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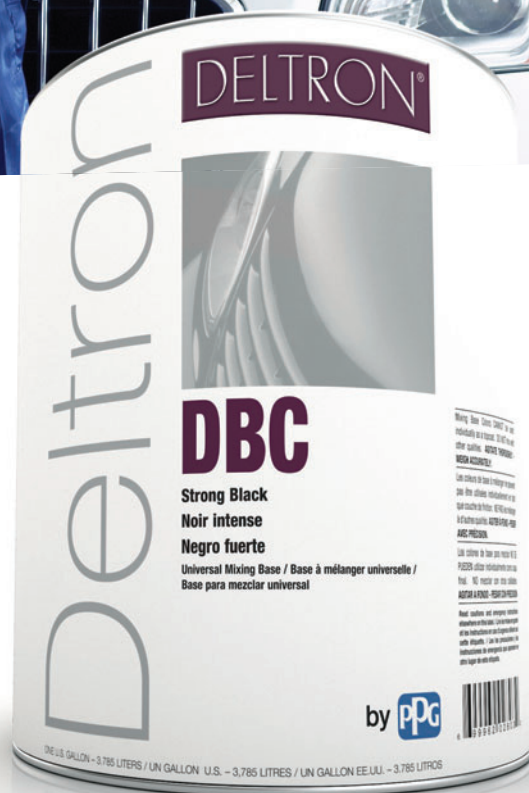


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CIECA WEBINAR EXAMINES HOW INDUSTRY MEETS COVID-19 CHALLENGES

ABRN.com/CIECAcovid

WEB EXCLUSIVES // ABRN.COM

CORONAVIRUS OUTBREAK PROMPTS IMMEDIATE AND COMPLEX CHANGES TO U.S. LABOR LAW

Appointed by President Donald Trump, Eugene Scalia — son of Antonin Scalia, the late Supreme Court Justice — has been U.S. Secretary of Labor since September 2019. During the coronavirus crisis he has been instrumental in promulgating and implementing new workforce regulations under the recently enacted Families First Coronavirus Response Act (FFCRA). As designated in the legislation, the U.S. Department of Labor will continue to issue regulatory updates as conditions warrant along with providing compliance assistance to employers and employees. Under Scalia's direction, experts at the department's Wage and Hour Division (WHD) have prepared a detailed series of questions and answers on the new FFCRA jobsite regulations.

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CONGRESSMAN URGES SMALL BUSINESSES TO APPLY FOR LOANS

CHELSEA FREY //
Senior Associate Editor

➔ During the Automotive Service Association (ASA) Media Briefing on March 31, Ray Fisher, President and Executive Director of ASA, and Bob Redding, ASA's Washington, D.C. representative, were joined by U.S. Representative Buddy Carter (R-Ga.) to discuss what mechanical and collision repair shops can do during the COVID-19 pandemic to help alleviate financial stress.

Congressman Carter repeatedly urged small businesses to apply for an Economic Injury Disaster Loan (EIDL) via the U.S. Small Business Administration (SBA) as soon as possible. In response to the COVID-19 pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an EIDL advance of up to \$10,000. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss



of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid. You can learn more about and apply for the loan from the SBA website at www.sba.gov.

The panel also discussed the Paycheck Protection Program, which was enacted under the CARES Act to help small businesses cover their near-term operating expenses during the COVID-19 pandemic and provide a strong incentive for employers to retain their employees. Fisher and Redding encouraged shops to

>> **LOAN CONTINUES ON PAGE 5**

BREAKING NEWS

AID

SHOPS ELIGIBLE FOR LOAN ASSISTANCE UNDER CARES ACT

JAY SIGHT //
Contributing Editor

➔ Collision repair shops, mechanical repair shops and other small businesses harmed by the coronavirus pandemic have financial aid available to them from the federal government, including some loans that will not have to be paid back. There are two components to this: the new Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL), which includes a \$10,000 emergency advance that doesn't have to be repaid.

The \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act that was passed by Congress March 27 expanded EIDL and enacted PPP. The money allocated for this is not unlimited, though, so business owners and managers will want to apply early.

"This legislation provides small business job retention loans to provide eight weeks of payroll and certain overhead to keep workers employed," said U.S. Treasury Department Secre-

>> **AID CONTINUES ON PAGE 5**

TRENDING

3M OUTLINES COVID-19 RESPONSE

3M CEO Mike Roman shared details on the company's increase of N95 respirators, measures to combat price gouging and counterfeiting and new partnerships to protect healthcare workers.

ABRN.COM/3MCOVID

U.S. SECRETARY OF LABOR ANSWERS YOUR QUESTIONS

Eugene Scalia breaks down the changes to labor laws and what they mean for workers across the United States amid the COVID-19 pandemic. Get the information here.

ABRN.COM/SCALIA

CCC HELPS CONNECT YOU TO RESOURCES

CCC Information Services Inc. created an information and resources page to help small businesses facing mounting challenges related to the COVID-19 pandemic access loan information and relief efforts.

ABRN.COM/RESOURCES

DRIVE DELIVERING VIRTUAL WORKSHOPS

With the business disruption from COVID-19, DRIVE has transitioned to phone and live digital interactions for its client base, allowing them to maintain 100 percent service and focus on the needs of shops.

ABRN.COM/VIRTUALDRIVE

I-CAR PROVIDES FREE ACCESS TO RTS PORTAL

To continue its dedication to providing information, knowledge and skills to the industry, I-CAR is providing its industry-renowned Repairability Technical Support Portal to users free through May 31.

ABRN.COM/RTSACCESS

>> **LOAN CONTINUED FROM PAGE 4**

reach out to their local lender or banker to learn more about the program.

If shops encounter issues with either of these two programs over the coming weeks, Fisher encourages members to contact ASA for help and guidance. He commented, "We want to help however

we can. That's what the association is for. If you're having issues, please reach out."

Fisher noted that many shops across the country have never relied on federal programs for their businesses and that now is not the time to turn them down. He shared, "We're a proud group of people. So much has been thrown at us

these past 40 years in terms of vehicle technology and safety requirements. But this situation is beyond everyone's control. Be humble and take advantage of the federal programs and utilize all resources available to you. This will pass in time, but we have to act now and as a community." ■

>> **AID CONTINUED FROM PAGE 4**

tary Mnuchin in a press release. "Treasury and the Small Business Administration expect to have this program up and running by April 3rd so that businesses can go to a participating SBA 7(a) lender, bank, or credit union, apply for a loan, and be approved on the same day. The loans will be forgiven as long as the funds are used to keep employees on the payroll and for certain other expenses."

U.S. Representative Buddy Carter (R-Ga.) urged collision and mechanical repair shops, along with other small business owners, to apply for SBA loans available to them.

During a March 31 Automotive Service Association (ASA) media briefing, U.S. Representative Buddy Carter (R-Ga.) said the Act "will give us the opportunity to get money into the hands of small businesses so they can stay liquid."

Carter, a small business owner and member of the Committee on Energy and Commerce, said the PPP allows small businesses to retain their employees and prevent them going on unemployment by borrowing two and a half times the average monthly payroll, up to \$10 million.

"Not only that, but if that is used for certain purposes, such as retaining employees, retaining health care benefits for those employees, and paying for mortgages, it will be forgiven. Those parts of it will be forgiven, so essentially, it can end up being a grant."

More information on EIDL and PPP is available at the Small Business Administration (SBA's) website, "Coro-

navirus (COVID-19): Small Business Guidance & Loan Resources." At the site, businesses can also apply for up to \$2 million in working capital from EIDL program funds. There is also debt relief available — the SBA will pay the principal and interest for six months of current and new 7(a) loans issued prior to Sept. 27, 2020. An Express Bridge Loan Pilot Program is available that provides access to up to \$25,000 — with less paperwork and a faster turnaround time — while businesses wait on a decision and disbursement for the EIDL loan (the bridge loan will be repaid in part or in full by the proceeds of the EIDL loan.)

Businesses must contact a banker about the PPP loan, but the website outlines some of the program's features:

- Loan payments will be deferred for six months.
- If the business maintains its workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll and certain expenses following loan origination. At least 75 percent of the forgiven amount must have been used for payroll. The remainder of the money can be used for payroll, rent, mortgage interest, or utilities.

- The program is retroactive to Feb. 15, in order to help bring back onto payrolls those workers who may have already been laid off. It is available through June 30.

- Businesses can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and

Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Applicants should ask their local lender to make sure they are participating in the program.

Carter noted that businesses can apply for both EIDL and PPP loans, although they can't be used for the same purposes. EIDL loans will be available through Dec. 31, 2020.

"For the EIDL, if you apply for it, you will automatically get a grant of \$10,000 that you can use for payroll, for rent, for your mortgage, and that grant will be forgiven, whether you get the EIDL or not."

Bob Redding, ASA's Washington, D.C., representative, said on the call that many members see that the program "will help fill a very significant financial gap for them. But they've never participated in any kind of federal program before, let alone a program that would not only loan money but would have a forgiveness piece to it," noting there may be some anxiety over whether the program could run out of money in the next few months.

Carter urged immediate action to help alleviate some of that anxiety.

"There is \$10,000 out there in the EIDL that's just waiting on you. I know some might say, 'Oh, that's free money. Somebody's got to pay for it somewhere.' Yeah, you're right. But it's there for a reason, and it's there because we know you need it. I'd start the application process ASAP, even if you've never applied for a federal loan before." ■

10 TIPS FOR IMPROVING DURING DOWNTIMES

ABRN WIRE REPORTS //

Many collision repair facility owners and managers are not afforded the downtime to focus on improving their shop processes and operations because of the constant attention to cycle time, length of rental and vehicle throughput.

Today, as collision repair shop owners are evaluating their current car count and the estimated volume for the next month, there is an opportunity to retain valued technicians and team members while increasing the efficiency and performance of your facility when the vehicle volume returns.

"We are thinking of all of the collision repair shop owners, managers and technicians around the country as they deal with this health and economic challenge at work and at home," said Farzam Afshar, CEO of VeriFacts Automotive. "No one wants to face declining car counts and repair volume, but if there is a silver lining to all of this, it does provide an opportunity to focus on how you can improve your business during the downtime."

As the federal government has deemed automotive repair as an "essential" business, shop owners across the country are working hard to change their business practices to reassure customers of their health and safety when getting their vehicle repaired. Many of these practices, like shop cleanliness and customer service enhancements, will have a lasting impact on shop operations.

VeriFacts Automotive, which works with thousands of collision repair facilities and industry suppliers across North America and regularly coaches shop owners on their shop environmental health standards and operational enhancements, is offering shop owners guidance on improving their businesses during this downtime.

1. Facility Maintenance and Spring Cleaning – With a lower car count, now

is a good time for a thorough cleaning of the entire facility. Clean and sanitize all walls, counters, surfaces and floors. Consider interior and exterior painting to give everything an updated, fresh look — a project your team members may tackle while they aren't as busy repairing vehicles. And now that the shop is clean, it's an ideal time to explore opportunities to keep it that way, such as a dustless sanding system.

2. Equipment Maintenance – This is an ideal time to perform the annual maintenance on equipment and tools and make needed repairs. If it's time to replace equipment, now is a good time to negotiate with equipment suppliers to make those purchases. It is imperative that you research and purchase equipment and tools that are OEM approved based on the mix of vehicles your facility repairs.

3. Inventory Management – Conduct physical inventory of all of the supplies, parts and materials you have in stock and determine how to order and use more efficiently. Make sure equipment is correctly inventoried so you can accurately depreciate on your financials.

4. Organize Parts and Supplies – Tired of searching for parts or looking at a messy supply room? There are a variety of shelving, rack and cabinet system that make finding the products needed for each job easy and efficient. It's important to add a tracking system so as parts and supplies are consumed, they are re-ordered promptly, thus reducing delays on repairs.

5. Paint Department Improvement and Cleaning – The paint booth is the vital part of the body shop, but if it isn't taken care of, breakdowns can be costly. Deep clean the booth and remove overspray, change filters, clean pits and update lighting. Reapply booth coating or sand down and repaint inside and out. Consider adding a booth wrap on the inside walls and floors to make future cleanup

easier. Also look at improving air movement for waterborne paint conversion. This may be the time to consider upgrading from your current booth to one that is more efficient to operate. If the paint room and all of the equipment in it is splattered and spackled, that's potential contamination and debris that could get in your paint and mar your paint jobs. This is a perfect opportunity to work with your paint partner to look at new paint systems that make it more organized and efficient, as well as adding wall containers for cups, lids and liners and counter surfaces that are easier to clean up. Reducing the painter's time in the mixing room delivers more profitability in the paint department!

