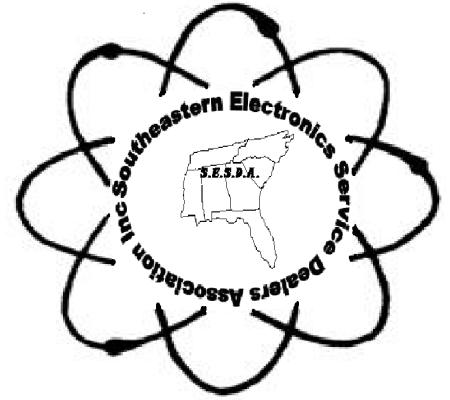


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From the Editor

Parts Parts Parts!

You're a technician. You have a call to go on. Either you call and verify the complaint and order the part or go out and examine the set and then order the part. The part comes in. You run the call and install the part and the best part; you get paid for your work. Life is good in a perfect world. The world isn't perfect.

You order a part, run the call and discover the box has something entirely different than what you need. You order the part and discover the box has what appears to be someone else's dud in it complete with dust and bad caps. You order the part and despite your precautions you just can't get the set to work. You call tech support and after sitting on hold you talk with a product support specialist and the answer is your new part is bad.

These and other scenarios are becoming all too common. Sometimes you are at the mercy of a TPA that supplies the part. That is good if the part works. You have the part but no money out of pocket. All too often the part came from a salvage site and you won't know whether it is good till you try it in the set.

Your profit, such as it is these days, just evaporated. If you tried to fix it on the first visit and preordered the part then making a 2nd trip will get you a break even cost. If you had to make the call first because some engineering Einstein put a critical number in only one place, the board in the set, then you are at a losing point in the game. The solution isn't easy.

Some manufacturers put serial number barcodes on all their rebuilt boards. This, at least, would allow you and the manufacturer to know that the board you sent back as new not needed was the new not needed board and not the one out of the customer's set. The same goes for parts distributors. They need to keep better track of the parts sent out and the parts that come back in. I understand that costs money but to take someone's word without opening the box that the part is new

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Replacement parts Issues By Mark Wentowski

"The COD shops"

Recently it's become absurd what we have to go through just to come up with replacement parts for the products we service as a COD business.

Many of our repairs involve 15 minutes to make the diagnosis and another hour or more searching to find the parts we need to complete the repair.

In fact it can eat up so much of our time that my new policy has been to get the repair estimate approved first based upon what the replacement parts should cost, if they can be found.

Only then am I willing to begin the process of "shopping for parts".

It often involves searches with numerous parts distributors, Google searches, and posts to NesdaNet "begging" fellow member's for assistance.

If we have to call a customer back and disappoint them by saying "sorry, we can't get the parts" then at least we haven't been completely spinning our wheels working towards an estimate that may have been turned down anyway.

A few of us (not me) have recently resorted to EBay as a possible source for hard to find parts.

It's a hard pill for me to swallow to think that professional service technicians and business owners would have to resort to EBay for their replacement parts.

So far as I'm concerned this practice has put us into the very same category as a DIY'er.

But as I've been told in the past: "We will do whatever we have to do to stay in business!".

And to me personally, this is a concept to which I can relate and have become painfully aware.

"The MANUFACTURER WARRANTY"

Over the years I've performed warranty service for several different companies.

I first worked for a company that sold and serviced the RCA line of televisions.

That was in 1974 and we had no parts issues back then.....none at all.

In fact we had our choice of three local parts distributors all of whom were well stocked.

They even had couriers to deliver the parts to us on the same day when we placed an order, or within an hour or so...if we requested especially fast service.

When the repair was completed we'd simply fill out a NARDA claim form to RCA listing the parts we bought

locally and we always got paid without question.

Now in 2011 it's sometimes difficult to find replacement parts for a warranty repair even when we're dealing directly with the Manufacturer of the product.

Their list of excuses as to why they can't provide replacement parts for their own products would take as many pages to print out as the Constitution of the United States.

But it's usually us, the servicers, who are seen as the "bad guys" by our customers who are understandably upset to learn that their 2 month old \$3000.00 TV will take months to get repaired under warranty.

