

**Japanese Motor Works Inc.
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The Myth of Extended Maintenance Intervals: Part II

My personal interest and involvement stems from the fact that extended service intervals are the absolute antithesis of everything my nearly 30 years in this industry has taught me. It is just dangerous and expensive to wait too long to have your vehicles serviced, maintained or properly repaired. It all starts with the simple concept of “cost per mile,” a concept first introduced to me in the late '70s.

This concept was presented this way: *“Which costs more: cheap tires or expensive tires? Which costs more: preventive maintenance or fix it when it breaks?”*

Looking at the benefits and the costs associated with aggressive maintenance vs. terminal neglect isn't much different and this could not have been demonstrated more clearly than it was just this afternoon. Like most of you, we have a core of customers who are passionately committed to what I would call aggressive vehicle maintenance. In other words, if the service appears in the owner's manual or it is something your experience has proven will reduce their overall cost of operation, increase performance, reduce the risk of a breakdown or extend the life of the vehicle, their attitude is, “Do it!”

In too many cases, these individuals are ridiculed by their friends and associates for “foolishly” throwing their money away. One such individual, a long-time customer and friend, was in today to pick up one of the five vehicles in his “fleet” we care for. He is a college professor and his wife is a teacher, and every year — three or four times a year — they rotate each of their vehicles in and out of the shop for service.

Today's trip was the last for this fall, and as we took a few minutes to visit, he commented on the teasing he endures from those of his friends and colleagues who do not understand his obsession with maintenance. While we both seemed to instinctively know these dollars weren't wasted, I'd never taken the time to actually run the numbers. Certainly, this would prove to be as good a time as any.

Over the years this family has spent tens of thousands of dollars with us starting with the oldest of their vehicles, a 1985 Toyota Camry that we began taking care of soon after it had been purchased used with just over 42,000 miles on it. Today that vehicle is still “in service” with over 217,000 miles on it and has been joined by three other Camry's — another 1985, a 1989 and a 1998 — as well as a 1998 Honda Accord.

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Our management software is capable of adding up all the invoices associated with each vehicle and then factoring it by the number of miles traveled resulting in an 'average cost per mile.' While these calculations won't take into consideration any service delivered by another service provider unless you factor it in yourself, it will provide an accurate record of what the motorist has spent with you. When I ran the numbers on the first Camry, the cost per thousand miles came in at just a fraction over nine cents per mile. The second oldest Camry came in at 10, one of the others at seven, another at eight and the Buick at just under eight-and-a-half cents per mile.

But, is that good or bad? Acceptable or unacceptable? One of the largest vehicle fleet management companies in the world recently released numbers on the average cost of vehicle ownership. They pointed out a number of trends that have not only escaped most vehicle owners; they seem to have escaped most of the service industry as well. It wasn't just the fact that vehicle ownership is more expensive than it has ever been before, I think we've all figured that out on our own. It was more a sense of exactly how much extra it is really costing and where those dollars are going.

You see, the cost of vehicle ownership has increased by just under five times: from 9.3 cents per mile in 1960 to 45.9 cents per mile in the year 2000! But, the study went farther than that; it broke the numbers down into two categories. The first category dealt with the "hard" costs involved in vehicle ownership; the second, the "Variable Costs," dealt with maintenance, repairs and fuel. It pointed out that between 1960 and the year 2000, Fixed Costs increased by 550 percent, while Variable Costs increased by just 170 percent, and that's where the numbers begin to dance.

Variable costs (up 170 percent) haven't even come close to keeping pace with inflation (up by more than 400 percent for the same period), while Fixed Costs, the greatest percentage of the cost of operation, incorporating depreciation, license and registration have increased by more than 500 percent. If you pound the numbers hard and long enough you'll find that maintenance, service and repair account for only about 30 to 35 percent of the total cost of owning or maintaining a truck or passenger car, or an average of about 15 to 18 cents per mile. And, that's where things really start to get interesting because the more aggressive the level of maintenance, the lower the average cost per mile appears to be.

I ran the numbers on scores of vehicles and the results were all the same. Aggressive maintenance resulted in service, maintenance and repair costs of 12 cents per mile or less consistently. Those customers who maintained their vehicles less aggressively, but still met minimal factory maintenance requirements spend on average 4 to 6 cents per mile more (30 percent to 50 percent), while those individuals who criminally neglect their vehicles can equal their fixed costs, more than doubling the cost of automotive service. More than that, there was an obvious correlation between maintenance and breakdowns: The more aggressive the maintenance, the less the likelihood of any kind of mechanical failure.

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In the end, it's a simple matter of understanding the numbers and what they have to tell us. Spend more on maintenance and the vehicle costs less to own and operate over its lifetime of service. Spend less on service, and the vehicle will cost exponentially more in terms of unscheduled repairs and costly breakdowns.

So when it comes to what you spend and what you get, I guess you could say the results are more or less a simple matter of more or less.

(Note: This article was a compilation of facts documented by Mitch Schneider of Motor Age magazine and reprinted by Peter Haughton, owner and shop foreman of Japanese Motor Works, Inc.)