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BEST PRACTICES

CARR AUTO GROUP, BEAVERTON, ORE.

Ore. dealer gets savvy with recall repairs

Computer program automates bulk VIN checks on used cars

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At Carr Auto Group near Portland, Ore., figuring out which of the 1,000-plus used vehicles in inventory have open safety recalls used to be the job of a lone administrative assistant in the reconditioning department.

The employee ran a report each Monday, checking vehicle identification numbers individually against the manufacturers' recall sites. If the employee was sick or on vacation, the job didn't get done.



Preble: Fixed a hole in system

That approach hampered Carr's ability to pinpoint recalled used vehicles, said Brad Preble, the group's president. "We were more progressive in our approach than most dealers, but we still had this hole in the system," Preble said. "We decided that you really can't have a situation where you're supposed to know [about a recall] and you don't. That's too much risk and liability."

The question of what to do with recalled used vehicles is a broad gray area for the industry and a growing problem for dealers amid the flood of industry safety recalls over the last two years, including the ever-expanding Takata airbag recall, which now af-



A technician works on a used GMC Yukon at Carr Auto Group's reconditioning center.

fects around 70 million vehicles. While federal law bans the sale of new vehicles with pending recalls, there is no such law for used ones. Some manufacturers instruct their dealers not to sell them; others don't.

But before dealers are even able to craft a policy for their recalled used vehicles, they need a good system for sifting through their inventory to find them.

Last year, Carr Auto plugged in a new program from software provider AutoAp that automates the tedious job. One morning last week, Preble pulled up the results: 1,290 VINs were checked overnight — as they are every night — against the manufacturers

and the National Highway Traffic Safety Administration's database. The program spit back 104 vehicles with open recalls.

That list got emailed to the service managers at each dealership as well as the group's reconditioning center. Vehicles from Carr Auto's own brands get fixed in the service departments, generating instant revenue. (Carr sells six brands across four dealerships: Buick, Cadillac, Chevrolet, GMC, Nissan and Subaru.)

If it's a brand Carr doesn't sell — say, a Toyota Tacoma — it's sent to a nearby Toyota dealership to be repaired and returned to Carr's used lot. Preble said service rev-

Overnight returns

Carr Auto Group in Beaverton, Ore., uses a computer program that automates the task of checking used vehicles in inventory for open safety recalls and produces a report each morning for its four dealerships to follow up on.

enue has gotten a lift from some of those same dealerships sending recall-repair business back Carr's way.

For vehicles that cannot yet be repaired because the manufacturer doesn't have a fix or parts available, Carr will sell them to customers if the recall is not safety related. The dealership provides those customers a time-stamped disclosure from the AutoAp system, including details of the recall and a notice that the owner should get it fixed once a repair can be made. If it's a safety defect, Carr will wait until a fix is available or sell it at auction.

"If we as dealers touch these recalled cars and we're able to fix them, we should fix them," Preble said. "Customers left to their own devices aren't going to do it."

AutoAp, based in Carr Auto's hometown of Beaverton, Ore., has "hundreds" of dealer customers, CEO Mark Paul said. The system searches new and used inventory for open recalls. He says it's not uncommon for a search to turn up a recall on a new vehicle that the manufacturer hasn't yet notified the dealer about.

"Our clients want to be squeaky clean," Paul said. He wouldn't disclose pricing details. **AN**