"The TPA EXTENDED WARRANTIES"

It's recently been brought to my attention that third party administrators are now cutting corners in an effort to obtain replacement parts so they can fulfill their service contracts.

I've even heard rumors that a few of them are now resorting to EBay.

Unfortunately that does a great disservice to those who take the time to go to a customer's home and install a replacement part only to discover the part which was provided to them is bad.

The servicer knows it will be like pulling teeth to get any additional money out of a TPA to cover their extra time and effort.

I've chosen not to do business with the TPA's but for many repair shops the TPA work has now become the backbone of their entire business.

I do understand why the TPA's go to such great lengths to obtain parts any way they can.

And it's not necessarily because they're trying to do it in the cheapest way possible.

They're just trying to get it done....period.

Whenever a particular part is no longer available from the manufacturer or a parts distributor then they will be faced with an expensive "buy-out".

So in many ways they are in the same boat as all the rest of us, including me.

If we can no longer get the replacement parts we need to complete a repair then we will all certainly lose money.

Mark Wentowski
NESDA Region 2

PARTS, PARTS, PARTS

By : Carlla Helms – Alabama SESDA Director

Jerrell Helms – NESDA VP

The question was asked of us to discuss the current crisis of defective “new” parts. The question should go much deeper. There are a number of related issues. (1) New parts which are defective (2) Green parts which are defective (3) Wrong parts or mis-packaged parts (4) Sub-standard parts (5) Unrealistic risk vs. returns when handling expensive parts and cores.

1st Defective new parts is nothing new.

It has always been possible. The problem came with the expense of composite parts and the inability to stock those parts. In the days when I tech pulled a 1N4007 diode or an AN7812 AVR and it was defective, there was usually another one on the shelf. Also the job was usually being done in the service center. Of course there was cost involved in diagnosing a defective new part. Fortunately it wasn't a common event.

Now however, with a board assembly with hundreds of individual parts, the probability is concentrated onto fewer parts, the composite part. There may be a number of causes for these parts to have reached the kind of failure rate we now see, but I believe that it can mostly be put at the feet of the speed at which everything has to be done today. Actually I believe the majority of our industry problems can be attributed to that, along with cost reduction.

2nd Green parts, something only shade tree techs would do ten years ago.

We had a policy in our business for years that we absolutely would not use any salvaged parts for repair unless it was the final straw. Even with component parts, we knew the likely failure rate was too high and did not want to risk it. A manufacturer would have a fit if they knew a salvaged part had been used to make a warranty repair. I even remember that our extended warranty partners would not allow salvage parts. How far we have come?

The problem with Green parts is that there are so many varieties and we do not always have a way to know which variety we will get when we order. A board that has gone through a rebuilding process one would think would be a reliable part. Our experience is that pulls from good sources are more reliable than rebuilds. The limiter to that is when there was a design problem that will exist in the pull part.

What is really disheartening is to open a box and find a board that appears to have come out of a chicken house. That really instills confidence.

3rd Wrong parts or mis-packaged parts.

This has been a surprisingly big problem. We have experienced cases where multiple orders got the same

wrong part. Stuff happens. When the part supplier responds and corrects the problem when notified, that ameliorates the perceived damage. It is even better when one does, as has happened, and calls to let us know the parts we received appear to be correct but actually are not. That is service. The real problem is a when a supplier, as has happened, denies the problem and refuses to correct it.

4th Sub-standard parts.

This does not seem to be as much of a problem with assemblies as it was (is) with semiconductor components. The worse of this was when we received counterfeit STK chips, from a reputable supplier, in a manufacturer labeled package. That was one of those cases that no one would accept or admit who packaged them.

5th Unrealistic risk vs return is potentially more serious than the first four.

We work in an environment today where speed is required for even core returns, one trip repairs are demanded because the rate won't cover a return, parts cost rival the cost of new product, and parts costs far exceed labor rates. This is a recipe for trouble. Spice that up with the unforgiving policies on core and return procedure and it gets worse.

When one considers the real profit a business makes, even a good profit, on the average repair labor; one lost core or denied return, or even denied claim can easily wipe out the profit on twenty repairs.