6. Shop Process Improvements – Are there bottlenecks in the workflow in your shop? Are you wasting time moving cars around rather than repairing them? An evaluation of your shop layout and repair process can identify new opportunities to improve how vehicles move through the repair process in your shop, increasing efficiency and decreasing unpaid time. From streamlining the workstations for each step of the repair process to vehicle tracking systems to implementing parts bins or carts, simple changes can add up to big returns. Most paint company provide this service and if your paint company does not please ask VeriFacts to assist you.

7. Employee Training – Technicians and team members frequently complain about lost work time due to training, so now is the perfect time to participate in online training and coaching programs. VeriFacts Automotive provides virtual coaching and support to shops, which complements online training classes and webinars from suppliers like your paint, equipment and materials partners.

8. Employee Reviews – A key factor in retaining and growing team members is feedback and career pathing. Annual

>> TIPS CONTINUES ON PAGE 7

>> **TIPS CONTINUED FROM PAGE 6**

or ongoing reviews often get put on a back burner in busier times, so this an ideal opportunity to conduct reviews with your employees, get their feedback and map out how to grow together.

9. Year-End Financial Evaluation and Budget Planning – As you close your books on 2019, this is the time to conduct a thorough financial review with your accountant. If you're part of an MSO, review your financial plan with your peers and field operations team. Together, you can identify where you could cut costs and spend more efficiently, as well as evaluate how you can recover

YANG PARTNERS WITH AACF FOR SOCIAL MEDIA CHALLENGE

The Young Auto Care Network Group (YANG), a community of the Auto Care Association, partnered with the Automotive Aftermarket Charitable Foundation (AACF) on a grassroots campaign, the #YANGgive19 Challenge, to raise support for the industry and the charitable foundation during the COVID-19 pandemic.

Launched last month through a social media post, the YANG council's message is simple: In this moment of crisis, for those who are able to donate \$19 to the AACF now is the time to do it. YANG is encouraging its current members, YANG mentors and the auto care industry to donate to the AACF, while posting a photo with the hashtag #YANGgive19 on social media outlets in support of the cause and to challenge others to participate.

"It is essentially trying to start a movement to donate \$19 to the Automotive Aftermarket Charitable Foundation to help folks in the industry struggling during these challenging times," said Jacki Lutz, head of global marketing and communications, aftermarket business, Sensata Technologies, and YANG Advisory Council Member on the #YANGgive19 Challenge. 📷

typically lost revenue through better repair mapping and tracking.

10. Manage Your Parts Orders and Vehicle Intake – During this pandemic time, a collision repair facility is looking to take any jobs in. Make sure you verify parts availability before you disassemble drivable vehicles to ensure you can get the

parts to repair them in a timely manner.

"We are always here to help our collision repair customers, in good times and challenging ones," added Afshar. "We want to help them set their business on the proper course for success as we emerge from the current situation back to more prosperous times." 📷



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Financial pitfalls that can bring down a shop: Part 2

Consultant says shops often neglect to keep an eye on headcount, balance sheet

In a previous column, “Financial pitfalls to avoid that can bring down a shop,” April 2020, I shared some of what Elaine Sa-chire, president of Square One Systems, Inc., sees as some of the major pitfalls plaguing many shops. Her company works regularly with about 450 shops, helping them improve their financial performance. Here are a couple more of her insights into mistakes she sees shops make.

Not staffing correctly for the amount of sales you have. Most shop owners believe that increased administrative demands over the last 15 years in this industry have required them to add more people.

“But I can show you shops that actually have fewer people in relation to their sales than they did in the past,” Elaine told me. “That’s because their people are more efficient, the company has better processes. If you have the wrong processes, then sure, you need more people. But if you let process rather than people run the show, if you get the right people in the right places, you can match your headcount to your sales.”

She’s seen shops joining one of her company’s 20 groups realize they have three or even more employees compared to other shops in the group with the same total sales.

“It doesn’t mean your people are purposely not doing the right things,” she said. “It just means you have people duplicating efforts, not doing the things that are best for the process and the profitability of the company. At the end of the day, if I’m a \$3 million-a-year shop, and there’s another \$3 million shop with half as many administrative people as I have, there’s a problem. How’s he doing it with fewer? Peel back that onion and look.”

There can be reasons for having a higher head count than a comparably-sized shop, she said. A team system may require some extra staff that results in turning work more quickly, for example. You may be training people for a new shop you will be opening in six months.

“That’s a different ballgame,” Elaine said. “But nine times out of 10, when you look at sales per headcount, gross profit dollars



**IF YOU LET
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YOU CAN MATCH
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YOUR SALES.**

per headcount, sales per technician, total gross profit dollars produced per technicians, sales per administrative staff, etc., you’re going to get a very good picture of your staffing against the benchmarks.”

When she asks shop owners about staffing, she said, they often rattle off a list of names by position. She suggests forgetting the names and current positions and starting with a fresh sheet of paper. What exact positions do you need relative to your current sales? Then go back and see how your current staff fits with the needed positions.

Not paying attention to the balance sheet. Although the percentage of collision repair businesses examining their profit-and-loss (P&L) statements has improved, Elaine says that probably fewer than one in four shops are paying attention to another critical document: the balance sheet.

“I don’t want to look at your P&L. I want to look at your balance sheet,” Elaine said she tells shops she’s starting to work with. “The balance sheet is very quickly going to tell me the health of the business.”

It will show, for example, whether the business has the equivalent of three months of average expenses in cash in the bank.

“I bet you 75 percent of this industry doesn’t,” Elaine told me. (That matches up with what I’ve seen as well.) “Even many businesses that have been around for 30 years haven’t built up that savings.”

Why does she want to see three — and preferably four — months of cash in the bank? “What happens when the next recession hits and people start putting off getting their cars fixed?” Elaine asked. “What happens when you lose a major DRP or other referral relationship? If you lose that business today, your expenses don’t drop immediately. You need that 90-day float.”

I’ll share a few last tips from my conversation with Elaine in my next column.

STEVE FELTOVICH of SJF Business Consulting, LLC, works with dealers, MSOs and independent collision repair businesses to make improvements and achieve performance goals.
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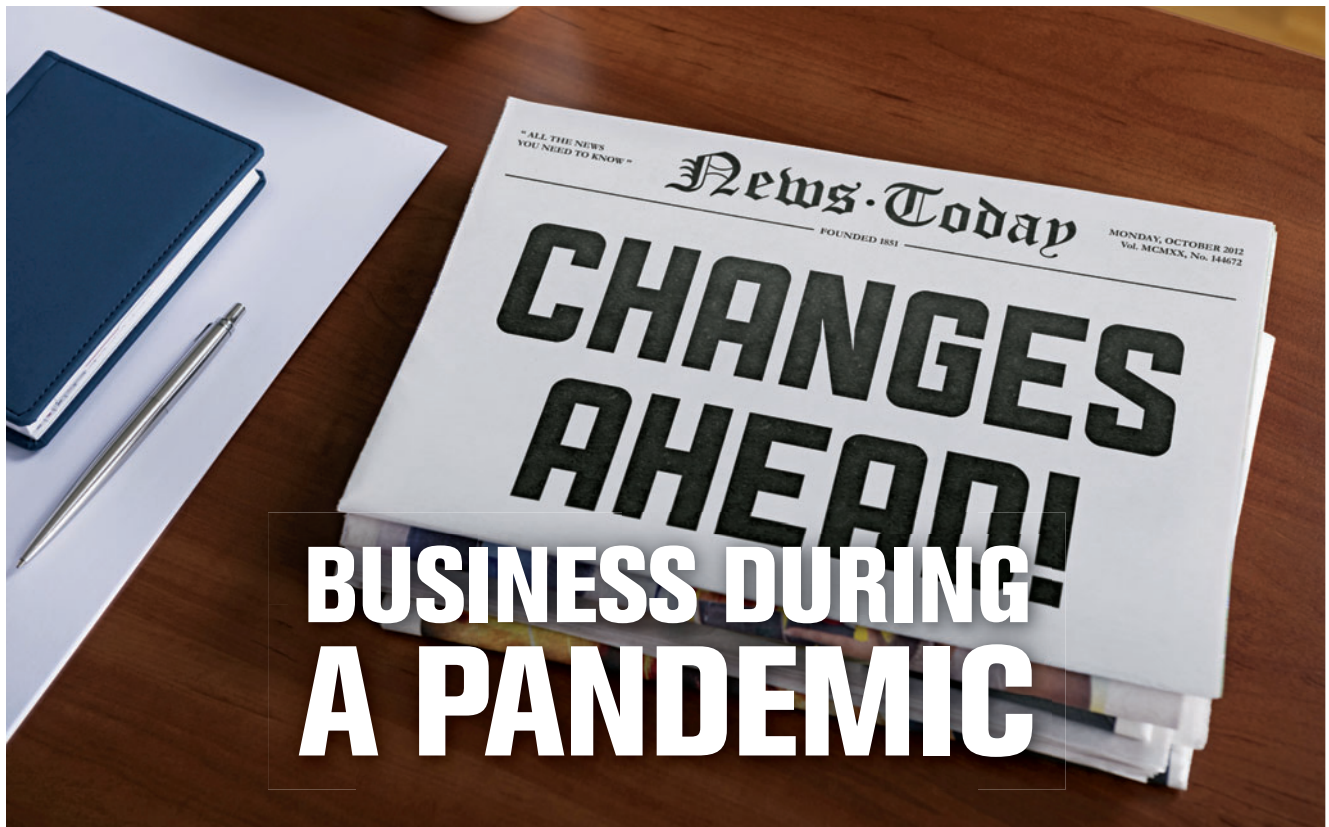
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BUSINESS DURING A PANDEMIC

Industry leaders worry of difficult days ahead following COVID-19 outbreak

TIM SRAMCIK // Contributing Editor

On the last day of 2019, authorities informed the World Health Organization's (WHO) China office of pneumonia cases in Wuhan City with an unknown cause. A week later, China identified a new coronavirus (COVID-19) as the source of the outbreak and reported its first death. Within a month, multiple countries reported outbreaks; WHO Director-General Tedros Adhanom Ghebreyesus declared a public health emergency of international concern, and the U.S. declared a domestic national emergency.

Fallout from the outbreak then sped up considerably as the international in-

fection and death rate grew. In just the past two weeks, the WHO changed its declaration to a pandemic. In the U.S., many states have shut down schools, ordered bars and restaurants to offer only takeout or delivery services, closed gyms, theaters, sports venues and salons, and limited social gatherings sizes (some to 25-person limits). Businesses, typically retailers, have cut hours or voluntarily closed their doors. Americans have panicked, emptying store shelves of food essentials, cleaning products and toilet paper, while unemployment claims have spiked as thousands of workers are locked out of their jobs and millions more worry about their future in a world

of quarantines and social distancing.

Such is life in early 2020. With a recent government plan anticipating the pandemic could continue for 18 months, small businesses are bracing themselves for a grim future and the prospect of a severe recession. This includes auto repairers. While the industry is in the early stages of dealing with this crisis, some shops already have taken significant steps to protect their employees, customers and business futures and begun laying out a plan for difficult days ahead.

Impacts on the national level and front lines

The COVID-19 pandemic already has hit



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the repair industry nationally and regionally in areas likely to have ripple effects, namely education and training. The 17th Annual TST (Technical Service Training) Big Event, which offers seminars from some of the best-known trainers in the industry, has been moved from March 21 to August 15. The Automotive Training Expo (ATE) has rescheduled from March 16-18 to July 31-August 2.

"We had a thousand people signed up to come to the show," says Jeff Lovell, President/Executive Director of Automotive Service Association (ASA) Northwest, which sponsors ATE. Lovell says his organization also has had to cancel seven chapter meetings this month. The postponement and cancellations are the results of restrictions put on group sizes to help prevent the spread of COVID-19.

