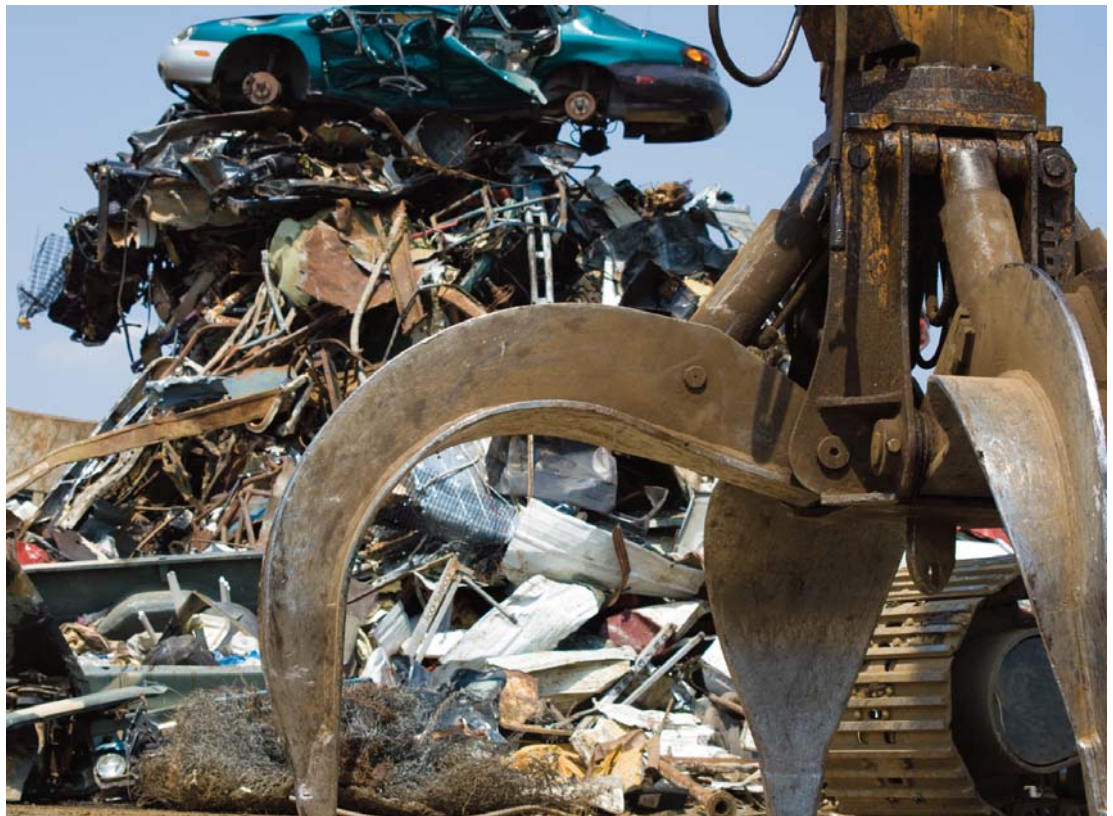# Buddy AI Delivers World-Class Mobile Solution to Automotive Recycling Industry

"Some of my customers who are using the mobile inventory solution have reported a time savings of 50% per car. It's a significant difference to reduce inventory time from 45 minutes to 20 minutes."

– Mike Lambert
Owner
Buddy Automotive Innovations

Did you know that automobiles are the most recycled consumer product in the world, and that every year in North America alone, recycled vehicles provide enough steel to produce almost 13 million new vehicles?

For more than 75 years, automotive recyclers have been leaders in worldwide environmental conservation and consumer service, having developed a disassembly process for salvaged automobiles in order to reclaim and reuse valuable parts and components.

"We were recycling before it was chic—the original recyclers," said Mike Lambert, owner and founder of Buddy Automotive Innovations (Buddy AI), LLC.

Automotive recycling is a technology-driven industry, and today's professional auto recyclers have a defined operational scheme that utilizes computerized and satellite communication systems to enable direct inventory assessment and to locate parts from connected recyclers in neighboring cities or across the continent.

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THE BUDDY SYSTEM

Lambert has been in the automotive recycling industry for 21 years, and in 2003 he founded Buddy AI with partner John Johnson. Buddy AI develops robust software applications that allow automotive salvage yards to streamline and optimize bidding, inventory and core assessment processes by incorporating handheld mobile technologies and bar code scanners.

