

Date: Thursday, 12 Decemb 1996 8:15am
To: Bill.HARDT, Thomas.LHOTE
From: Bob.BROWNING
Subject: QRP

*Lawson
File - CHIT
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DATE: DECEMBER 12, 1996

TO: TOM L'HOTE
BILL HARDT

FROM: BOB BROWNING

RE: QRP MEETING - THE "BEACH HOUSE", 12/10/96

THANK YOU FOR THE OPPORTUNITY TO CONTRIBUTE INPUT RELATING TO QRP TUESDAY. FOR ME, DEFINITELY A HIGH POINT TO MEET WITH YOU AND MY PEERS FROM AROUND THE COUNTRY, AND TO REFRESH SOME LONG STANDING FRIENDSHIPS. I ENJOYED, AND I THANK YOU AGAIN FOR THE DINNER AT ALEXANDER'S

I'VE HAD SOME TIME TO REFLECT ON OUR DISCUSSION(S) AND TO SUMMARIZE MY THOUGHTS WHICH ARE A COMBINATION OF MY THOUGHTS "GOING IN" AND THOUGHTS "GOING OUT" OF THE MEETING.

THOUGHT I WOULD SHARE WITH YOU:

- NEW NON-OEM PARTS ARE NOT POPULAR WITH ANYONE. (PARTICULARLY SHEET METAL)
- THEY ARE DIFFICULT FOR US TO SELL; PROBABLY TAKE UP FIVE TO TEN PERCENT OF CLAIM TIME TO EXPLAIN, SELL, AND DEFEND. WE SEEM TO BE IN ALL THE "SHOES".
- QUALITY HAS IMPROVED DRAMATICALLY OVER THE YEARS; CAPA HAS PLAYED THE DOMINANT ROLE IN THIS TREND.
- THERE ARE PROBLEMS WITH CAPA CERTIFIED DUE TO INCONSISTENT RUNS, BAD STICKERING; SOME SAY AS HIGH AS THIRTY PERCENT. I THINK PROBABLY SIGNIFICANTLY LESS THAN THIRTY; THIS COULD BE REGIONAL.
- OUR QRP UTILIZATION HAS BEEN CONSISTENT WITH OUR COMPANY PHILOSOPHY TO TAKE ADVANTAGE OF COMPETITION IN THE MARKET PLACE FOR THE ADVANTAGE OF OUR CUSTOMERS. QRP HAS IMPACTED OUR BOTTOM LINE IN A POSITIVE MANNER.
- AS LONG AS WE ARE COMMITTED TO CAPA, WE SHOULD PROBABLY CONCENTRATE AS TO THE QUALITY ASPECT, CONTINUE WITH THE QRP PROGRAM, AND REVIEW AS OUR COMMITMENT EXPIRES AS TO CONTINUATION WITH THE PROGRAM.
- UNLESS, *** AND THIS IS FOOD FOR THOUGHT, WE COULD COME UP WITH AN AS GOOD, OR-BETTER PROGRAM TO ADDRESS BOTTOM LINE CONCERNS. EXAMPLE - WHAT WOULD HAPPEN TO OUR BOTTOM LINE IF WE TOOK THE RESOURCES WE ARE COMMITTING TO THE QRP PROGRAM AND DIRECTED THESE RESOURCES TO A COUNTRY-WIDE PROGRAM WHICH FOCUSED ON THE POSITIVES OF DEFENSIVE DRIVING AND

THE NEGATIVE EFFECTS OF AGGRESSIVE DRIVING WHICH IMPACTS BOTH
FREQUENCY AND SEVERITY, AND THE BOTTOM LINE IN A SIGNIFICANT
MANNER.

P.S. DON'T HIT ON CLARK P. FOR THE NEW-OEM SUBSTITUTION FOR QRP
WHICH IS PREVALENT WITH A LOT OF DEALERS AND INDEPENDENTS
IN OUR AREA. AS I DISCUSSED, ALTHOUGH I HAD SPECIFICS ON
MANY, MY INFORMATION OF CLARK P WAS SECONDHAND, AND I
WOULDN'T WANT TO HANG MY HAT ON IT. HE'S A GOOD REPAIR
INDUSTRY FRIEND.