All the moving parts

Used auto parts dealer details plans for growth

By Lori Johnston

In this do-it-yourself age, Pull-A-Part takes it to the extreme. If you need anything from a crankshaft to a rear view mirror, bring your tools to their auto salvage yards.

For $1 admission, customers can shop for whatever part they need from cars headed to the scrap heap. The concept is driving the family-owned business, which has about 2,000 cars at each location, to success.

"It's a ton of fun and it's really exciting. When I first came on, we had two stores," said Ross Kogon, who joined the company as its chief of staff about four years ago. "This time next year, we will have over 20."

Pull-A-Part has evolved from a scrap metal business founded by Morris Cohen into what is now described as the Rolls Royce of do-it-yourself used auto parts stores. The concept was launched in 1997, but it didn't take off until 2002, when they sold the scrap metal business to focus on Pull-A-Part.

"When we sold the scrap metal business, we were in the position to say, 'We think we've learned enough about the parts business, this thing is replicable and we're going to just put all our energy into growing the parts business,'" said Marty Kogon, Ross Kogon's father and a third-generation partner.

Although the company would not release financial figures, Marty Kogon said 2007 revenue is expected to double from last year.

Pull-A-Part has eight stores in Georgia, North Carolina, Tennessee, Kentucky and Alabama, up from five in 2006. The company is rapidly expanding, with 15 under construction. That includes moving into the Midwest, with one store in Indianapolis and two in Cleveland in the works.

Further Southern expansion includes the new markets of Memphis, Tenn.; Jackson, Miss.; New Orleans, Baton Rouge and Lafayette, La.; Mobile and Montgomery, Ala.; Columbia, S.C.; and Winston-Salem, N.C. Another Georgia location is under way in Lithonia, joining those in Norcross, Conley and Augusta.

Fast lane: Gregg Cohen, from left, Marty Kogon, Alan Cohen and Mark Cohen are rapidly expanding Pull-A-Part to the tune of 13 new stores.
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Each location has about 2,000 cars, with a computerized inventory system that helps customers identify where potential parts may be located. The cars stay at the facility for only 60 to 90 days, which Senior Vice President Steve Levitan said results in a quick turnover of inventory.

"We have a huge amount of repeat business from our customers," he said. "Then we're able to do all that while at the same time being extremely environmentally sound, creating new recycling opportunities, significantly reducing waste and recovering materials that would otherwise be hazards and end up in the environment."

Pulling ahead

An aggressive pricing strategy, focusing on their niche, using technology tools and keeping an eye on the environment have resulted in growth, company officials say.

"We're in the self-service niche of the used auto parts business," Marty Kogon said. "We know exactly the business that we're in and the most important part about knowing the business that you're in is that you know that you're not in anything else."

By allowing customers to pull the parts themselves, the company saves the cost of labor, which keeps its pricing "incredibly cheap," he said. For example, an eight-cylinder engine costs $129.26.

"We wanted a pricing structure that was really attractive, but we want people coming with an intent to buy parts. It's probably a dollar best spent on anything," said Mark Cohen, a third-generation partner and Morris Cohen's grandson. "The value there is tremendous. When [you are] willing to do it yourself, you can get that engine for $100 rather than $400, $500, $600."

Driven to recycle

Company officials say they are keenly aware of making a positive impact on the environment, as well as abiding by regulatory standards.

"[We] make sure that we stay ahead of the curve and do actually more than is required to make sure that we don't in any way impact negatively any environmental issues," Marty Kogon said.

The nature of the company has a positive benefit to the environment, by giving people parts they need, whether it's their primary car or supporting a hobby, Cohen said.

"This is a type of recycling," he said, "where it's still used in the original form."

Each month, the company recycles about 1,000 tons of automobiles per facility. About 50,000 gallons of automotive fluids each year and thousands of lead-acid batteries are recycled annually at each location. Levitan said the cars generate 22 percent less residual waste than other cars that go to the shredder, weighing roughly 125 pounds per car less when arriving at the landfill.