

## Remanufacturing: The Original Recycling

Ten or 15 years ago, auto technicians would rebuild hard parts for customers right in the shop. Today, that system doesn't work, because consumers don't have time to wait and don't want to pay for the additional labour. Remanufacturing now solves these problems, and as such, it is one of the largest product categories in the automotive aftermarket.



The entire remanufacturing industry generates approximately \$2 million in sales in Canada.

Remanufacturing begins with a greasy core that needs cleaning. This duty generally falls to entry-level people, who learn the business by doing the disassembly. Cores consist of hard parts such as engine blocks, crank- shafts, valves, rod bearings and cam shafts. High-wear components such as sleeves, gaskets and bearings are always replaced.

### Cleaner, Better, Cheaper

Remanufacturers can correct product flaws that occur after the typical 100,000 km Original Equipment Manufacturer (OEM) warranty expires. The cost for a remanufactured part is generally 30-50 percent of what a new part would cost, because labor, energy and raw materials are conserved. Remanufacturing uses between 80 and 85 percent less energy than producing a new part. Labor, machining, and raw materials are saved, while chemical waste and energy consumption are drastically reduced — all of which help keep operations lean.

Much of the cost savings can be attributed to the fact that the price of initial tooling and development are not in the remanufactured unit. This is not to say that the industry does not tool up for parts which are not readily available in the aftermarket. Remanufacturers salvage a good deal of the core, and this keeps the cost down.

The OEMs may not give much credence to problems which are not large enough to cause a recall, but the remanufacturing industry can address very specific, short-run engineering flaws. In fact, OEMs frequently look to remanufacturer suppliers to solve reoccurring part failures.

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Besides the cost savings, many remanufactured parts carry extensive warranties – a boost to consumers.

The remanufacturing business has been around for 50 to 60 years, and most of the major companies possess the same sophistication and QS/ISO certification as the original equipment manufacturers.



### **Environmentally Friendly**

The average car owner is unaware of the environmental benefits of a remanufactured part, and the cost for a remanufactured part is generally 30-50 percent of what a new part would cost, because labor, energy and raw materials are conserved.

### **Consumer Education**

Most consumers don't realize how much of a remanufactured part is actually new. By the same token, many consumers will think they're getting a

brand-new engine, when in fact, they are buying remanufactured. Up to 90 percent of the replacement engines, transmissions, CV joints, starters, rack and pinion units, brakes, and alternators available on the market are remanufactured. New parts are installed on new vehicles, where they eventually fail due to normal wear and tear, or design weaknesses. The cores then go to a remanufacturer, who rebuilds the part and puts it back on a vehicle. This can go on in perpetuity, unless the cycle is interrupted.

### **Salvaging the Future**

As the computerized content of vehicles increases, mechanical components are being replaced by electronically controlled systems, and the remanufacturing process grows ever more complex. Reman industry experts agree that to stay ahead of the competition businesses must constantly improve processes in order to prevent costly ergonomics injuries, reduce inventory, and recycle as much core content as possible.