G. Jerry Truglia, a New York shop owner, founding member of TST and owner of Automotive Technician Training Services (ATTS) reports he's had to cancel all of his training sessions for the same reason (New York doesn't allow groups of 10 or more in one place at a time, and Truglia notes that shops don't want to risk having their techs around others). Truglia says other trainers such as NAPA, Carquest and Christian Brothers have done the same.

"The cream of the crop of the industry isn't able to come out for training," says Truglia. "These are people who are in search of information to help their businesses, and they're being cut off from it."

Along with the flow of information, shop business also is seeing cuts. Truglia, whose Mahopac, New York shop sits 40 miles from New York City, says business is "definitely down." Further, he's heard of some shops that have closed down. Lovell says he's heard from ASA members who are seeing substantially less business, with others being unaffected.

Lovell suspects the dip in work is a combination of customers staying home so as not to risk exposure to the virus and those affected by or worried by fi-

nancial issues created by the outbreak. He says urban shops could see greater business declines since customers have better access to alternative transportation while suburban businesses could see fewer disruptions, for now, since these customers rely more on their vehicles for travel.

Meanwhile, on the collision repair side, shops haven't seen any noticeable drop in work. Trace Coccimiglio, owner of Valet Auto Body in Draper, Utah, says work typically slows a bit this time of year. However, looking at the highway that runs near his shop, Coccimiglio says he sees far less traffic and believes this will translate into a decline of work in the coming weeks.

Lovell sees a long-term drop in business lasting at least 4-6 month and probably lingering into 2021. Already, he's witnessed the fallout in other service jobs. Lovell knows of three workers in the hospitality industry who have been furloughed. A hotel that ASA Northwest does business with just furloughed six employees. In late March, Bank of America warned investors that the country was now in a deep recession. The financial giant expects the economy to shrink by 12 percent alone in the second quarter of this year with significant losses in employment and wealth.

That's very bad news for any small business, especially those in automotive repair where profit margins can be slim and many shops are "hanging on by a string" according to Truglia. Grim days aren't simply coming. They're already here.

Cleaning up the industry

With the health of the industry and its people at risk, the obvious question is: How should repairers respond? Some have started by addressing the virus itself. Truglia regularly visits the Centers for Disease Control and Prevention (CDC) website (www.cdc.gov/) for guidance. He prints off CDC recommendations and shares them with staff.

He and his employees also have adopted a policy of using cleaning products to wipe down every handle in the shop — from the coffee pot, to office doors to car doors — first thing in the morning and at the end of the day. "Viruses can be on any surface, so we take extra precautions like wearing gloves, asking our people to sneeze into their sleeves and disinfect any areas of a vehicle they think may be contaminated," he says. "In auto repair you come into contact with all kinds of people. You have to keep in mind when handling keys to consider what they may have come into contact with."

Lovell similarly recommends wiping down steering wheels, shifters and door handles when a vehicle enters a shop and again before it is handed back over to the owner. Coccimiglio has adopted similar cleaning practices. ASA Northwest suggests members stock up on gloves and sanitizers.

This attention to physical health needs to be accompanied by extra work on the financial health of a shop. Since the industry appears to be in the beginning stages of a steep downturn, Truglia recommends looking into state programs to help businesses affected by COVID-19.

Also in March, the national ASA signed on to a letter to the leadership of the U.S. House of Representatives requesting COVID-19 disaster relief for small businesses and their employees where the core functions of the business cannot switch to remote operation. The CARES Act with assistance for small businesses has since been passed.

"Most of the time we don't look toward the government for help, but this is unprecedented," says Lovell.

Truglia and Coccimiglio are looking at ways to cut expenses. Coccimiglio says he'll put off replacing his paint booths. Should an economic downturn be serious enough, Truglia will use his staff to perform work like painting the shop instead of hiring outside help.

Cutting expenses alone won't com-

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pensate for a serious downturn in business. Lovell and Truglia say shops need to be more proactive. In the current climate, they suggest repairers leverage services, for example towing to and from a shop, to reduce a customer's risk of exposure. Digital solutions, such as letting customers sign electronically online to authorize a repair, also are attractive. Both men say shops should advertise these efforts, letting customers know they are aware of their concerns with COVID-19 and are ready with solutions to make repairs safer and more convenient and that ensure a vehicle is returned in sanitized condition.

Some shops are taking just such an approach. Yates Service Inc., an Alexandria, Va., company that owns both mechanical and collision repair businesses, just launched Complimentary White Glove Vehicle Pickup & Delivery Service at its locations for customer vehicles needing repairs, maintenance and detailing services. Its collision business also started offering online auto body repair estimating so customers can send damage photos to Yates Collision using a mobile device instead of venturing to the shop.

Star Auto Authority started a "Disinfectant Detailing" promotion with the shop offering to do its "part in helping fight the COVID-19" with 20 percent off all detailing services. The promotion touts the shop's convenient pickup and delivery services and includes messaging referencing the CDC and noting how detailers wear protective gloves and spend "extra time cleaning all interior surfaces touched by hands."

Truglia suggests repairers "clean up their act" with clean and sanitized customer waiting areas and restrooms to help quell fears of clients, especially the elderly, one of the groups most at risk from COVID-19. "Elderly customers are your best customers," he adds. "They understand their cars and know they need cared for."

Long-term prognosis

While efforts to meet the COVID-19 outbreak head on are encouraged, so are traditional efforts to remain competitive and run a high-quality operation. Coccimiglio says shops need to follow OEM repair procedures and continue building their brand by working on their online presence and protecting their reputation with good work. "Remember that every customer represents potential future business," he says. "Don't take them for granted."

Lovell says shops should reach out to customers every way they can and offer as many services as they can handle. "Have your service advisors call up customers and let them know you're looking out for them," he adds. Further, he says organizations like ASA are important resources for help and mentorship, now and at any other time.

Even with these efforts, a serious or long-term recession could force shops to make difficult decisions, namely letting go of staff if there isn't enough work to maintain their employment. "We do all we can for our employees, and you always want to treat your employees well, but there is a point where you can go no further without hurting your business," says Truglia.

Coccimiglio says if an economic downturn is serious enough, his business will have to choose between keeping staff while doing lower volume or letting staff go and rehiring later as the economy rebounds. Letting staff go while hoping to rehire later is a risky prospect with technicians already in short supply.

The likelihood of taking such drastic measures seems to be growing with each passing day as the U.S. struggles to handle an expanding crisis. Healthcare providers say necessary products are in short supply with no relief in sight and warn the U.S. healthcare system is increasingly at risk to be overwhelmed. The stock market continues to be depressed. In late March, California Gov. Gavin Newsom issued a statewide order for all residents to "stay at home" until further notice amid the

coronavirus outbreak. That's 40 million Americans being asked to park their vehicles and not leave their homes.

While repairers can still conduct business, it's impossible to perform work when it isn't being brought to a shop. Since much of the country follows California's example, repairers nationwide probably can expect to see business to fall off as motorists simply stay home or lose their ability to pay for work.

Still, with the industry's gloomy prospects, Lovell and Truglia say there's room for optimism if repairers gain some perspective. Lovell notes that as bad as 2008 was, some shops still fared well since consumers were forced to hold onto older vehicles that would require repairs and maintenance. "A lot of shops learned their lesson from that time and know to maintain a rainy-day fund," he says.

Truglia notes, "We've been through really tough times before with 9/11 and some of the storms we've had."

"We'll get through it," he adds.

Indeed, some repairers have moved beyond worrying about their own businesses and turned to humanitarian efforts. Finish Pros, with multiple locations in Metro Atlanta, is donating N95 masks to local nursing homes and hospitals. "Because we are a body shop, we have several cases of masks on hand at all times, so we decided to donate them to hospitals and other facilities that we think would need them," says Joe Rizzo, principal. Finish Pros hopes their act will inspire others to do the same.

As the industry heads into uncharted and what looks to be frightening territory in the months ahead, working together and feeling less isolated could be an important part of the prescription for renewed good health. ■



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PRODUCTION MANAGEMENT CONSIDERATIONS

Determine a plan to keep vehicles moving through the shop

JOHN SHOEMAKER // Contributing Editor

The objective of production management is to make a vehicle move through a shop without hesitation. It requires a thorough review of the repair plan to determine what should be done and when to eliminate choke points in the shop to keep the vehicle moving. Any time a vehicle stops during the process, you create idle time for technicians, reduce touch time and increase cycle time.

Recently I visited a shop on a Wednesday afternoon and noticed most of the

paint shop technicians sitting around, not having much to do. As I continued my walk through the shop, I came across a repair sitting in a body repair stall that had a neatly stacked parts cart behind it. On that parts cart was a new hood and front bumper. Upon inspection of the vehicle, it appeared that those were the only parts that needed to be painted, which led me to a conversation with the technician. I learned from our discussion that the repair process had been pretty much complete, but the technician was waiting on

an AC condenser and intercooler. While we were talking, we were approached by the shop manager, and the technician left to go work on a different repair.

As we walked through the shop, the manager and I continued discussing the repair. He told me they generally don't send vehicles to paint until the end of the process. I asked if the rule applied to vehicles that had all of the body repairs completed and were stopped in the repair process waiting on parts. He told me he really didn't think about it and usually

repairs kept moving, adding that this particular repair was out of the norm. The visible parts were ordered prior to the vehicle arriving and once they had it torn down, they found the AC condenser and intercooler were damaged.

I discussed with him that this was a good example of why you should be flexible in your production management process and take into consideration when the vehicle could actually be painted. This step is crucial, especially when the paint team is low on work. Sending the vehicle to paint out of sequence in this instance would not create a choke point and would keep the repair moving — two pieces in the objective of production management.

Reviewing repairs in the production process on a routine basis will help you catch instances where a vehicle is stopped in the repair process because it is waiting on other repairs to be accomplished. There was no logical reason for this vehicle to be sitting. Being able to install an AC condenser and intercooler does not depend on the vehicle being painted first, and vice versa. It would, however, move the vehicle through the repair process faster and eliminate the idle time I observed in the paint shop.

Revising a production plan mid-stream is a good way to catch those repairs that are “out of the norm” to maintain a steadily flowing production process. I recommend you monitor your

“Work In Process” (WIP) three times a day. The first review would be around 10 a.m. where you would speak with those involved in the repair process that you feel could answer any questions that may come up. Generally, this is the shop manager, repair planner/production manager, technicians, paint-

ers and parts personnel. At this time you would also review each repair to verify its status, determine set times when the vehicle would move to the next repair phase and identify any reasons why a vehicle is not on target.

The second review would come around 2 p.m. and usually involve the repair planner/production manager and technician assigned to the repair phase the vehicle is currently in. At this point the repair planner/production manager would validate the promises made at the 10 a.m. meeting and ensure that the repair is on track. This is a great time to find things that are “out of the norm” to determine if repair phase changes should be made mid-stream.

Around 4 p.m. the final meeting of the day would occur where the manager would review the WIP with the repair planner/production manager to determine how the day went, discuss any problem vehicles and set the stage for the next day's 10 a.m. meeting. This meeting should be just long enough to validate the repairs being accomplished and resolve any issues that would interrupt the production process.

Two things we all know are that idle technicians are not generally happy, and customer satisfaction is driven by how soon you return their vehicle to them. Monitoring repairs throughout the production process eliminates the surprises you will need to explain to customers while improving technician efficiency. This quote from Glen B. Alleman says it best: “A plan is the strategy for the successful completion of a project; any project without a plan is a project wandering in the wilderness.” Don't be that shop that lets anything wander in the wilderness. Start working on a plan today to keep vehicles — and technicians — moving through each repair process efficiently and profitably. ■

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WORKFLOW STOPPAGE

Making preparations and getting past pit stops

DAVID BRINKLEY // Contributing Editor

I've been described many times as someone who is black and white. My views are oftentimes one way or the other with virtually no grey areas. In the spirit of the recent surprises most of us were not prepared for — or saw coming, for that matter — I'm going to change briefly to green and red. The red unfortunately is not welcomed, as it's usually associated with "stop." We have little control over that at this time. The good news is that I will prepare you for the green light. We all know what that usually means.

I'm not going to go over the reasons

or even attempt to purpose a distance to the finish line for the current situation facing our country, or the world for that matter. I'm going to spare you the terms that are all over the media. You know what it is, and these are uncharted waters. I'm certainly not an economist. As I'm writing this it could be just the beginning of a long recovery, or at the very best a short slowdown, for collision repair shops and all the associated industries linked with us. There are many when you stop to think about it. I'm going to help you stay focused and benefit from it the best way possible. Before we get into the what and hows, I'll

share some background that I hope will help you understand my take on this.

