

Aftermarket

2012

a technical road map

No one ever reached their destination without a plan. You have to have some idea of where you are and where you are going. Armed with those two data points, you can chart your course and set out on your journey.

AAIA has done a lot of planning recently. The board of directors has created a comprehensive strategic plan to guide the future priorities of the organization and the industry we serve. One of those priorities is focused on business technology. With help from a team of members from the Technology Standards and Solutions Committee, AAIA has created a vision of the future state of technology and e-commerce called Aftermarket 2012. The projects and initiatives that will help us realize the envisioned future form a road map that guides our journey over the next several years.

What Do We Really Know About the Future?

In planning for the future, there are a few things we can state with great certainty. Vehicle technology is evolving at a faster rate than ever before and will include more electronically-controlled systems and involve a greater variety of fuels and propulsion systems. Telematics and remote vehicle diagnostics have the potential, through GPS and cellular technology, for the original car manufacturer to monitor the vehicle and stay in constant contact with the owner, amounting to vehicle relationship management. All the while, original vehicle quality is getting better and the replacement interval of common service parts and components is getting longer.

We are convinced that companies that invest in e-business processes and standard-based practices will be quick, low-cost and global in nature. They will respond with faster product introductions and benefit from the longer global demand tail.

To those who make a living in the automotive parts and service industry, the future looks like one of fierce competition with the OE who has a built-in connection with the car owner. Inventories will swell with a growing number of expensive, slow-moving sensors and electronic controls. And keeping up with the technical information required to service the fleet of tomorrow will be a full-time job.

Besides the vehicle-driven changes, people will have a profound impact on our future. For one, the people with the most experience and industry knowledge are leaving. Parts and service professionals are younger and more computer literate. They don't carry decades of knowledge around in their heads. They expect it to be available from a keyboard... or in their Palm or iPod or other mobile device. The expectation of most people is becoming one where all information is available anywhere, anytime, on demand. Speed and flexibility in the delivery of rich, graphical information is critical to meeting customer expectations as they search for products online.

One final observation about the future is that we will deal with changing vehicle technology and more sophisticated expectations for the delivery of information while our industry promise to the motoring public does not change – no matter what you drive; no matter where you are; no matter what component fails; we will have the correct replacement to you in 30 minutes. The pressure that promise will put on our supply chain to perform profitably is huge.

The operating assumption of Aftermarket 2012 is that the efficiencies and cost-savings of technology and standardized practices are essential to businesses that will thrive tomorrow and beyond. We are convinced that companies that invest in e-business processes and standard-based practices will be quick, low-cost and global in nature. They will respond with faster product introductions and benefit from the longer global demand tail. They will delight their customers with the quality and flexibility of the information they can deliver about their products. And they will have the ability to collaborate with their partners in meaningful ways to eliminate excess inventory and cost out of the value chain. They will be winners!

Vivid Description of the Future

The single statement that best describes the goal of our Technology Road Map is:

To enable a competitive and vigorous aftermarket supply chain that makes maximum use of technology to satisfy customer needs, while delivering unprecedented levels of efficiency to the industry participants.

This goal will be realized provided we are successful in addressing several issues:

- There must be full industry adoption of the standards for aftermarket data and communication (period – no more excuses).
- Suppliers must invest in full, rich information about their products and the methods to deliver that data to their customers.
- Suppliers and distributors must think globally and connect with partners through the Web using standard protocols.
- Supply chain visibility and collaborative forecasting can no longer be buzz words but must be practiced universally.
- We must build the systems to connect service technicians to the vehicle information bus and the required technical and service information.

These goals are bold – some would say they are big, hairy and audacious. But they are not optional if we are to be an industry of winners who thrive as we meet and exceed the expectations of our customers. The good news is that the foundational building blocks already exist. The work of the past decade has prepared us to reach our goals in the future, thanks to ACES, PIES, IPO and i•SHOP.

Forgive Me, But It's All About the Data

The industry must abandon the practices that evolved for the purpose of printing a human-readable paper catalog. Today, the aftermarket has a robust, mature standard for the management



DEVELOPED BY AAIA



DEVELOPED BY AAIA



DEVELOPED BY AAIA



DEVELOPED BY AAIA

and exchange of light-duty vehicle applications catalog information – it's called the Aftermarket Catalog Enhanced Standard (ACES). ACES is now in its fifth year and has proven to be stable and effective so that companies like Activant, WHI Solutions, CARQUEST and AutoZone call it the preferred method for suppliers to send catalog data to them. Others like Advance Auto, CSK and NAPA are taking definitive steps to transition to the industry standard. For the first time we have a real net reduction in the number of formats a parts supplier has to support.

For non-application parts and product attribute information, the aftermarket is ahead of many other industries because we have developed a Product Information Exchange Standard (PIES). PIES is the guidebook for the management of scores of pieces of information about a product that is needed by one or more business systems in the supply chain. Because precision and standardization is absolutely required in the data exchanged between computers, PIES specifies the single best way to manage product information field-by-field. This liberates information technology professionals who follow the same guidelines as other companies in the industry. Thereby, reducing the time, effort and cost associated with synchronizing master product information with trading partners.

Connectivity is King

Besides data and content, the industry is fortunate to have existing standards for the connectivity and interoperability of business systems. Whether they are across the room or across the country from one another, when two computers cannot communicate and exchange information, they are islands with limited value and functionality. But this is the age of the Web and Internet protocols that connect any two computers in the world by using agreed upon standards. The aftermarket has already developed technology based upon Web services to achieve connectivity across the supply chain, as well as across the service shop.

Internet Parts Ordering (IPO) defines the conversation between two computers for a parts order and confirmation. The great

value comes when developers can use a set of predefined messages in their applications. They can devote more time to adding value and less time discovering how to be understood by other computer systems. With messaging standards like IPO, aftermarket partners can communicate electronically and automate processes that are still done by phone and fax to an alarming extent.

Service shops today demand specialized diagnostic and service equipment, as well as business management and information systems. It is typical for a shop to operate multiple computer-based systems that do not communicate or exchange any information between each other. i•SHOP was developed by the very makers of those systems, in cooperation with AAIA, so that they could be integrated to form a network within the shop environment. This revolutionary shop technology improves technician productivity, increases shop efficiency and creates a modern environment to attract the top technicians to aftermarket shops.

Envision Tomorrow Today

These are just a sampling of the technology standards and initiatives that will drive the future of the most successful aftermarket companies. Leading retail and wholesale chains, as well as their top suppliers, have already invested in standardizing the data they exchange and the communication methods they use. They have recognized that investing in technology is a better strategy for differentiation than chasing the lowest price or other costly concessions. The journey toward full compliance with industry standards and a technology-enabled aftermarket has already begun. Is your company on board?

For complete information visit www.aftermarket.org and select "Standards & Technology." ■

Scott Lockett is vice president, technology standards and solutions, for AAIA.