TRW has a clear vision on reman

By Jos Veldhuisen

Over 200 delegates from the parts industry and wholesale groups attended the first Clepa aftermarket conference in Brussels in November to discuss the future of the independent aftermarket. On the agenda was also debates on trends that will shape the independent channels in the aftermarket.

Representatives from the Fiat Group/Magneti Marelli, Valeo, ATKearny, the German Trost Group, Hella and Bosch were all looking at the factors that will impact on the aftermarket. According to speakers such megatrends include consumer expectations concerning mobility concepts (electric cars, hybrids, combinations with public transport, durability, safety, comfort, the environment and last, but not least, the future costs of mobility.



Vice-President Francois Augnet of TRW - setting out a vision for reman.

Will the car industry have changed forever once we leave the economic crisis behind us? Will the value chain be different and what about old and new business models? Many questions and many different answers. Managers will have to make their own, often difficult choices in and develop their own visions in accordance with their individual business environment.

In a wideranging presentation Vice-President Francois Augnet of TRW gave a clear vision of TRW's view about reman opportunities. Starting out with the question: "Is remanufacturing an ecologic dream or a business opportunity?" Augnet supplied the simple answer "it is both" emphasising the importance that everyone in the industry and down the value chain is prepared to take a positive approach to the subject. "Not everybody in the parts business have a clear understanding of what remanufacturing actually is," he said. "Recycle, re-use, remanufacturing and overhaul are much misused or misunderstood when discussing the future of reman."

Francois Augnet suggested a clear definition of remanufacturing could be: "A remanufactured product fulfils a similar function to the original part. It is manufactured using a standardized industrial process in line with specific technical specifications. The industrialized process incorporates defined core management standards. A remanufactured product is warranted as a new product."

According to Augnet, the remanufacturing industry is at a critical stage. R&D, OE knowledge, diagnostics, investments, legal

questions, durability, politics and many other issues will increasingly professionalise the reman industry. As a consequence, there will be numerous opportunities for the companies who are ready to answer such questions by adapting their business models.



Augnet also stated that the European reman industry can learn a great deal from the United States where 50,000 reman related companies with over 330,000 employees exist. Those companies generate a turnover of \$53 billion. In Europe the total reman turnover is about \$6 billion. "A huge difference that is partly due to image," he said. "You have to interest consumers, politicians, workshops, trade parties and the parts industry in a strategic durability concept. Then remanufacturing will no longer be considered as a marginal business, but as part of a core business strategy," concluded Augnet.

