal programs are tools to continue to improve,” Amberson said.

“There’s some frustration in the repair industry with the performance in the salvage industry. The insurers put more pressure on us to use salvage parts. In many cases, we want to use more salvage parts to keep cost effective and minimize the number of total losses. Many of us would like to see something indicated that the yard with the part is Gold Seal. I am going to have a higher level of confidence in a Gold Seal facility than anyone else.

“There’s some pressure to be green, and all those pressures and influences will probably increase in the years to come. That means we need a salvage industry that performs better and more consis-

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tently, provides good quality parts, keeps their promised delivery time, and does an accurate job of projecting the condition of the part. In many cases parts are misrepresented as being in better condition than they actually are. All that contributes to is a diminished willingness in the repair industry to utilize them.”

“Customer satisfaction is just so important,” S. Warren Richard, Jr., Norfolk Recycling Corporation, says. “The few customers we have who are busy, we certainly want to keep them. Also, I think we have a real opportunity in this economy. People who wouldn’t have thought about buying a recycled part or a used engine or transmission are willing to give it try because of the economic situation. And if they have a good experience then they are much more likely to come back in the future when the economy improves.”

Opportunity Knocks

“I think the CAR program feeds into that, helping us keep our quality standards up so the new customers as well as the old customers have a good experience. We’ve got half a million new cars a month that are not being sold, so there’s half a million cars a month that are staying on the road, most of which would have been scrapped somewhere down the line,” Richard continues.

“So we’ve got a real opportunity to increase the market penetration if we do a good job and keep the shops, the ultimate customer, and the consumer happy. They are more likely to come back in the future and do the same sort of transaction rather than try to replace it with something new or remanufactured. The CAR and Gold Seal programs help us achieve that by making us pay attention to what we are doing. Anything we do to increase customer satisfaction helps the business in the short-term and the long-term.”

“By being a CAR and Gold Seal member,” Beasley said, “you are assuring your customers that your business is committed to a high standard of doing business and doesn’t everyone want to do business with the best possible source?” ■

D. L. Foor is a freelance writer in Cape Coral, Florida.

Automotive Recyclers Association

Certified

Automotive Recyclers



Certified Automotive Recycler (CAR) Program

- Environmental Regulations & Issues
- Safety Protocols & Procedures
- General Business Standards & Ethics
- Annual Audit Process
- Partnered with the U.S. EPA's National Partnership for Environmental Priorities (NPEP) Voluntary Program for the Participation in Mercury Switch Removal



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- Quarterly Customer Service Surveys Performed
- Customer Complaint Hotline & Resolution Process
- Members Stand Out with a Gold Seal Icon in Several Major Estimating Systems

Get In On The Gold Rush!

Apply to become a Certified Automotive Recycler!

Visit www.a-r-a.org and go to the CAR & Gold Seal web page.

For assistance in the application process, please call (888) 385-1005.

ARA is proud of its Certified Automotive Recyclers and their commitment to responsible practices and superior customer service satisfaction. We make every effort to promote the programs to the public and related industries, providing our members with marketing materials and resources for the promotion of their certification.