Even more galling is when an entity seems to hope for those mistakes and make efforts to stonewall corrections. Bless the company who will, as happened with us recently, pick up the phone and call when a core was the wrong core in the box. In between is the reasonable attempt to treat the professional buyer fairly when mistakes are made.

Conclusion:

It will be difficult to measure the true cost of any of these different issues. Those costs involve additional shipping and return processing, but also includes repeat trips, lost repairs; and worse, reputation damage.

The logistics of supplying parts to this industry is enormous. Mistakes are inevitable and cost everybody involved. Cost cutting, under staffing, over working, and a harried pace are the causes for most of these problems, in our opinion. When does it cost more than the cutting/hurrying saved? When the costs are applied to the party who realizes the savings. As long as the costs are absorbed by servicers or their customers, those savings are real to the suppliers.

Every part of this industry has contributed in some way to this growing problem, and the problem will only be solved by cooperation between us all. A good place to start that is at the Round Table Forum at SEEC at Lake Lanier Resort April 6-9.

Parts Problems

By Tim Reech

Issues with parts are a huge problem that we face in our industry today. From new/defective and wrong parts shipped to wrong version numbers and boards that arrive almost cracked in half, it certainly creates a dilemma. Those issues I just mentioned are the problems we face as service centers. There are also issues that Parts Vendors are having as well; Parts that are dud/core parts being sent back as new/defective being the most prevalent. What can be done to correct these issues? What is the answer to the problem? The only cure I have found so far is to send back the part (whether it is wrong/defective/damaged etc.) and order another/correct one. The shipping costs incurred by these problems are mind boggling. Perhaps the solution needs to come from all parties involved (the technician, the parts order placer, the vendors, and the manufacturer). If the technician submits a part to be ordered to the internal parts order placer, then part numbers (including the subsequent version number, if applicable) need to be exact. In turn, the vendor or manufacturer need to NOT sub out the part, unless they are COMPLETELY sure that the sub part will work. Of course, there is nothing any of us can do about shipping damages, so I won't get into that. The problem with the vendors or manufacturers receiving back parts in statuses that they really aren't (new/defective when they're really a dud/core, or new/unused when they're really a new/defective, etc), can only be solved by taking the precautions needed. For example, some vendors have been marking their parts with invisible ink (only seen with a black light) to ensure that it is indeed the same part they shipped out, when received as a new/defective part. That was a great idea. We all make mistakes of course, but sometimes there are service centers out there that intentionally send back parts labeled erroneously as the wrong status. My answer to that would be to first of all, make sure that they are doing it on purpose, and to stop doing business with them. Of course, that's easier said than done, but still, I digress. I think the most important tool we have in figuring out a way to address these issues is to keep an open line of communication and dialog between our companies. We are, in fact, in this battle together.

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The issue to be discussed is Parts issues.

By Pete Rattigan

Parts are an integral part (excuse the pun) of our business. Without parts we can't be expected to repair units. For the purposes of this article I would like to separate the issues into several categories and discuss each issue, how it came about, its impact on our business, and my attempt at a solution. We cannot however, have a discussion of parts without also discussing the impact these issues have on our supporting industry the Part Distributor.

First a little history:

In the 1920's There were little radio shops springing up all over New York two brothers Sam and Abe Poncher bought a small operation from Hal Strauss he was running from The back of his tobacco shop selling crystal radio parts.

They grew the parts distribution business into Newark Electric and became known as the fathers of distribution (that company is still in operation today by the way)

SO you can almost say the parts distributors have been around as long as radio!

The relationships were done on a hand shake you as a repairman trusted the distributor and they in turn trusted the manufacture to build quality parts they could sell to you!