As you may know, most of my career was spent as a technician on the shop floor, or "front lines" as it were. I worked mostly as a flat-rate technician. Most of you reading this will know what that is, but for those of you who don't, it's a simple pay plan. I was paid for the hours I turned per week. Not the hours I was clocked in or physically there, but by the number of hours I completed as it related to the work order. If I was on location for 40 hours that week but completed 60 hours of billable hours I

was paid 60 hours times my rate. Simple, right? What was not so simple was when there was a work shortage for whatever reason. Fortunately, there were few in my years as a technician, but they were painful nonetheless. I should tell you that when it happened, even if I was being paid hourly/salary by the shop, it was just as disturbing.

I had heard most of every typical explanation that was out there. The holiday season, vacation season, schools starting back after the summer break, tax season and the list goes on, but you get the idea. Of course, it was always planned that there would be reserves and other budgeting tactics in place to help monetarily in the event of a slow down. I always wondered if my wife was somehow behind the fact I never received a monthly Cornwell Tools sales flyer when it was near time for a vacation. I'll probably never know. Offering full disclosure here, our reserves were usually raided for a well-planned but poorly executed vacation or other large purchase such as a boat, car or off-road vehicle. No regrets at our house. I'm hoping the family vacations and outdoor adventures will be priceless memories for our children. So that leaves the reality that with the best-laid intentions there are pitfalls occasionally. Unfortunately, the current situation is out of our control with not even a mirror to blame.

When it became slow in the shop, as a technician, I had two choices. I could go home, or I could stay busy and regroup so that when the work came back in the doors, my efficiency would be increased. Both options were nonpaying events for me. I would never argue about a person's position to leave the shop if they had that option. This goes to personal choice when given the two options and neither is wrong. I'm making myself look pretty good here, but I'll be honest. In reality, I've never been one to sit around with nothing to do. The other component was that if a vehicle came in to be worked on,

I wanted to be there and ready. It may be that some laws require a person, normally paid flat-rate, to be compensated at the very least minimum wage if clocked in for a certain amount of hours. That for me is all hearsay, and I never had that applied in my situation. I would recommend checking federal, state or local laws that would address those scenarios.

When I stayed at the shop with nothing to work on, I would find ways to be more efficient, as I alluded to earlier. I would organize (read "organize" as more of throwing junk away) my toolbox, fix or maintain tools that required attention. I would often expand my organization out to my entire area if time permitted. My personal selection of non-typical clips, screws and nuts would be sorted and often times grouped per manufacturer. It was common to receive more fasteners than were required when ordered. It was also common the extras were not returned, so I would keep them for future use if needed. Things are somewhat different in today's world in that regard, but you get the point. Find things to "fix" or organize with the goal of being more streamlined when the workflow returns.

Organization was one of my tactics to keep busy and pass the time while having a positive return at a later time. I propose this same mindset can be used today for shops on a larger scale. If the shop has the ability to afford partial or full compensation to employees in the absence of the normal workflow, use this time for the overall benefit of the shop. Most, if not all, businesses have several factors at play during the normal course of production. The employees have the means to be compensated, and the business can make a profit for the support of employees, as well as the owner, and future sustainability. Sometimes it is a good thing to be able to step back and look at the big picture. A worldwide event like we are all experiencing, unfortunately, has afforded us all the time to do just that. I'm not one to ever

10 TIPS TO IMPROVE YOUR SHOP NOW

For many collision repair facility owners, they are not afforded the downtime to focus on improving their shop processes and operations because of the constant attention to cycle time, length of rental and vehicle throughput.

As shop owners are evaluating their current car count and the estimated volume for the next month, there is an opportunity to retain valued tech and team members while increasing the efficiency and performance of your facility when the vehicle volume returns.

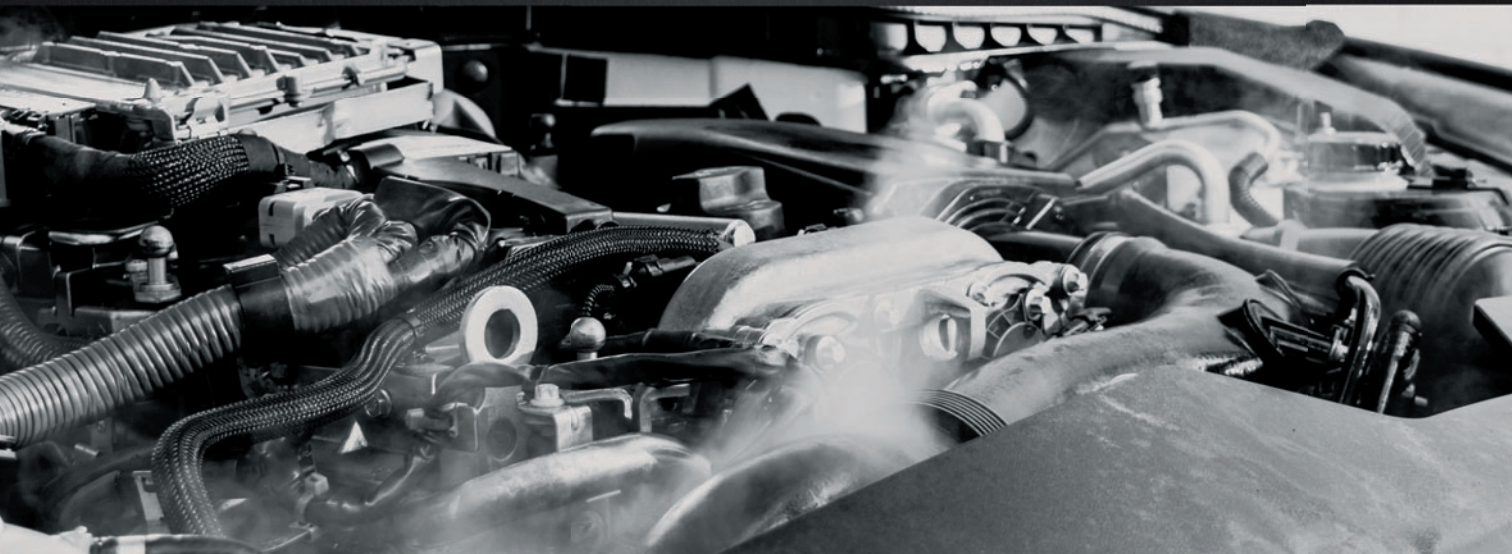
"We are thinking of all of the collision repair shop owners, managers and technicians around the country as they deal with this health and economic challenge at work and at home," said Farzam Afshar, CEO of VeriFacts Automotive. "No one wants to face declining car counts and repair volume, but if there is a silver lining; it does provide an opportunity to focus on how you can improve your business during the downtime." Keep reading at ABRN.com/10tips.

panic, because it clouds vision. Owners and those in management must do their best to make a bad situation as painless as possible. Notice my word choice there — "painless." Unfortunately, we all in some way will feel some, if not a lot, of pain as a result of the situation. It can be minimized by utilizing the available, albeit nonstandard, amount of time we have to help ensure our success on the other side of the slow down.

Now may be a good time to address the shop layout. Is that structure repair equipment better suited in a different location? Is the detail area in need of attention? Can the office be reconfigured into

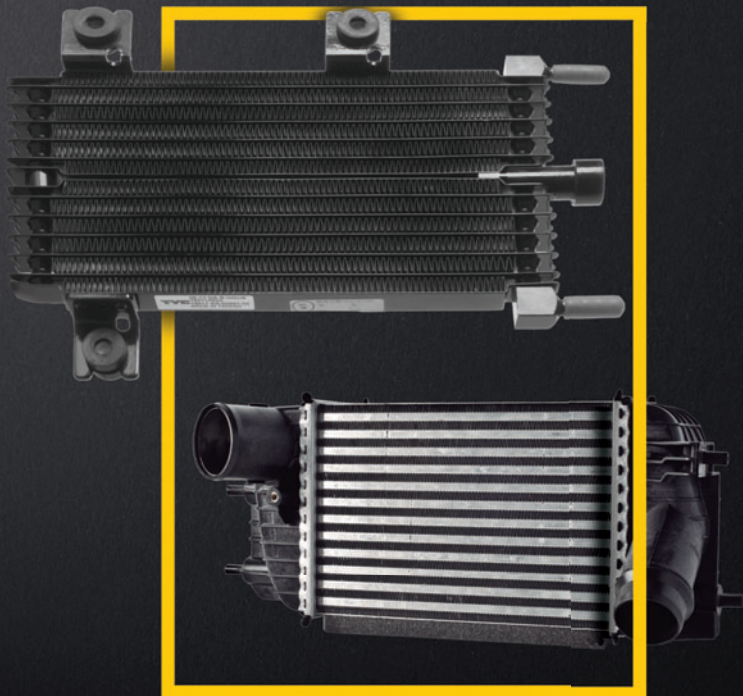


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a more productive space? Maybe now is the time to create that kid-friendly play area you've been wanting to do for some time. Is the outside of the shop in need of a general cleaning? The parking lot may be better in a different configuration. Are the dumpsters in their best location? Is there a dedicated recycling area in place? Is it functioning as best as it can be?

I've touched on some physical changes that may be addressed, but are there operating changes overdue? Is now the best time to implement a lean process of sorts? Don't forget that now may be a great time to take on an apprentice. You've told yourself lately you didn't have time to do it, right? Now you have time. What are the other things you've been telling yourself you didn't have time for? Organizing your records? I'm sure there are many items if you take a minute to recount them. Now is a good time to reach out to vendors, suppliers and others that cross a shop's path. We're all in this together. Your concern for them is most likely mutual. It's probable they, too, are a small business in uncertain times. Just a bit of communication may make all parties more comfortable.

Associations and training can benefit from your available time here. When I mentioned training you probably didn't get uncomfortable. At least I hope you didn't! I can change that with one word, probably. Are you ready? Safety. There, I said

it. As I am an I-CAR-employed In-Shop Knowledge Assessor who travels all over the country to shops small and large, I can tell you it's an uncomfortable topic for most owners, managers and technicians. Why is that? I have a theory. It's uncomfortable because we only visit it occasionally consciously. Of course, we all practice it day in and day out, but we tend to not think much about it. I'll give an example. Does your shop have a designated meeting area in the event of a fire or other emergency such as a chemical spill that would require evacuation? Have you done any types of drills or even discussed the "what ifs?" Everyone knows about ABC, typically red-colored, fire extinguishers, right? What other type is recommended for a shop? Don't know? Now you have homework to do. Are your SDS sheets in order? More for you to do. I-CAR has a suite of online courses that cover these very topics. They obviously have a lot of new technology-related courses as well. We all know the speed that it's coming at us is unprecedented!

Now is a good time to get involved with associations and committees. There is not enough time here to go into it, but I'll point you in the right direction. State, local and I-CAR committees are out there. Maybe it's also a good time to do your part to strengthen our industry. Schools are a good place to start for that. Trade associations and the like are waiting for your involvement. You can look into SCRS, ASA, CIC and others if you haven't already.

I've given you, up to this point, some things to do that will make you more efficient down the road if there is a work stoppage or slow down. Keeping busy will pass the time and strengthen your vision. In closing, I will provide another way to look at it outside of the shop. Most forms of automobile racing rely on critical and in-depth preparations for success. Think of this as a pit stop that we have all seen in automobile races. It's usually akin to what we do. Fix, change and refuel in the quickest way possible to keep competing. This current "pit stop" may be a bit nontraditional and lengthy. The unsuccessful teams may do the minimum and take a break. Do what the best teams would do if they were afforded the time. I challenge you to raise the hood and make any changes that will help.

If time allows, go all over the car (your shop) and make changes or at the very least check everything twice as time allows. Imagine the difference in confidence levels between the two drivers, crew and owners of the respective teams. Be ready at the restart to STEP ON THE GAS! It's gonna go green soon! 🏁

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President signs third COVID-19 stimulus package

New PPP popular with automotive repairers

Last month we discussed the first two COVID-19 stimulus bills passed by Congress and signed by the President, the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 and the Families First Coronavirus Response Act. Important for auto repairers is the third stimulus package, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) that the President signed into law in late March.