"My customers are predominantly individually owned, organized warehouses who often have upward of $40,000 invested in their computer systems," said Lambert. "The mainframe is a central part of their business and they use it every day."

The mainframe, or yard management system (YMS), in every salvage yard has approximately 2.5 million unique identifying numbers stored in it –every part for every car manufactured from 1965 to present. When a salvage yard receives a vehicle, every reusable piece and part is inventoried and tagged with a stock number and then placed on a warehouse shelf identified by a bar code. Once the vehicle is completely disassembled, the remaining shell is prepared for scrapping.

"Automotive salvage yards in the US process an average of 40 vehicles each month, and some of my customers bring in about 2,000 a month," remarked Lambert. "All of these vehicles have varying degrees of damage because they've all been in some type of wreck, or totaled by an insurance company, so the inventory process is time consuming in that someone has to walk around that vehicle and inventory all the salvageable parts."

To handle the inventory requirements of salvage yards, Buddy AI developed the Inventory Buddy, which runs on a handheld computer and includes licensed use of the Hollander Interchange—a database that identifies interchangeable auto parts. Inventory data is synchronized from the handheld computer to the YMS on a daily basis, which in turn makes those parts available for sale to wholesalers and consumers—a technology that allows automotive recyclers to maximize their inventories and provide fast and efficient service to customers.

CHOOSING THE RIGHT MOBILE DEVICE

To help accomplish the task of inventorying incoming vehicles using a handheld mobile computer, it was necessary for Buddy AI to find a device that they could rely on both technically and physically.

"The environment of salvage yards is pretty rough," said Lambert, "We needed a device that was durable enough to handle the environment it was being used in, and robust enough to process the large amounts of data being exchanged between the handheld and the YMS. We also wanted to standardize on one unit consistently instead of having 20-30 brands of handhelds to support."

Buddy AI chose Cardinal Mobile, industry experts in handheld and mobile technology, to assist with finding the right device for their business.

"We sent Buddy AI four or five different mobile devices before they finally found one that met all of their needs," said Steve Leuschner, president and CEO of Cardinal Mobile. "They went absolutely nuts over the feature-set of the SoMo."

Cardinal Mobile pointed Buddy AI to the Socket SoMo® handheld computer in combination with the CompactFlash Scan Card™ Series 5 for use with their product suite. Cardinal Mobile assembles turn-key solution kits and works in conjunction with Buddy AI to provide customers with the hardware and software configuration that best matches their requirements. The kit generally consists of the Socket SoMo handheld computer, Socket CF Scan Card, Buddy AI software, screen protectors, a pack of stylus and a mini SD card.

"I think the SoMo is one of the more durable handhelds available right now; the visibility of the screen in the sunlight and the overall toughness is better than the HP and Dells we've used in the past," said Lambert. "This, along with the good price point, was the biggest seller of the SoMo for us."

In addition to the durability and the visibility of the screen in an outdoor setting, Lambert also commented on the flexibility and modular design of the SoMo. "I like the fact that we can just plug in a Socket scanner and we don't have to load any additional software—it just works," he said. "This was a pain with the Dells because we had to load a bunch of software and sometimes it would work, and sometimes it wouldn't."

"I explain to all of my customers that a scanner is essentially like a keyboard entry device," said Lambert. "As long as they're in the right application with their cursor in the right place, all you do is scan and the number appears in the appropriate place."

Before the handheld solution it was traditional to take inventory using pencil and paper. Each car would have a 12-15 page worksheet listing every viable option for that particular make and model. The person doing the inventory would circle the options and then someone would have to manually enter that information into the system. This method was both inefficient and time consuming.

"Some of my customers who are using the mobile inventory solution have reported a time savings of 50% per car," remarked Lambert. "It's a significant difference to reduce inventory time from 45 minutes to 20 minutes."

With approximately 5,000 computerized salvage yards in the United States, the potential market for handheld mobile technologies in the automotive recycling industry is sizeable.

"Right now I have about 1,000 handheld computers dispersed among 800 unique customers in the field," said Lambert. "About 200 of those handheld units are the Socket SoMo."