When I first started in this business about 30 years ago you could not order a "chassis" or board you had to component shoot everything. At that time the relationship was pretty much the same as in Sam and Abe's time the local parts distributor came around once a week and delivered you your parts (components) you had ordered and would take orders for delivery next week. Then came the great experiment from Zenith (still a major brand at the time) they built sets that all you had to do was take the " module " (board) out and order another one and they would take the old board and refurbish it and resell it. It sounded good on paper the manufacture would be able to produce a significantly smaller quantity of spare parts and have a smaller inventory of parts to keep track of. The parts distributor could keep a smaller warehouse so inventory would be easier, the cost of the boards would be significantly more, so they would make greater markup! The repair technicians could fix the set a lot faster and there by fix more in the same day making more money! We all know how that worked out, the quality of the refurb was a huge problem for Zenith and they had major problems getting the part back from the service facility. A lot of shops had decided we could do the same thing as the manufacture and fix the modules ourselves and keep one good working mod. in stock then we wouldn't have to order so many making more money recycling the same board over and over. Made sense to us?? Right? Well no it did not because those of us that stuck to the program of returning those "dud" mode's would order another and it would not

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come because those that kept the mod's would ultimately cause a shortage! The relationships of the past were significantly damaged you could no longer trust the distributor for the timely delivery of the part and the distributor would not be able to trust the quality of the modules because in their haste to get the reduced inventories back into the market mistakes were made and bad modules would leak into the system. This experiment was the beginning of the end for Zenith; the turn time of the repair would double and triple as well as the customer seeing how many times a part would have to be reordered would lose faith in the quality of the Zenith product. it did not last long before they went back to the components fix.

We thought with the failure of the experiment and demise of Zenith would serve as a warning to other manufactures it was over, we were back to the component fix. All was well with the world of repairs again. But, wait! The story doesn't end there it wasn't over no we have manufactures putting these funky "surface mounted components on their "Multilayered boards" The manufactures looked at these new chassis and said to them selves we can't ask the repairman with a soldering iron and a screwdriver to remove these things in the home! How are we going to offer in home service with this?? The engineers at the manufactures came up with many different ways to remove the new SMD's (Surface Mounted Devices) and trained all the authorized service centers on "the best "way to do this but they still got requests for boards due to the sloppy tech butchering the boards pads and not being able to fix it without one. Then the manufactures decided something had to give. Then one said" Let's try the board level method again but with the better remanufacturing and tracking of the dud parts! We can do it better than Zenith did."

Then came logistics from the big shipping companies. What did this mean to the repair facility you ask? Simple, this meant the manufacture would no longer have to hold huge inventories at their assembling plants. So when the assembling plant gets an order of say 1 million LCD sets to be produced they simply order 1 million bezel, 1 million backs, 1 million frame sets, 1 million main boards and so on they all get delivered to the assembly plant only as needed but when the Board assembly plant can only produce 250 thousand of a particular model main board they simply get a similar main board and put that in the order of 1 million it will fit with minor modification the power board or inverter boards and we as repair tech's have no clue which sets got which boards in that model number. This is logistics to us! So different manufacturers, came up with different schemes to figure out the issue like revision numbers, differing serial numbers, and product codes. This created a nightmare of distributors sending wrong boards out even though the part number was what was listed in the parts list for the set!

The problem of wrong parts was created; everyone had to learn what the scheme was for getting the right part to fix the set! Then in the middle of all this confusion enter the warranty and third party administrators like NEW who decided there is to much markup being made by the parts distributors and the service centers so they in an effort to "save money" decided to insert themselves between the distributors and the service centers they did this with staff that had no clue what was going on in the parts world and the staff couldn't tell what a power supply was I know they asked me! Thus the "wrong parts" problem got worse. Not to mention the accounting of twice the work not only did you have to track and report to the distributor and manufacture the duds in your service center you also had to report it to the third party warranty Company! Admin in the service centers increased exponentially to keep up the paperwork.

We have also had the introduction of "green parts" into the parts distribution system. It started with Shop Jimmy they blew apart the distribution system with cheap parts they got from recycling at first shipping damaged TVs new ones! They simply removed the new boards from the TVs they bought by the truck loads with broken screens and sold the parts at significantly cheaper prices than the "new "ones and we jumped on the band wagon Shop Jimmy became a household name amongst the tv world and then other parts distributors sprang up some of the old ones opened green divisions that would do the same, the problem is there are only so many broken screens in the industry! And soon these "green distributors" started buying other scrap TVs and selling parts out of them along with the new ones until you can't tell which is which!