There are several programs and incentives included in this third package for small businesses; by far the most popular in the auto repair community is the new Paycheck Protection Program (PPP). This \$350 billion program for small businesses with 500 employees or fewer can provide up to eight weeks of cash-flow assistance through a 100 percent federally guaranteed loan to employers who maintain their payroll during the COVID-19 emergency. According to the U.S. Senate Small Business Committee, "if the employer maintains its payroll, then the portion of the loan used for covered payroll costs, interest on mortgage obligations, rent and utilities would be forgiven." Congress gave the Small Business Administration (SBA) the flexibility for a loan term of up to 10 years. SBA opted to cap the term at 2 years.

In addition, Congress enhanced the Economic Injury Disaster Loan (EIDL) program and shops can apply for both the EIDL and PPP programs as long as they are used for different purposes. EIDLs are low-interest loans of up to \$2 million that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expense. The CARES Act also provides businesses applying for EIDL expedited access to capital through an Emergency Grant, an advance of \$10,000 within three days to maintain payroll, provide paid sick leave and to service other debt obligations.

The Automotive Service Association (ASA) has been very concerned that automotive repair facilities would, in some cases, be determined to be nonessential.



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However, the U.S. Department of Homeland Security's (DHS) Cybersecurity and Infrastructure Security Agency (CISA) recommended that state and local governments include "Automotive repair and maintenance facilities" as Essential Critical Infrastructure Workforce within the Transportation Industry.

The SBA's programs require governors to obtain an Economic Injury Disaster Loan Declaration. ASA and a coalition of aftermarket associations, in a letter to the National Governors Association, noted:

"The crisis isn't two months away. It's here. Many of these businesses are already down by 40 percent to 75 percent. Their operating margins cannot sustain such losses. When they fail, millions of employees become unemployed with no other source of available income while thousands of business owners declare bankruptcy. In the meantime, they suffer daily with excessive emotional stress from loss of income and shortages of critical services such as affordable health care and child care.

We urge you to urge your members to take immediate action to obtain an Economic Injury Disaster Loan Declaration for their states so that suffering small businesses can have access to Small Business Administration disaster support."

So, what's next? The \$350 billion allocated for the PPP program will not be sufficient for this first-come first-serve small business program. Congress is now preparing a \$250 billion influx of funds to keep the PPP program moving forward. Despite some differences, Congress is expected to approve this additional funding soon. Finally, both republicans and democrats are discussing a fourth stimulus package that will be considered when Congress returns to Washington. 📧

ROBERT REDDING is the Automotive Service Association's Washington, D.C. representative. He has served as a member of several federal and state advisory committees involved in the automotive industry. rredding@reddingfirm.com



MEETING EXPECTATIONS

Seven tips for making the most of your morning meetings

TIM SRAMCIK // Contributing Editor

When it comes to great stories about struggling shops turning around their fortunes, few are better than Warrensburg Collision's. Manager Casey Lund took over the business nearly a decade ago when his father, the owner, fell ill. Though Lund had a background in business, and even possessed an MBA, he faced serious struggles at first. Seeing the shop sinking, he decided the only way forward was a thorough transformation. He enrolled his staff in four-day Greenbelt training and held a number of kaizen events.

To help ensure the business would put those lessons to use, he empowered his entire staff to make changes and instituted daily improvement sessions.

The shop started the day with hour-long meetings aimed at fixing its repair processes. Employees took turns identifying wasteful areas and laying out solutions that could be adopted as SOPs. The staff would then review the day's production plan, along with a topic of the day (everything from new ways to spot waste to inspiring others on the job).

The transformative process, whose goal Lund tells ABRN was to "help employees work on the business and make their own decisions," was a big success. In the first three years of use, the shop tripled its revenue and the staff is more engaged than ever.

Such is the power of a motivated workforce and inspired leadership dedicated to turning ideas into action.

But don't overlook the factor that was lynchpin for success, an effective morning meeting. Many shops hold morning meetings, especially to examine the day's production activity and goals. These meetings have far greater potential to build a business when they're conducted using guidelines that have proven successful across many service businesses including collision repair.

See the following tips collected from business experts and your peers. Use them to add an extra dose of caffeine to your mornings and rev up production and improvements in your shop.

Tip 1. Set strict time parameters

Your morning meeting should start at the

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same time every day and only run for a set period of time, for most shops no more than 30 minutes. “If your meeting starts at 8, start promptly at 8 not around 8,” says Ron Vannet of 21st Management Solutions, a Phoenix-based company that consults with small businesses. Promptness is important because it sends a message that the meeting is important. That, along with a set length, help businesses focus on the matters at hand instead of meandering off in unproductive directions.

“You’re better off squeezing your subject matter into 30 minutes rather than letting a meeting linger on. You want your staff to know that the meeting time is critical, as critical as the time they spend performing their daily tasks,” says Vannet. If a subject comes up that needs further discussion, schedule a second meeting.

Tip 2. Always have a set agenda.

This may seem like common sense, but many businesses fall into the trap of having a regular meeting just to have a meeting in case a particular issue or matter needs immediate attention. “Before we had a morning production meeting we used to just have a regular morning meeting where everyone would grab a cup of coffee and discuss the job or whatever was on their minds,” says Paul Gibson, owner of PG Quality Autobody in Pittsburgh. “I eventually found at that everyone hated it because they thought it was a waste of time or just a bull session for anyone who wanted to complain.”

When the shop moved on to blue-printing its work and holding morning production meetings it faced a new kind of agenda issue. The format proved to be confusing and unclear. Gibson says the first manager too the lead on the meetings prepared poorly and would jump from one job to another discussing the day’s work. “He was great on the floor directing work, but in our meetings tended to jump from one subject to another or go far into detail on a single job that not everyone was a part of.”



Gibson fixed this issue by putting together a template for meetings. Only one job at a time would be discussed. If one job needed especially detailed coverage, he would turn that discussion over to the manager and workers on that job or walk his staff over to the vehicle so the details would make more sense.

Also, he would plan discussions on other topics outside of production. Subjects like vacation scheduling, benefit changes, training, etc. would be planned ahead of time so his staff would have a chance to prepare questions instead of being forced to come up with them on the spot, which often meant planning a second meeting later to ensure everyone was prepared to take part.

“We try to have people come up with questions ahead of time so we can prepare answers. That saves us time, and everyone gets the information they want. Plus, it gives us a chance to print off information so we all have copies of the information,” says Gibson.

Tip 3. Use visual aids.

Speaking of paper copies, try to make use of aids like dry erase marking boards, white boards or TV monitors to clarify your points. “Putting something in writing always helps,” says Vannet. “It lets



your staff where your focus is, and they can come back and review what was discussed.” Work and flow diagrams are particularly helpful as are bulleted lists of tasks.

Vannet says TV monitors are proving their worth since they can be used to blow up photos of repairs or highlight areas of documentation your staff needs to pay attention to.

Tip 4. Eliminate distractions.

One of the goals of a morning meeting is

getting everyone on the same page early and starting the day off on an organized note. For that to work, everyone needs to be paying attention. Vannet says smartphone and other electronic devices need to be away unless they're being used as part of the meeting to make a point. Employees shouldn't be meeting in areas where their attention can be drawn away by windows or noises from neighboring businesses. "Find a quiet spot and make sure you're sitting or standing in a formation where everyone is facing one another. Don't be afraid to call out someone who isn't taking part or giving the meeting the attention it deserves," he says.

Tip 5. Everyone must take part.

Gibson says when he first began holding meetings he would sometimes allow certain staff members to not take part if there was pressing work, for example a job or task that needed to be completed that morning or day. He put an end to that practice after he seeing the effects on the rest of the staff. "It sent a message that what we were doing wasn't that important. Eventually, I had a whole bunch of people who had excuse for better things they needed to do than attend a meeting," he says.

Vannet notes that for a meeting to be effective, it must be given importance. That means everyone must attend. Gibson says he does let one person regularly miss his meeting, the receptionist who answers the phone. In this case, he meetings with the receptionist at the beginning of her shift with a print out of the meeting agenda and discussion points to keep her informed.

Along with mandatory attendance, make sure everyone is given the opportunity to speak and that no one person is allowed to monopolize the discussion. Vannet says expectations need to be set to ensure everyone respects one another (no one should be interrupted when speaking) and to prevent the meeting being dominated by one voice or de-



volving into venting about the job.

"If there's a problem, pull those people aside and let them know what they're doing is unacceptable. Say 'Nick, I know you mean well but what you're doing is unfair to others. They need to speak too,'" explains Vannet.

Tip 6. Have an action plan.

Obviously, if you're holding a production meeting, when it ends everyone should go to work. When other subjects are included, such as training or new work practices, your staff needs to act on the next steps. In these cases, your staff needs to know (1) specifically what to do next and (2) when the actions start.

For example, if you're instituting a new process for submitting hours or request for training or supplies, provide your staff the instructions (in writing) for how to do so, along with the date when the change goes into effect. Then, follow up. Check with everyone to make sure they have adopted the policy. Bring it up at your next meetings.

Tip 7. Get help.

Companies like Vannet's can step in help you develop better meeting guidelines and formats and make them more valuable for your business. A terrific alternative is seeing what your colleagues do. Reach out to your local shop associations or repairers you know with successful

businesses to see how they operate their morning meetings. You're bound to pick up valuable lessons you can bring back to your shop.

Gibson sat in on meetings with two shops recommended by his paint vendor. "I picked up on mistakes my shop was making as far as moving too quickly on some topics and not making sure everyone had time to speak. I also found out I should put different meeting leaders in charge on different days to help break things up and give each meeting a little bit different flavor," says Gibson. "Putting different people in charge also helped them develop their communication skills and let me know who needed help with this duty."

Ultimately, your morning meeting, like your business, is a work in process. Meetings are something you work on to continuously improve so your business can grow with them. You may not get the same results as Warrensburg Collision over the same brief period (that their particular story), but you will be part of a process that has proven its ability to boost the fortunes of any shop willing to invest the effort. ■



TIM SRANCIK has written for *ABRN* and sister publications *Motor Age* and *Aftermarket Business World* for more than a decade. tsrancik@yahoo.com

HOW TO ESTABLISH KPIS IN HOUSE

The first of this two-part series looks at establishing KPIs without relying on a third party

JIM COMPTON // Contributing Editor

Larger shops, MSOs and other groups are readily able to get third parties (jobbers, paint manufacturers, etc.) to assist with the creation and tracking of key performance indicators (KPIs). Also available to shops are tools and reports from the various Management systems. Not all shops have access to these services or tools.

KPIs can help every business better manage their success, profitability and help to guide their future growth, regardless of the size of the operation. The adage that “you can’t manage what you don’t measure” is as true today as it ever was.

At first glance the task may seem daunting, but taken in small portions, it can be accomplished easily.

Building KPIs starts with the gathering of data. Starting with sales, we can capture quite a bit of data from the final ROs. Each RO has several pieces of sales summary data that we can capture such as:

- RO #
- Paid by insurance company name, or customer pay
- Gross sale
- Collected sales tax
- Several dates should be collected/entered for every RO (more on this later)
- Parts sales (if available separated by OEM, Used, Aftermkt.)



- P&M Sales
- CSI score
- Labor sales in dollars AND labor units (hours), where available separated by:
 - o Body
 - o Paint
 - o Detail
 - o Frame
 - o Mechanical
 - o Diagnostic & Calibration

You may not yet be easily able to collect all these as separate numbers or inputs. But prepare for their collection soon. The above list is an example; your list may be larger.

