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## To fit or not to fit?

by Geoff Mutton

The proliferation of do-it-yourself auto supermarkets and internet buying has resulted in a growing trend of car owners taking their purchases to their mechanical workshop and asking them to do the fitting. Thinking they are getting a good deal, wrecking yard scavenging is as popular as ever. Anything to save a dollar, regardless of the quality.

Workshops are faced with a dilemma – do they fit the part to keep the customer happy and gain some work, or do they turn down the job and risk losing the customer?

The decision in the end comes down to the individual repairer. Before making that decision it's important to understand the risks and potential implications.

### Reduced job profitability

Mechanical workshops have two revenue streams, labour and parts.

TaT's most recent benchmarking analysis shows that around 55% of a workshop's total sales revenue will be parts sales while labour sales will constitute the other 45%. This obviously can vary from job to job.

So it follows that if 55% of a job revenue suddenly disappears, there is going to be a very negative impact on the job profitability.

The workshop could compensate by charging a higher hourly labour rate to perform the job. While this has some merit, the workshop has to consider the motivations of the customer. Those who go to the effort to hunt down and supply their own parts and doing it to save money.

Since cost is the motivation, it is more than likely that this type of customer will have a pretty good idea of what hourly rate they should be paying for the labour to install the part. So jacking up the labour rate generally won't work.

## **Long term customer**

The repeat nature of a mechanical repair business dictates that investing in relationships with customers is a worthwhile business decision. Do a great job today and there's a good chance of securing a very long-term customer.

So when a customer wants his workshop to fit a part that has been bought elsewhere, the workshop's natural reaction is to do what it takes to win the customer long term.

The problem with this approach is that customers who supply their own parts are generally not interested in the quality of your service. It's all about the price. If they can find another workshop that will do the job cheaper, they will be out your door without an ounce of remorse.

## **Your reputation and quality of workmanship**

Social media now has to be considered as part of this marketing dilemma. We know only too well that if a customer has a bad experience, they love to share it on social media, and if it happens often enough it can have a negative impact on your business.

The quality and reputation of your workmanship must be calculated in these scenarios. Ask yourself these questions:

- Are the customer-supplied parts the correct ones? Depending on the diagnosis, this is a hard enough question for qualified technicians let alone a do-it-yourselfer who has just surfed the internet for a bargain. If the part installation turns sour a few days later, who gets the blame? The customer will undoubtedly blame your workshop.
- Saving money being the overriding aim of buying a part elsewhere, it is very unlikely that the customer will want to pay for a confirmation diagnosis, if only to determine that the customer's privately sourced part will fix the problem. So if the problem returns, who gets the blame? Your workshop.
- Can you vouch for the quality of the parts? If they have been bought for a price just to save money, it could well be that the quality of the part will be questionable. And are you prepared to waste more time, for which you will not be paid, to determine the quality and worthiness of the part? If the part fails and causes additional damage to the vehicle, who gets the blame? Your workshop.

## **Legal implications**

Under consumer law a repairer is not liable for parts supplied by the customer.

However, repairers can be liable for damage caused by fitting customer supplied parts that are not fit for purpose. The onus is on the repairer, as the professional, to assess the condition, reliability, performance and suitability of the parts prior to installing.

## **Recommendations**

If your decision is to fit the customer-supplied parts for whatever reason, you are encouraged to draw up an agreement, that must be signed by the customer, that clearly spells out:

- that the parts have been supplied by the customer
- that the customer was informed of the potential consequences of using parts that don't meet original equipment manufacturer (OEM) standards
- that the repairer does not offer any warranty on the consumer supplied parts
- that the customer indemnifies the repairer from any loss or damage caused by the customer - supplied parts.

Fitting customer-supplied parts is an individual choice. This article is intended as guidance only, and should not be regarded as legal advice. It is strongly advised that workshops seek their own legal advice on the implications of fitting customer-supplied parts.

The place to start is [www.tatbiz.net.au/capricorn](http://www.tatbiz.net.au/capricorn)

*Just go for it!*