## Data is the New Master of Business

The era of doing what you’ve always done is over. Data is the new master of business. Just look at the need auto recycling has for the data in car repair instruction or the parts interchange data that is crucial to the industry. So is the data within your system. The reports generated by inventory management systems are helping recyclers make critical salvage acquisition decisions. Data is identifying what vehicles are desirable based on sales and inquiries.

Put your time into reading what your data is telling you. Use the professionals at Car-Part.com, Hollander, Pinnacle or whatever inventory system you are using. Ask them “how can I look at my data differently today?” Engage a consultant to interpret your data and give advice based on the information. The data in your system can provide meaningful insight to business decisions but only if your data is ready to tell the story.

**Selling cores is data driven.** If you haven’t picked up on the fact that your competitors are selling core parts then read my lips “your competitors are selling more and different parts as cores these days to make money.” That function is entirely data driven. Engage one or more core buyers or subscribe to an integrated core buying/selling system and sell core parts from your inventory. Simple and straight forward for those auto recyclers that are not yet doing it there should be some increased sales realized immediately after you start. I suspect most recyclers have been selling cores in innovative ways. Where the chain has a kink is many recyclers are not *mining information* from their inventory data to redirect the labor efforts at the salvage facility. That mean parts pullers for retails sales and for wholesale (core) sales are both important jobs. It also means buying salvage with core sales in mind instead of as an afterthought.

**Data quality is a significant factor.** The new norm is about the quality of data in the system. In my past career I was a computer analyst at Electronic Data Systems, Ross Perot’s company. The mantra of computer geeks back then was “garbage in, garbage out.” A significant portion of a computer programmer’s time was spent managing clients to put quality data into the online database to be utilized to provide insight to the manufacturing company, who was General Motors. The same can be said for the business of de-manufacturing automotive parts. The quality of the inventory process became increasing more important when the world of commerce became the world of **e-**commerce. More parts in your inventory system means more opportunity for retails sales or the more opportunity for a core buyer to select parts. Better quality description of a part such as accurate damage codes or uploaded photographs provide an edge over competitors. The quality of data is directly linked to the increased opportunity for sales. Time spent enhancing data quality is absolutely mandatory now.

**The marketplace demands data.** The availability of data to consumers has made this industry a shared marketplace. Once you’ve embraced putting more parts (more data) and quality data in your inventory system then you must bring those goods to market. That is also a data driven task.

With cores, the integrated system or the core buyer gleans data from your system based on the data entered. Different from core parts, the repair parts markets are also driven by data entered but have an additional data dilemma, *how to get your parts seen by the consumer*. Data from your system must be available to the customer to even be in the running for a part sales. Many new platforms have cropped up, some more welcomed than others.

Online systems that sell to repair shops are opening data driven marketplaces by pairing used auto parts stores (recyclers) with repair shops through an online system usually requiring registration or subscription. **These systems are matching recyclers with auto repair shops they had not been doing business with previously.** Embrace change as an opportunity to put your parts in front of new buyers. Maintain an edge by providing good quality data.

Buying groups or trading partners are wholesale system that help a consortium (a group) of recyclers wholesale parts to one another. Data integrity is addressed up front in these groups by mandating shipping standards or parts grading assurances.

The final frontier in data driven retail parts sales is direct to the consumer. Online searches and APPs are making this possible as long as the recycling industry is providing data by listing parts or sharing parts inventory data. **Quality data is key.** Like repair shops, consumers make choices based on price, quality and availability. All data integrity issues. **The quality of your part is only as good as the data presented to the decision maker.**

The challenge lies in getting consumers to look for used parts as a viable cost savings alternative to new parts, but that is another matter that can only be addressed once auto recyclers are supplying data to any or all of the systems available now and in the future.

Once your data input has increased in quality and quantity the information should paint a different picture than before. Your buying habits may change. Your manpower will be re-allocated to prioritize data management. And I hope that you will be able to mine more parts from your existing inventory, present more parts to the market and have your data help you work smarter not harder.



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