A couple quick points on setting up

and inputting data:

1. The first row should include column headers such as RO#, Paid by, Special Note, Gross RO\$, Sales Tax Collected\$, Parts OEM\$, Parts Aftermarket\$, P&M Sales\$, Diagnostic Calibration\$, Body Labor Sales\$, Paint Labor Sales\$, Detail Labor Sales\$, Frame Labor Sales\$ and Mech Labor Sales\$. You could even break these out further to include Diagnostic Calibration Hours, Other Hours, Body Hours, Paint Hours, Detail Hours, Frame Hours, Mech Hours, Keys In Hand Date, Authorization to Repair Date, Start of Repairs Date, Repairs Completed Date and Keys Returned Date

2. The next row would include all the

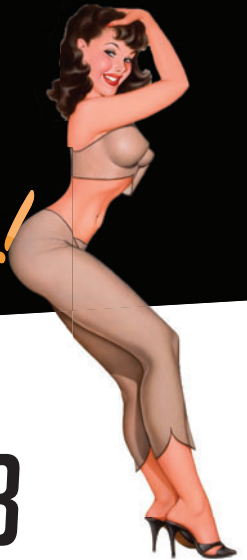


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1	RO	Paid by	Special Note	Gross RO\$	Sales Tax Collected \$	Parts OEM \$	Parts Used \$	Parts Aftermkt. \$	P&M Sales \$	Diagnostic Calibration \$	Body Labor Sales	Paint Labor Sales	Detail Labor Sales	Frame Labor Sales	Mech Labor Sales
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2	Paid by	Special Note	Gross ROS	Sales Tax Collected \$	Parts OEM \$	Parts Used \$	Parts Aftermkt. \$	P&M Sales \$	Diagnostic Calibration \$	Body Labor Sales	Paint Labor Sales	Detail Labor Sales	Frame Labor Sales	Mech Labor Sales
	Jupiter Ins		\$3,089.00	\$125.00	\$1,200.00	\$0.00	\$0.00	\$249.00	\$65.00	\$1,000.00	\$450.00	\$0.00	\$0.00	\$0.00

3	Diagnostic Calibration Hours	Others Hours	Body Hours	Paint Hours	Detail Hours	Frame Hours	Mech Hours	Keys Inhand Date	Auth to Repair Date	Start of Repairs Date	Repairs Completed Date	Keys Returned Date
	1.0	0.0	9.0	4.0	0.0	0.0	0.0	02/01/20	02/03/20	02/03/20	02/14/20	02/16/20

data collected for each RO (each vehicle)

3. Do NOT leave blank rows. (We will explain the logic for this later.)

4. Keep data consistent. Do it the same way every time.

5. Input as much data as possible keeping date columns as full dates (IE: 02/14/20). Keep dollars fields and hours as numbers.

6. Keep data accessible. For example, having copies of all job/RO related invoices in the RO file such as Parts, Towing, Sublet, etc. puts the data at your fingertips when the RO is closed, and you enter the data in the spreadsheet.

We have only discussed sales inputs pulled from each RO. There are other sources of data that can be drawn from and calculations that can be added. Obviously, collecting similar cost data points is critical to profitability. For now, we will focus on the sales side of data collection and KPIs.

Now that we have collected some data, how do we get usable information? With some basic math calculations, for example, we can see the above sample RO was made up of 38.8 percent Parts/OEM, 8 percent P&M Sales, 32.4 percent Body Labor, 14.6 percent Paint labor.

As we gather more data from more ROs, we gather more meaningful information.

Looking at the date information or KPIs from this simple example we find:

1. It took 2 days to get authorization
2. It took 11 days to complete the repairs, after authorization.

3. It took the customer 15 days to get their car back.

This is an example of seeing things from other points of view. If the first notice of loss (FNOL) was before 02/01/20, the repair took even longer from the insurance company's perspective. From the customer's perspective that "over two weeks" is how they will recall the repair.

We have used some basic examples and one interpretation of the meaning of KPIs with the various date information. More collected dates would provide even more information.

If we added some additional basic cost data collection, we would greatly increase the value of this information. For example, we should be able to very quickly add a couple of RO specific costs, such as the costs of the parts and sublet. We should be able to gather this from the invoices received for those parts on each RO. Now we can quickly calculate Parts GP percentage on each RO. If we add a column for vehicle year, manufacturer and model we might be able to see a pattern of days and dollars (profits) as related to specific insurance companies or vehicle makes.


I estimate the time involved in this simple data collection by RO to be a couple minutes per RO, once you have a system and develop the habit. Don't wait until the end of the month to add all the ROs, by entering them promptly at the close of each RO that task will become a simple, fast routine.

Some cost data point collections that

should be easy to gather could include: Payroll summarized by department. We could have a lengthy discussion about loaded payroll costs, but for simplicity here let's gather what we can.

A four-person shop might have one painter, two body techs and one helper in production, maybe one writer and one general office/reception. This is not too much to collect and should be accessible. We can combine these labor-cost inputs with the labor sales discuss earlier and we now have some very valuable and-simple calculations for labor sales.

As with most tasks, the most difficult part is getting started. Don't worry at this point about what comparable industry averages are for any KPI. Establishing you own baseline for KPIs is far more important; the only one you and your shop is competing with is you — where were you at last year or last month with specific KPIs? Improving against your own numbers should be your first focus. I discussed this in more depth in a prior article **ABRN.com/averagematter**.

In part two we will discuss how to use or leverage these KPIs without being overwhelmed, focusing on those KPIs that are actionable and can help make improvements. 



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Perfect partnership

Father-son team nurtures New Mexico's largest collision repair business

JAMES E. GUYETTE // Contributing Editor

➔ Having grown to six shops throughout the Albuquerque area under the direction of Jim Guthrie and his son Sean, for more than 35 years drivers have been benefiting from the full-service offerings provided by Car Crafters, which has been saluted four times by *ABRN* as being among the Top 10 Body Shops in the nation along with consistently clinching Best of the City honors from local media outlets.

Additionally, the company has been named as one of the Top Workplaces in New Mexico by the *Albuquerque Journal* for the past five years. "This distinction helps recruit top talent in the area," reports Vice President Sean Guthrie, director of operations.

During the coronavirus outbreak "we have committed to our people to keep them employed and earning a check. Our hourly techs and salaried positions have all stayed busy by cleaning the shops, washing walls, organizing bins, cleaning the lot, painting the parking lot stripes and generally making the stores look brand new," Sean explains.

"We have been purchasing lunch for each of our guys at every store since the start of the stay-at-home order. This has increased shop morale, allowed us to support other locally owned businesses, and keeps our people safer by not having to venture out. We will be 100 percent ready to go when the floodgates open — which we do expect will happen."

Immediately after the issuing of New Mexico's stay-at-home order "we had a great sales week," Sean recounts. "Since then we have steadily dropped off, losing roughly 10 percent each week. We are down 25-35 percent now; each location is slightly different. The smaller stores are being affected less than the big stores."

Additionally, "we have been able to take on a few restoration-style jobs that we would have normally ignored — or bid higher and likely would not have gotten. We have purchased a few vehicles to clean up and flip."

Recently in reaction to a critically low regional blood supply, the shop sponsored a blood drive. "That was a great success, and we were able to use the empty space we have due to the lack of insurance partners in our store as well as the fact that we are having customers remain in their vehicle and call into the shop for service, making the process touchless and reducing the exposure as much as possible," Sean points out.



CAR CRAFTERS

Albuquerque, NM // www.carcrafters.com

Jim Guthrie
Owner

10+
No. of DRPs

6
No. of shops

7.5 days
Average cycle time

38
Years in business

\$3,200
Average repair order

180
No. of employees

250+
No. of customer vehicles per week

230,000
Total square footage of shops

PPG
Paint supplier

"We have increased our social media marketing and our TV advertising and reduced our radio and billboard ads, as people are staying in more than they were," he notes.

"We have been featured on the news and the businesses that we are supporting are also pushing their friends, family and customers to us. It has drastically affected our strategy to get work in the door — we do not feel like we know exactly what we should be doing, but we are trying a little bit of everything to hopefully have something work," says Sean. "We have applied for all of the available SBA (Small Business Administration) loans and focused our efforts to watching our costs

and gained access to as much capital as we can.”

Beyond the daily grind

Keeping the workforce employed and engaged during the coronavirus crisis is consistent with Car Crafters’ focus on attracting the best staffers in town, who are all I-CAR trained and ASE-certified.

“We also pay for any employee training and certification classes that they wish to take to enhance their knowledge and skills. We also have a great benefits package that includes medical, dental, retirement options, free gym memberships, and PTO (paid time off). We utilize our ‘Repair Plan’ area as an entry point to Car Crafters. From there the employees, with our help, determine the best department for their skill set and career path.”

Sean further describes “a great career development program” that encompasses “an in-depth training program that we developed that can take a new hire with no industry knowledge and bring them to the level of a journeyman painter or body technician in about two years, which is a relatively short period of time.”

Jim points out that “we maintain a high level of training and education across all departments that allows our people to truly be the experts in our field. This increases the trust from our partners and allows for strong relationships.”

Car Crafters was founded in 1982 in the home garage belonging to Jim’s parents. At the time he was going to school to become a dentist while also fixing friends’ vehicles to make money on the side. After the cul-de-sac at the family home became filled with customer vehicles, his parents told him to either focus on school or get his own repair shop.

Thus Car Crafters took root on its way to becoming the largest collision repair company in all of New Mexico.

As part of the shop’s progression there are personal relationships culti-

vated with vendors “that go beyond the daily grind,” Jim says. “We are loyal to them and we pay on time. We don’t ask for them to do something that we would not do ourselves. With PPG, we have an open-door policy allowing them to bring any of their customers or potential customers to the shop and showcase what PPG has done for us, and also what we can do to help PPG or their customers with our expertise.”

Likewise, “we maintain positive relationships with our insurance partners through good communication. Our goal is to educate, not alienate, our insurance partners,” according to Jim.

“We believe with the proper training that all items being requested will be approved. The key is making sure our partners understand the importance/need, so they can properly compensate for what is necessary in order to repair the car safely and properly.”

Top of mind

Consultancy VeriFacts Automotive “has been instrumental in helping us keep up with the rapidly changing landscape of collision repair,” Jim says. “They help provide the training and coaching for our team members to assure we are current and using the most recent OEM repair procedures as well as the right equipment.”

At a recent VeriFacts conference, Car Crafters’ Chris Sandoval was saluted with the Outstanding Craftsmanship as an Advanced Materials Technician Award.

“Our customers should know that we have invested in the training and equipment to become certified by almost every major automobile manufacturer,” Sean says. “We are certified by Ford, GM, Fiat-Chrysler, Subaru, Nissan, Infiniti, Honda, Hyundai and Kia — and we are the only certified shop in the entire state of New Mexico for Mercedes-Benz, Jaguar/Land Rover, Tesla, Porsche, Volkswagen, Cadillac and Audi. What this means

to our customers is that they cannot find a more qualified shop or technician to repair their vehicle.”

“We focus on safe, quality repairs that are completed in a timely manner,” says Jim. “We are the shop of choice for customers, insurance companies and employees; we continue to be one of the industry leaders in the KPIs and metrics used by most insurance companies.”

Sean is a regular contributor to *ABRN*, and both he and Jim have served on a number of advisory boards, given countless shop tours, conducted webinars and contributed to other industry and civic causes.

“This industry has given our family so much,” says Sean, “and we want to see its continued success.”

“We use a wide range of marketing avenues to reach the Albuquerque/surrounding market,” adds marketing director Kevin Klein. “Our main goal is branding the Car Crafters name to make sure we are top of mind when people have been involved in an accident.”

Jim has been featured in a series of creative TV commercials that involve him performing high-speed drifting sequences.

“We have a popular jingle that we utilize on our radio commercials that reinforces our tagline, ‘Like It Never Happened.’ We also have a large mix of digital and static billboards that brand our logo around town,” Klein says.

“We have always invested heavily in marketing our brand to the local community,” adds Sean. “We support our community by never saying no to a community, school or a child’s sponsorship,” he points out.

“We sponsor several sports teams, car shows and charity fund raising events. We believe in investing in our community.”