BIDDING ASSISTANCE AND CORE VALUES

In addition to Inventory Buddy, Buddy AI offers two other software applications that utilize the SoMo 650 handheld computer and address different aspects of the automotive recycling industry: Bid Buddy and Core Buddy. Automotive recyclers use the Bid Buddy running on the SoMo handheld computer as a mobile assistant at salvage pool auctions.

"All the auctions are live, and bidders need some type of historical data to base their buying decision on," said Lambert. "Without the Bid Buddy, they're shooting by the hip and estimating how much they should pay for a car whereas with the Bid Buddy they know how much they can pay for a car and still make a profit on the parts."

A scanned vehicle identification number (VIN) entered into the Bid Buddy reveals all the important variables and components of that vehicle, and it also gives the bidder historical data such as how many times a salesperson has queried a particular part, whether a part was sold and for how much, and whether a sale was missed because a part wasn't in stock.

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Bid Buddy also licenses use of the Hollander Interchange and includes recommendations from leading automotive recycling industry consultant, Jim Count, who writes algorithms and formulas to make the bidding process easier by assigning a rank to a vehicle based on historical queries on interchangeable parts for that car over a specified time period. "The higher a car ranks on the scale, the more likely it is that you should purchase that car," said Lambert.

A third application and the most recent addition to the Buddy AI product suite is the Core Buddy. A core is typically a part that commonly breaks or wears out and for which a vendor charges a core fee as an incentive to return an old part for refurbishment and resale. There are 29 rebuildable core items on most cars, and

Whole vehicles and vehicle parts

SoMo with CF Scan Card and Buddy AI software

Yard Management System

Salvage Yard, Auction Pool, etc.

Online parts availability network

INVENTORY BUDDY INFORMATION FLOW

they're often electrical such as alternators, starters, power steering pumps, gear boxes, brake calipers and the like.

"Right now salvage yards don't really know what cores are worth; they're just putting them in bins that buyers sort through and offer whatever price they want to pay," said Lambert. "The Core Buddy lets them know for sure what a core is worth before it's even pulled off a car."

The market for the Core Buddy is slightly different from the typical salvage yard in that it's targeted toward the self-service sector and operations such as Pick Your Part and U-Pull-It.

"The self-service arena is a whole different type of salvage yard emerging because the price of steel has gone way up; scrap metal is $300 per ton right now," remarked Lambert. "These operations don't inventory every tiny little part like a full salvage yard does. They process upward of 2,000 cars a month and pay around $300-400 per car and keep them on the lot for 90 days while customers come in and pull their own parts off. With that kind of volume if they can harvest $50 per car, that's a lot of money."

After 90 days the car is prepped for salvage, and the SoMo running Core Buddy is used to review the parts that are left on the car to see if they have any type of core value.

"Anything they can get at that point in the game over scrap weight is worthwhile for them to pull it off," said Lambert. "The Core Buddy eliminates a lot of the guess work and really makes the operation some money."

CUSTOMER AT A GLANCE

- Organization: Buddy AI, LLC
- Founded: 2003
- Headquarters: Manitou Springs, CO, USA
- URL: www.buddyai.com
- Phone: 866-337-1177
- Primary business: Leader in the Automotive Recycling Industry

PARTNER AT A GLANCE

- Organization: Cardinal Mobile
- Founded: 1985
- Headquarters: Lewisville, TX, USA
- URL: www.cardinalmobile.com
- Phone: 800-285-3833 ext. 115
- Primary business: Value-added distributor of cutting-edge handheld computing devices

CHALLENGE

Increase efficiencies in the automotive inventory and bidding processes.

SOLUTIONS

- Socket SoMo handheld computer
- Socket CompactFlash Scan Card Series 5
- Buddy AI software suite
- Cardinal Mobile turn-key solution provider

RESULTS

- Decrease inventory time by 50%
- Cost of goods down 5-10%
- Eliminate guesswork involved in core pricing
- Ability to obtain data for accurate, informative bidding

Sales Offices
Corporate Headquarters:
39700 Eureka Drive
Newark, CA 94560 USA

Web: socketmobile.com

Phone: +1-510-933-3000

USA & Canada Toll Free: 800-552-3300

Fax: +1-510-933-3030

Online: socketmobile.com/contact