And now we have a parts distribution system laden with paperwork and bad or wrong parts the only company making any money on TV parts is the shipping companies and the service centers are upside down with administrative help to technicians they are increasingly feeling the burden of other industries paperwork and profits are in an all time low. Parts profits are nonexistent to the point some have started to return duds as new defective parts just to keep their heads above water.

The parts distributors, eating dud charges because of unscrupulous repair facilities or facilities so over laden with admin they simply can't keep up with the constant influx and outgoing parts. So they make mistakes. They now have to carefully inspect and mark covertly parts in order that they don't get taken. Before they release the core charge back to the warranty company who has already charge the core to the servicer's labor from another job.

So that's where we are today in the Parts distribution industry does it mean the demise of the two sister industries?? Can it be fixed??

I think it can but first we have to sit down and all keep our heads cool and not play the blame game.

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Wrong boards are the easy fix we as service centers must stop being lazy and do the work of ordering by part number according to the scheme of the specific manufacture the days of ordering by description are over.

Parts distributors and third party warrantee companies should stop "crossing" parts in order to keep fulfillment levels up. They have to realize the experts are on the other side of the industry and they know what they need and yes it matters if one little revision # is off.

The manufacturers should change the model number when they put different parts in the same run and should develop a standard scheme in doing so.

This would eliminate the issue of getting the correct part back into the hands of the service center where it belongs.

The issue of bad parts is not that complicated either.

First we as service centers need the trust relationship we had in the past with the distributors and the manufacturers.

To that end, some of the service centers should change their business model and offer an independent testing facility for green parts. We cannot ignore the significant savings we get on green parts with other costs going through the roof and with a few testing facilities spread across the country that could certify the part independent of the distributor or the recycler and service center both industries can start rebuilding that relationship to its former level.

Second when this new certified part Standard rolls out, the service centers need to agree not to buy parts that are not independently certified this would weed out those flash in the pan distributors that choose to not get their parts certified Parts Distributors need to agree not to sell non certified parts to servicers.

As to the final issue The admin and all that comes with it problem It can only be fixed in my opinion with what I said to the NESDA board in July last year with a standardization of the warranty filing process with dud tracking included. This would standardize the computer software as NESDA and NARDA did in the sixties when we had the same kind of issues before they did it with the NARDA form if you wanted to repair for mfg's and TPA's you had to use the NARDA form we do not have that now because of the computer integration in the process.

I have asked in open forums why this can't be done and the manufactures have responded "If NESDA wanted to organize this they would be on board" So why hasn't our board done this or even started this huge undertaking I don't know but I will keep pushing for it.

I created the State of the Industry forum in the format like I did so the integral components of this service industry can sit and calmly discuss the problems we face together because it is only together they will be fixed.

See you at Lake Lanier!

Pete Rattigan

President: Southeastern Electronics Service Dealers Assn.

(Continued from page 2)

not needed is asking for someone else down the road to discover the problem. At the very least a distributor needs to look at the board coming back and say there is an inch of dust on the new board. A servicer buys a part and his reputation is on the line. A distributor sells a part and their reputation is on the line as well.

Of course there are the inevitable paperwork mistakes that happen from time to time. A tech sent a board n for rebuild but used the wrong color label. The board was NLA but could be rebuilt. Improperly tagged it went to core return and was quickly bought by someone else.

If it is a warranty call you can sometimes get the warranty company to kick in a little more when they supplied the wrong or defective part. If you ordered a rebuilt part from the manufacturer and it doesn't work sometimes you can request additional labor even if it was not a warranty call. If the TPA supplied the part you may be able to ask for additional but so often we get too bad so sad.

Sadly at this point the only thing I can say is you are a technician. What is wrong with you changing the caps on the board and fixing the set? While we are in a board swap world I routinely send a tech out with a hand full of caps or an IC instead of an engine and we fix the product faster and cheaper. If you see 10 of the same model with the same problem stop ordering boards and figure out what is wrong. While it may not pay you the first time to trouble shoot to component level the next time you see the problem you have a faster and cheaper fix.

Caveat emptor, a Latin phrase that means let the buyer beware. In law it means the buyer cannot collect from the seller for any defects after a sale. For a technician it means you don't go out with your pants unzipped and you don't go on a call with an unopened box.

Dan Mundy, CET/CSM/MST

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