

April 9, 1986

MEMO TO: Bob Mecherle
FROM: Gerry Westerfield
RE: ECONOMY Entry on Audatex

G. R. MECHERLE
APR 9 1986

There is no brief answer to Vince's question.

The estimator has three choices when a part is replaced:

E = New OEM
EC = Rebuilt, reconditioned or new non-OEM
EU = Used (our sheets print out "Equivalent")

ADP set the terminology; although we did insist they change "salvage" to "equivalent" for Stats Farm estimates. I understand other companies' sheets yet show "salvage."

The consultants agree that "ECONOMY" is a poor choice. It really doesn't mean anything and equates with lesser quality than new OEM. However, the "system" does not allow a separate category for non-OEM versus rebuilt. If we do recommend a different wording, we must be careful to accurately represent reconditioned/rebuilt within whatever we call non/new OEM because the Audatex system does not allow for separation of the two types of parts.

This is the result of integrating a fourth category of parts in a system which is set up for just three categories.

Gerry
GJW:pb