

Company: SCM Turbomotive Ltd
Location: Huddersfield, UK
Type: Independent Remanufacturer
In reman: Since 1980s
Contact: Duncan Troughton (Commercial Manager)
Phone: +44-1484345383
E-mail: duncan.troughton@scmturbo.com
Web: www.scmturbo.com



Product

Full range of turbochargers and the spare parts

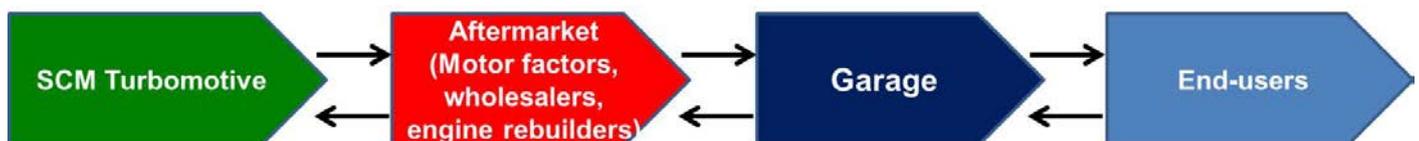
Core Sourcing

The cores are retrieved from their customers through four schemes: Direct-order, Deposit-based, Buy-back and Voluntary-based. Most of the remanufactured products are sold with surcharges to help control the units back.



Business Model

SCM Turbomotive is a major distributor, remanufacturer and repairer of turbochargers to the independent aftermarket. SCM supplies all makes and model of new and remanufactured turbochargers for service passenger car, CV, bus, marine and industrial applications. The main customer of SCM remanufactured product is the motor factors which supply spare parts to garage. In value chain, the remanufactured units will go to motor factors that sell to garage and then to end-users. The old units will flow back to the chain through garage, motor factors. SCM will have small amount of business with wholesalers and engine rebuilders.



In terms of remanufacturing process, the cores will firstly be stripped down to small components and cleaned using different methods such as sand blasting etc. depending on the components being made of. The components will then be checked individually if they are within tolerance before going through machining including honing, grinding etc. The subsequent process is rebuilding which includes the activities of replacing discarded components, core balancing and actuator before going through 19 inspection points to confirm the OE specifications. After the aforementioned steps, the remanufactured products will be packed for storage or sold directly to the customers.

SCM deals with vehicle off the road (VOR) business so that the driver behind the business mode is the efficiency of delivery service to their customers. The company therefore has a wide range of remanufactured turbochargers in stock in order to provide immediate service to their customers (motor factors). The challenges of the business model are:

- Ensuring the company's service can capture as much business as possible in the market and stay competitiveness with other turbocharger providers.
- Some competitors (small operations) will by-pass motor factor route to garage which will influence SCM business in some ways.
- Low quality of products (such as the core is not through balancing test) with cheaper price from other competitors influences the perception of remanufactured products in the market thus affects the sales of SCM remanufactured products.

SCM has internal developed tools to measure the economic performance such as availability of turbochargers, cost savings, pricing, stock etc. With this performance measurement, SCM would be able to set up a strategic plan to react the market. The main challenge to improve the company's remanufacturing business is keep up-to-date technology for turbochargers.

Economic Benefits

In general, SCM remanufactured products are 70% priced compared to newly manufactured products. The warranty issued with remanufactured product is longer than new product (24 months warranty with 12 months no quibble guarantee). The customers see the benefits of SCM remanufactured products are: cost effective and also easy sell to their customers (i.e. the garage and end-users).

Environmental Benefits

The remanufacturing includes reusing parts in turbocharger so that it brings energy saving and impacts to environment.

Social Benefits

The growth of remanufacturing business in SCM will create more job opportunities in local community. SCM also have other activities to the social benefits:

- Encouraging all employees to participate with local community activities and allow employees to take paid time off to take part in these events every year.
- Regular donations to charities and to local community organisations.
- Providing matched funding for any employee donations to charity.
- Members of the Calderdale and Kirklees Manufacturing Association and regularly support local events.

Advanced Materials Recovery

Yes, from remanufacturing turbocharger, the alloys, aluminium, cast iron, titanium can be recovered.