JAMES E. GUYETTE is a long-time contributing editor to *ABRN*, *Aftermarket Business World* and *Motor Age* magazines.
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WHAT IT TAKES TO BRING HEAVY-DUTY REPAIRS IN HOUSE

THE INVESTMENT MAY BE WORTH IT TO BRING THIS REVENUE STREAM INTO YOUR BAYS

MIKE CROKER // Contributing Editor

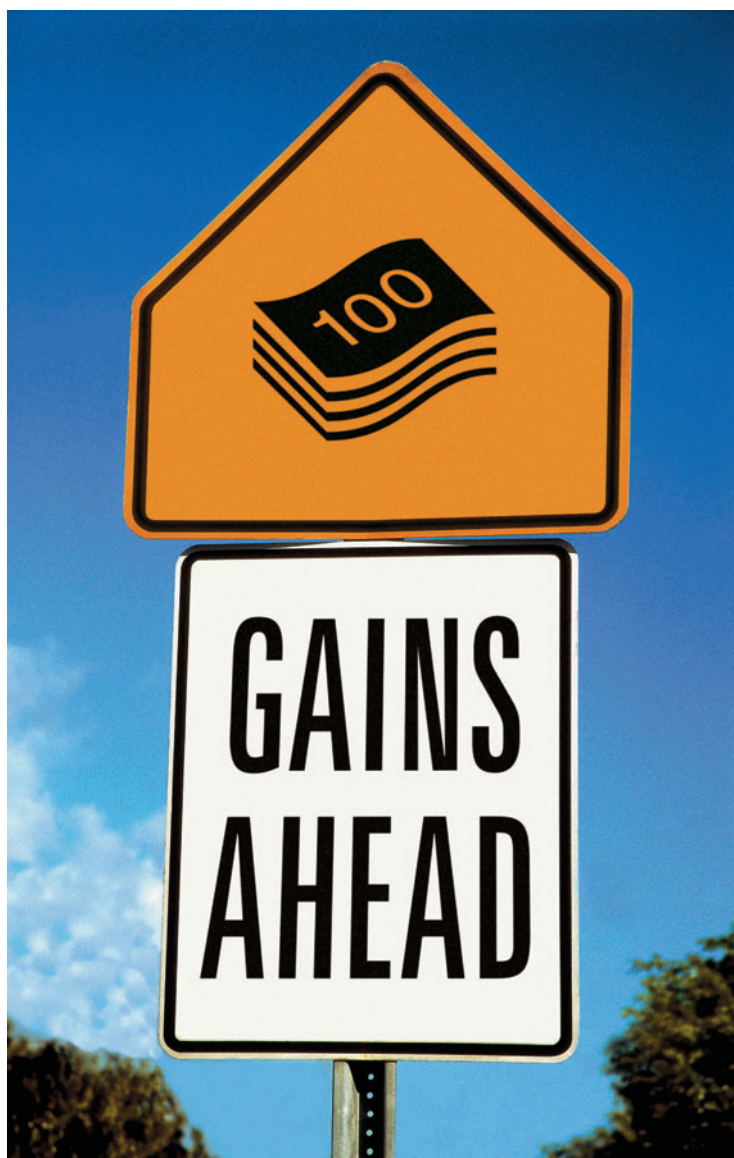
Travel down any interstate in America, and you'll find it packed with semis, delivery vehicles and other heavy-duty vehicles. In 2019, \$1.6 trillion was spent on the logistics and transport industry. The number of businesses that are connected to the automotive industry continues to grow, and it's no stretch to say that the large number of heavy-duty trucks on the road will likely need to be repaired at some point. While most areas of the country, even rural communities, have multiple mechanical repair shops, the number of body shops in a given community is even smaller, and fewer still is the number of repair facilities that are equipped to handle heavy-duty vehicles.

Even with the growing demand for heavy-duty collision repair, many shops believe it's too expensive and too difficult to get into the business and either turn that work away or outsource it to other shops. However, shops looking to expand their business or add additional revenue streams may not want to overlook taking on heavy-duty collision repairs so quickly.

While many heavy-duty vehicles aren't built much differently than passenger vehicles today, it's important to understand the investments needed to get into the heavy-duty repair market. From shop capacity to staff and training to equipment and parts, there are several things to consider before making the jump.

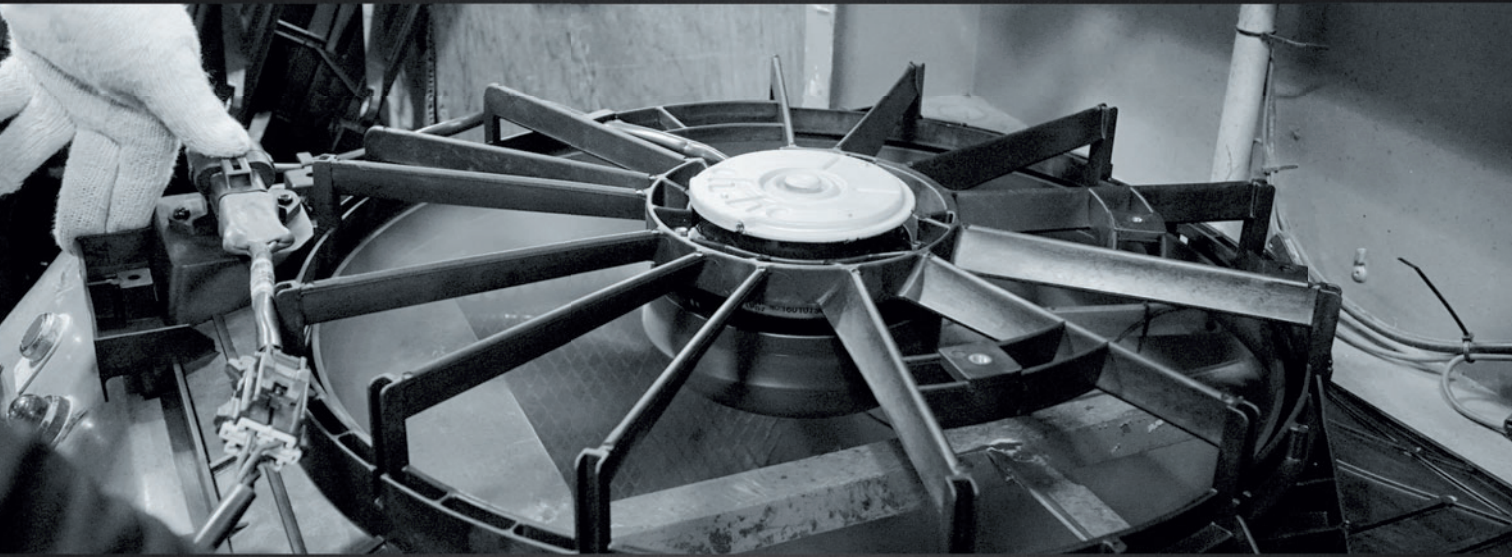
Shop specs

There is no way around it. The physical space needed to handle heavy-duty repairs is larger. Shops either have room to accommodate a 30-plus-foot vehicle, or they don't.



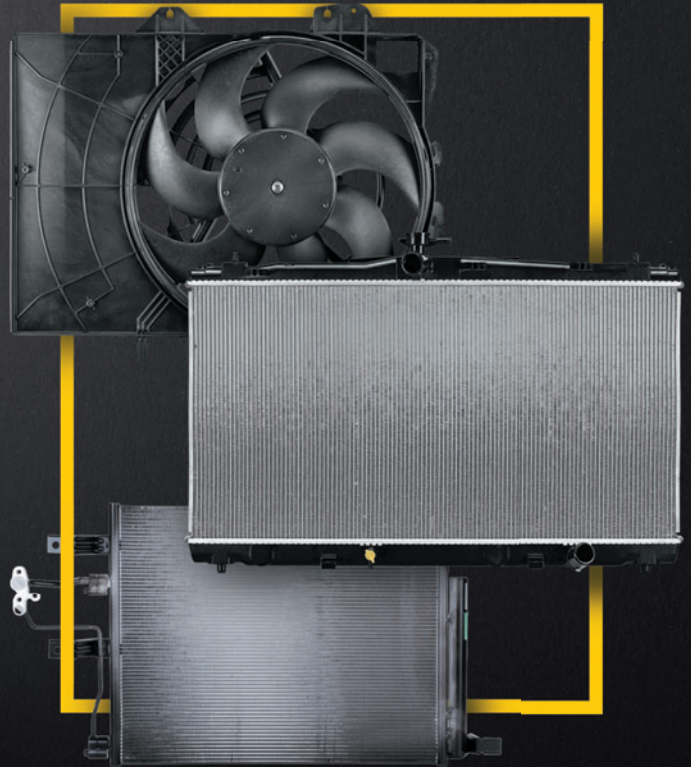


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When looking at the floor configuration, consider how many bays the shop has and if additional bays are necessary or if the shop can be reconfigured in such a way to accommodate HD repairs.

If there's enough space, another often overlooked component to consider is what does the entry point for the shop look like? Most shops will require a 15-foot overhead door to provide enough clearance to pull a large vehicle into the shop.

Finally, if increasing the shop's physical space is necessary, consider if the potential revenue will outweigh the cost of making needed modifications. Based on the shop's business and the market, how many heavy-duty repair jobs are realistic in a given week or month? While being able to handle larger repairs can generate more business, and while these repairs tend to be more lucrative, it's important to think about the overall return on investment.

HD techs and training

Having the right tech for any repair job is important. When it comes to HD repair, technicians need to understand that while the repairs they may be doing might have them working with the same materials and may not vary a lot from the repair procedures of a passenger vehicle, the knowledge needed to fix the vehicle is different. An HD truck can vary greatly by make, model and even materials, not to mention the level of customization, such as extended cabs and accessory configuration or things like advanced driver-assistance systems (ADAS) technology. These variables are further complicated by the fact that there aren't as many OEM repair procedures available for heavy-duty vehicles.

Ongoing collision repair training is important. Techs can gain access to training through a variety of resources, whether it's a local school's continuing education program, a company like Chief that offers specialized HD collision repair courses, or collision vendors and trade

associations. All can help techs keep up to date on the changing industry. And it's not just training on how to do the repair either. Being able to understand how to estimate the cost of the repair job is just as important.

Heavy-duty equipment

HD frame racks and lifts — A majority of fleet vehicles are designed for high mileage and long hauls. Getting vehicles back to original condition can require frame pulling and having a frame rack that can handle a large vehicle. Does the shop have a heavy-duty lift that can safely raise those vehicles? If the shop relies on creepers for repairs, it might be time to consider a heavy-duty lift or mobile columns.

A frame rack is a must for collision repair when getting a heavy-duty vehicle back into shape. Pulling equipment that's up to the task is also necessary. When considering frame racks, consider speed and ease of use, not just brute force. How long does it take to load the vehicle onto the rack and set up the pull? With drive-on frame racks, for example, a tech simply drives the vehicle into place and can get to work in as little as 10 minutes.

Measuring systems — An important part of the repair process is first understanding what is wrong with a vehicle when it comes in for repair. Having a measuring system built for fleet repair can help technicians not only understand what's going on with the vehicle from frame rail analysis to axle alignment, but also provide insight into the damage that goes beyond a visual assessment.


Often, heavy-duty vehicles are built from frames and have varying configurations that can make both the diagnosis and the repair process a challenge. Having a tool that can provide accurate pre- and post-repair scans can help ensure the vehicle gets back up and running properly. In most heavy-duty shops, vehicle measuring is still conducted with cen-

terline gauges, straight edges and string. However, now there are digital measuring tools that can provide technicians with quick access to the information they need to understand the required repairs, as well as the repair documentation that can then be provided to the customer and the insurance company.

Welders and rivet guns — Welding tools and rivet guns provide versatility and speed when it comes to heavy-duty repairs. Opting for a heavy-duty rivet gun that's easy to operate can reduce repair time because it can handle everything from riveting to punching, providing flexibility in repair.

Other equipment to consider:

- A debonding unit lets techs loosen adhesives on hoods, cabs and more without grinding or chiseling, giving them a smooth, undamaged piece to work with.
- A paint booth that can accommodate larger vehicles from semis to tractors to large equipment vehicles can provide additional revenue opportunities on repair jobs.
- An overhead crane to lift heavy parts safely into place.
- An on-hand inventory of parts that are commonly needed for HD repairs can help ensure a quick repair and the ability to get the vehicle back on the road sooner.

Taking time to properly plan the move to heavy-duty collision repairs in house can help set the stage for faster turnaround times, improved revenue, potential costs savings and greater control of the repairs the shop is making. 



MIKE CROKER joined Chief Automotive Technologies in 2014 as a Chief University instructor. He is a devoted advisor for various technical school organizations and a

National Technical Committee member with Skills-USA. Mike uses a hands-on approach in training to serve as an I-CAR instructor and is an ASE subject matter expert for Structural Analysis & Damage Repair (B4).

