Rebuilder is reclaiming market share

By Marv Justice



If you are a rebuilder today, believe it or not things are getting better. As far as the rebuilding industry goes, rebuilders have been groomed over the last 30 years to take what's left after corporate and big box stores feast on cheap imports. I believe corporate has started to flatline. I noticed this a couple years ago when I saw their prices drifting up and down—as if to find their footing.

Things are unraveling faster than you may think. The only other time in history rebuilders were needed as badly as we are today was during World War II. Metals and money were scarce. Repairing old parts became our industry. And I for one have and am taking my market share back. I like the big box stores, they're easy prey—if you know how to market.

My knowledge and experience of the industry didn't come easy. When you're armed with a seventh-grade education, you're strong like a tractor, and dumb like a bull, odds are you have some rough road ahead. And I did. However, on the business side of my life if I were offered a do-over today I would refuse the offer. What I've learned in the hardships of my earlier years is pure gold today. I could write a book of what I've seen and learned, particularly over the last 30 years.

Today's rebuilders aren't production rebuilders, we're specialists in our field. Today we own both sides of the trade—knowledge and product. Plus, the rebuilder holds all the cards in today's world when it comes to testing a unit properly on or off a car.

Some people may not agree with my thinking so I'll try and explain my approach to the market and how much it has done for my bottom line. My shop rate is $65 an hour, and that's cheap. My pricing follows the economy. Up or down. My customers pay for what I know, not what I think. I have over 1,000 finished units in stock, and that number is growing. Ninety percent of the time there is no waiting for your part or me to order it. I wouldn't have it any other way.

Rebuilders are specialists in this field and need to be paid accordingly. To be profitable in the rebuilding business we must professionalize our shops and our thinking. Overcharging customers is total stupidity. But failing to get paid for your product or time is even dumber.

Let's look at what has happened over the last 30 years or so. Let's say you go to the farmers' market every Saturday and buy five pounds of apples at $1 a pound. Soon the apples are selling for $1.50 a pound. What has changed? Sure wasn't the apple. Like the apple, starters and alternators are still doing exactly what they were intended to do 100 years ago. From day one starters start the engine. Alternators are still carrying the electrical load of the vehicle and assisting the battery in its charge cycle. Nothing new there.

So what has changed? In the late 70s or early 80s, don't remember the exact year, at an Automotive Parts Remanufacturers Association (APRA) show in Oklahoma City, a speaker from Detroit announced they were no longer hiring fleets of production workers, they were hiring fleets of engineers for design and redesign. He boldly stated auto manufacturers wanted that business back in house (dealerships). They assured all big rebuilders 10 men and larger their days were numbered. Small shops of three to six people would do OK. Those words have rung true—almost. There are good ideas and then there are great ideas. Stay mindful of the apple.

As the next few years followed, a blast of what seemed like a million new part numbers hit the market. A huge monetary burden was placed on all rebuilders and vendors. Just keeping up with salable inventory and small parts was a nightmare. At the same time we were losing armature and stator winders and many others to the influence of offshore. The squeeze was on our vendors to purchase this product or go out of business. Some vendors just plain crawled in bed with China and called it a day.

Manipulating markets today is big business. Our market is no exception. The sad part of this story is our government continues to exhibit a level of ignorance and arrogance that will not help this country anytime soon. Politicians, like corporate America, are drunk on power, drunk on self-entitlements, drunk on greed with holier-than-thou attitudes and totally unattached from the American worker.

Or so it would seem. I believe it's by design. I could go on and on about this but today my point is about the rebuilding industry. We do have a future. Next month I would like to share some of my tactics to reclaim lost market share and show anyone who is interested how I grow my business year over year, month over month. If you can't make money with these simple tactics then you seriously need to consider Obamacare.

Thanks to Rob Buksar for all his articles. I agree with most of what he says. He is right about the cores. They're the heart of the rebuilding industry, whether it's a starter or transmission. When I sell my scrap there is no salvage.

And I have to say thanks to China. You boys have done a great job. You did exactly what you were paid to do. It's not your fault corporate America doesn't understand quality control. And last but not least, I have to take my hat off to big business. If you boys hadn't brought all that crud into this country I wouldn't be so busy today. Please don't stop anytime soon.

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