AASA and ASA joint task force to review the cost of comebacks. Circa 2016.

Cost of Warranty: The team spend a significant amount of time quantifying the cost of a job where a part was warrantied due to an issue other than the part being defective: This information could be used on any type of product category but this was a common issue with a common vehicle:

- "As parts suppliers you are not in business to keep the service provider in business"—great quote

"Steering Rack Job" returned due to improper flushing: Honda Accord

At Shop labor rate of $90/hour

Initial Job:

- 5.1 hours (Mitchell) for initial job that was billed $90/hour or $459
- Alignment: 1.1 hours, $99
- Shop makes $200 on part
- Fluid replacement $15 cost of $10
- **Revenue on initial Job: $763**

Shop process for warranty on the job:

- Customer complaint about completed job, vehicle returned to shop
- Diagnosis: System not flushed properly
- Confirm complaint (test drive) .3 hours **$27** of shop labor
- Back on the rack to confirm test drive diagnosis: .5 hours or **$45**
- Confirm rack is contaminated
- Call parts stores to confirm part is available and explain situation: 10 minutes of service writer time **$20**
- "training time" with the tech to confirm rack job was not completed correctly
- Wait for part to be delivered (occupied bay)
- Reinstall new rack: **$459** @ 5.1
- Lost bay time that could have been profitable during this time**: $459**
- Flush and fill kit (for Honda) $89—cost? $19 + 45 labor $64—which would have prevented the problem to begin with **($64+$19=$83)**
- Alignment: 1.1 hours or **$99**

Comeback cost for shop owner: ($1,192)

Conclusion: training and proper process could have prevented a loss of $1,100 in revenue.

- Invest in training Equipment
- Invest in management training
- Invest in the right tech