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THE IMPORTANCE OF ASKING “WHY?” WITH ADAS REPAIRS

THERE IS A NECESSITY FOR MORE UNDERSTANDING AND KNOWLEDGE ABOUT THE CRITICAL NEED FOR CALIBRATIONS

SEAN GUTHRIE // Contributing Editor

ADAS is here, more is coming, and more still needs to come. There is significant benefit to the general population with increased implementation and ability of these assistance systems. They will result in a decrease in the quantity of collisions and hopefully eliminate vehicle-related casualties. This will come with an increase in the cost and complexity of repairs. What is lacking is the understanding of how crucial accuracy is in every aspect of the repair. There is a need to research repair procedures for every operation performed on the vehicle, to follow them and become an expert in aspect of the repair. This requirement has never been so critical, but the reason behind that need isn't discussed or widely considered.

When we were children, “because I said so” was difficult to accept; as adults it hasn't become any easier. We want to know why! The question of “why?” is unquestionably important now. In meetings with my team and/or with sublet vendors, I like to ask “why?” A LOT. I want them to give me explanations beyond the textbook answers they simply memorized and are repeating. It is important that we all think for ourselves and seek answers.

When we dig deeper into the actual implementation of repairs on these systems, there is a huge gap between the current status quo and a proper repair. We are being asked to spend more time performing operations that are very difficult to accomplish. It is also extremely difficult to quantify the time required and be fairly compensated for them. Not only are we asked to spend time we don't have to research these repairs, but that research opens the door to endless additional items that require more time and expense to sift through. Along with the time and expense needed, these operations demand more understanding to accomplish and subsequently teach to others, and they require more knowledge to negotiate.

The hurdles for shop estimators are three tiered. First, they have to believe in the need enough to write for the operations; secondly, they then have to ensure the technicians understand and will perform the operation; and lastly, they have to be knowledgeable enough to negotiate being paid for it. Many times, technicians are taking on the responsibility of the research aspect, knowing that they are held responsible for the repairs. For the techs, their burden includes having to negotiate with their managers, teach their fellow teammates and overall raise

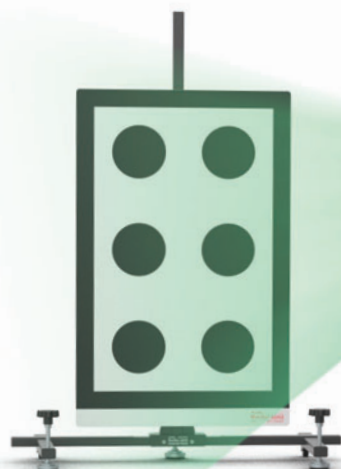
awareness. Knowledgeable insurance adjusters have their own struggles; they face the difficulty of getting shops they work with to comprehend and acknowledge the need, which will likely may be faced with enormous adversity.

As we continue to explore new territory, the foundation of accuracy will remain and the demand to do it just as the OEM says will be increasingly imperative. Currently, we know that most of these systems work in a similar fashion and so far, all of the new systems continue to work in the same way. As we all figure out how to create a process that works, we must also consider that it is feasible to believe that the way these systems function will evolve, just as the ability of these systems evolve. That may make some of the repairs easier and it may make some of the repairs more difficult, but the foundation of accuracy will be critical.

One step that is nearly always required to properly calibrate ADAS systems is that suspension and body alignment must be correct first. Those steps may not be listed on all the repair procedures for the ADAS calibration. The lack of alignment verification may be due to the assumption, made by the manufacturers, that the calibration is being done on an undamaged, not crashed vehicle. Another reason why these may

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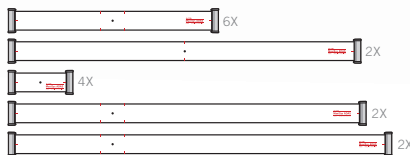
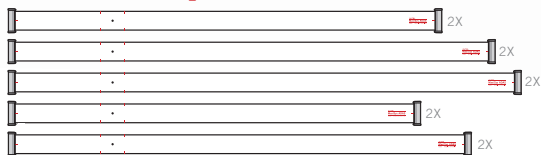


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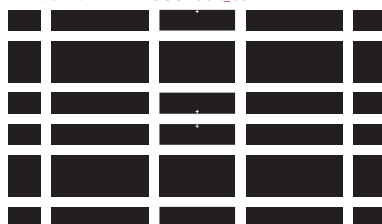
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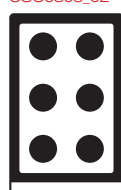
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TECHNICAL

ADAS

not be in the repair procedure for the ADAS calibration is because many of the OEMs have special procedures that must be performed ON EVERY REPAIR. "Inspections required after a collision" is a prerequisite for every repair procedure! Many of those state that you must "perform four-wheel thrust alignment and/or measure unibody or frame for structural alignment," after a collision. So why is this consideration so important?

In order for all the systems to work, all systems have to be in alignment. The body has to be straight, the tires then have to be straight to the body, and the sensors have to be calibrated to the same straight line. If the alignment is straight but the body is sitting crooked, then that will cause a problem. Some sensors are calibrated to the direction of travel while others are calibrated to the vehicle center line. Looking at and understanding how a car interacts with itself can oftentimes answer the "why" behind one aspect and thus give you the foundation to understand the "why" behind another, which not only answers questions, but leads to an understanding of proper repair procedures.

Let's assume the wheel alignment is perfect, steering wheel sits dead level when driving straight, and the steering angle sensor is calibrated to zero. Now let's imagine that the front structure is askew 5mm to the left. We adjusted the gaps, and the fender gap is good to the left door well within factory tolerances, hood gap is good, bumper looks good, our technician is proud of a job well done and doesn't think twice that the adjustments are maxed out. We follow the OEM repair procedures for the ADAS calibration, hang a plumb bob off of the front emblem and another off the rear. Shoot a laser to intersect both, and mark the ground. Targets are set at the exact location that is required. All of our measurements are checked and double checked. The location of that target is square to the center line, but remember

that center line is unknowingly off 5mm to the left. Now the sensors aren't 90 degrees to the back half of the body, and they are certainly not 90 degrees to the direction of travel (or if it's a front camera calibration, it's not perfectly parallel to the direction of travel). Instead, whatever target we place will be off just slightly. At 100 inches (distance away for many targets) it may just be 1 inch off. Only off 1 percent, but these sensors read 100 yards, which means that 1 inch turns into 1 yard. One yard off could miss seeing an object all together, and thus the system won't operate correctly. The thrust alignment can create the same issue; a sensor can be aligned to a straight body, but a car going down the road just 1 degree off, due to a thrust alignment issue, at 100 yards is mathematically off nearly 1 yard.

Many calibration procedures require that all the tires are checked and set to the correct pressure, are the correct size, that the car isn't overloaded with personal items and that the fuel load is at a specific level. Why? The angle of the height of the car front to back dictates where the sensor will look up and down. When the target is placed at the exact right distance from the sensor, at the exact right height, the computer is expecting the angle of the car to be exactly right. If the front tires are low, or the fuel load is low and those items are corrected, at a later date, the car will have an angle that the sensor cannot compensate for. The sensors do have a range to operate in and it's just large enough for when all things are perfect. Alter that range by not checking all the boxes before performing the calibration and you may alter the vehicle's angle by a degree or more! That could mean the sensor is looking at the sky or at the ground instead of at the object directly in front of it. Again, the same 1 degree at 100 yards translates to 2.5 feet of misalignment. As the sensor is looking for the center of a car at 100 yards, 2.5 feet of height misalignment could have it looking at the ground, or

right above a normal size sedan.

Vehicles have a requirement that calibrations are performed with a bumper R&I or a windshield R&I, not just after a replacement or removal of the sensor itself but after simply taking the components off directly in front of the sensors. Why? When the sensors are looking through a bumper, an emblem, or the windshield, it is like a human looking through a set of glasses. Glass lenses are cut in such a way that the focal point of the lens is in line with the center of the eye. Moving the lenses one direction or another can alter the lenses' shape and thus change the optics of the lens. Think of a scope on a gun. If the scope is altered by a fraction of a millimeter on the gun barrel then at 100 yards the target will be missed. Altering the optics for the sensor less than an

inch in front of it can cause the sensor to believe that center is in just a slightly different spot. The only way to ensure that its center is correct is to re-calibrate.

We are at a crossroads with the current status quo. Manufacturers are rightly forging ahead with assistance packages to avoid a crash rather than trying to simply make a vehicle safer during a crash. However, they are lacking in providing methods to ensure all those systems are working correctly. The only way to ensure they will perform correctly after a repair is to properly calibrate the system. There is a huge need to follow procedures to be sure the vehicles are being properly handled, repaired and aligned. There is also a need for more understanding between shops and insurance companies and for all parties to have

more knowledge regarding the entire process and the functionality of the vehicles being produced with these systems. As we all move into new territory in this industry, it is going to be imperative that we all find a way to work together to ensure that vehicles are safe, all parties are being fairly compensated and educated, and that we are able to truly understand the "why" behind the questions rather than just accept shallow answers. ■



SEAN GUTHRIE is the director of operations for Car Crafters Collision Centers in Albuquerque, NM. Sean oversees the seven locations handling their DRP and OEM relationships. Sean is I-CAR platinum, ASE certified, multiple OEM trained and sits on two advisory boards.
sean@carcrafters.com

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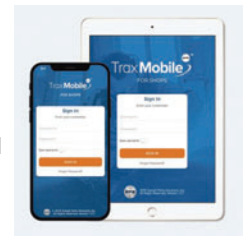
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Fighting to keep succeeding through failure

Get tips to avoid becoming complacent in your shop

The last three years have been a season of challenges that could have led to failure.

The challenges began in October 2016 when we took the next step of growth for our business. We closed on a purchase of a 26,000 square-foot former building. We had our contractor ready to move quickly on renovations to be opened in March 2017. The story we kept hearing from our contractor was that the city was delaying the permit process. After continued delays, we terminated our relationship with this contractor. We received our occupancy license in November 2017. During this same time, we parted ways with our most significant source of revenue. The location had been in operation since 2001 and revenue dropped by almost 50 percent. I won't get into the details other than to say doing the right thing can sometimes be painful for a season.

Hindsight is always 20/20; looking back I realized we had become complacent in our business.

Complacency

We opened our first location in 2001, quickly grew to a second location in 2004 and through the success, became complacent. Craig Groeschel says, "The biggest threat to future success is current success." We did very little marketing of our business; work showed up at our door every day. We had created systems and processes to make our business efficient and align with our values and very rarely kept working on them. We assumed what we did yesterday would work for today.

We had the mindset that we were the best, so there was not an urgency to grow and become better. The opposite of complacency is urgency. We needed to get a sense of urgency in our business throughout our team. As with everything, the urgency must start with the leader. In hindsight, we should have managed our original contractor with more urgency; we should have marketed our business with more urgency; we should have been more intentional with growing and improving our processes; we should have actively assisted our team members to grow.

Here are a few things I have learned to avoid complacency.



THERE ARE THINGS OUTSIDE OF OUR BUSINESS THAT CAN HARM US ON THE INSIDE. WE NEED TO BE QUICK TO ACT IF WE WANT TO DOMINATE IN OUR BUSINESS.

Keys to avoid complacency

1. Consistently do what others only do occasionally. Determine what actions, done consistently, will make the most significant impact in your world, and commit to them.

2. Be alert. There are a multitude of things we can miss in business and life if we are not alert to what is going on in and outside of our four walls. We must stay alert to discern what is best. We need to realize that there are things outside of our business that can harm us on the inside. I'm not saying we should live in fear or focus on the negative; I am saying we need to be alert, put our mind in gear and be aware we must be quick to act if we want to dominate in our business.

3. Excel in everything you do. Excel in all aspects of your business — strive for excellence in every detail, small to large. Many people only focus on the big things, but it is the little things, done consistently with excellence, that have the most significant impact.

Too many eggs in one basket

The other factor that played a part in our season of decline is we had too many eggs in one basket. It is something we were aware of, but never did anything to change until the impact of the change hurt significantly. We are not the only collision repair organization that has had a large percentage of our work coming from one referral source. Looking back, the things we have done over the last three years are things we should have been doing consistently over time. If you do find yourself in this position, my advice is to take action now, not tomorrow, to diversify your referral base, to take care of your current and past customers and look for ways to serve in your community. When we sincerely serve our community, the referrals will follow. 📧

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