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What it is and what you need to know

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MARK YOUR CALENDAR: BUILDING AN EFFICIENT AND EFFECTIVE AR PROCESS WITH THE COLLISION REPAIR STORE

This webinar will be presented by Keith Manich of ATI on Aug. 26 at 2:30 p.m. Watch for upcoming registration details in our next issue! We hope to see you there.

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INDUSTRY ANALYSIS

EXPERTS: SHOP VOLUME WILL BE “BACK TO NORMAL” BY SUMMER

KRISTA MCNAMARA // Editorial Director

While some industries continue to decline in light of the COVID-19 pandemic, collision industry insiders are predicting that the need to get out and away will drive business back to normal by summer.

Four industry experts — Mike Anderson, Collision Advice; Kristen Felder, Collision Hub; Ryan Marrinan, 3M applications engineer; and Scott Peirce, 3M account manager — gathered on a 3M-hosted webinar to discuss the emerg-

ing trends, the COVID-19 impact and predictions on what it will mean for the industry going forward.

Shop trends

Anderson said frustration is everywhere not only from the unknown, but also in shops working to get PPP loans to keep their businesses up and running.

Felder said a much bigger light is being shone on business management. “In the past, cars got wrecked and they would show up at your door, and for many busi-

>> VOLUME CONTINUES ON PAGE 5

BREAKING NEWS

UPDATES

I-CAR DETAILS COVID-19 RELIEF EFFORTS, LAUNCH



In an industry-wide announcement, I-CAR CEO and President John Van Alstyne shared the organization’s continuing COVID-19 relief measures, including updated training delivery plans, credentialing renewal relief plans plus a series of free and discounted training offerings, as well as highlights of recent progress and a look ahead at 2020 plans.

The announcement opened with Van Alstyne acknowledging the hardships and difficulties of the COVID-19 pandemic, and I-CAR’s ongoing initiatives since early March to provide relief efforts.

“All of us across the industry have been living in a very different world for the past two months and will be for the foreseeable future,” he explained. “We’re experiencing business and personal pressure unlike anything most of us have experienced in the past...I’d like to start with a general and heartfelt thank you to everyone in our industry, for all that you do, your commitment to the industry and

>> I-CAR CONTINUES ON PAGE 6

TRENDING

ASSOCIATION TO RAISE \$250K IN DONATIONS

The Carolinas Collision Association has pledged to raise \$250,000 in in-kind, product donations for the states’ technical programs through the Collision Repair Education Foundation (CREF).

ABRN.COM/CAROLINAS

GFS SHARES VIDEO ON SIDE-LOAD SYSTEMS

Jason Garfoot, Global Finishing Solutions’ Senior Technical Advisor, discusses automotive refinish side-load systems and how they can benefit your body shop in this video. Watch now!

ABRN.COM/SIDELOAD

AUTO CARE ASSOCIATION JOINS FUND COALITION

The Auto Care Association joined America’s Recovery Fund Coalition, an alliance of trade associations and business organizations advocating for grant assistance to power the American enterprise.

ABRN.COM/RECOVERY

PRO SPOT EXTENDS 0% FINANCING OFFER

Pro Spot is extending its 0% for 12 months Affordable Financing Plan and adding in a 2.9% for 24 months, as well, to assist collision repair shops in preparing their shops for the future.

ABRN.COM/ZEROPERCENT

HOUSE PASSES FIFTH STIMULUS PACKAGE

The U.S. House of Representatives passed the fifth coronavirus stimulus package, H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions Act, or the HEROES Act.

ABRN.COM/HR6800

>> VOLUME CONTINUED FROM PAGE 4

nesses, they really ran themselves," she said. "But businesses now are having to think about their management strategy, decisions made and profitability."

Many are taking this time to improve employee development and build the family environment at the shop.

Anderson said he could "count on two hands" the number of shops he has heard of having to close down, but of those impacted, the largest group seems to be the 5-7 store MSOs. "I think a lot of shops are making it through this. They have a sweet spot doing \$250,000-\$400,000 in business a month. Those doing \$1 million a month are the ones this has hit the hardest," he said. They have a larger overhead including rent and salaries, and it is harder to get by than for those with fewer expenses.

Anecdotally, he has seen a higher uptick in New York shops closing than in other areas of the country. "Employees don't want to come to work. They made a conscious decision. It wasn't that they didn't have the work or couldn't get parts. They just made the decision that they didn't want to play around," Anderson said.

A very large and reputable shop in the St. Paul area closed down after a technician showed symptoms of COVID-19. "Their concern was for their employees' safety. They brought in cleaning crews to disinfect the entire facility," Marrinan said. Despite having a backlog of work, they reached out to customers to communicate their priorities and when they reopened, they put in place new PPE,

disinfection requirements and no-touch policies for the safety of both their employees and customers.

Business plans also remain a major indicator of which shops can weather the storm, Felder said. "There are businesses with solid business plans focused on the customer, and those businesses will be OK. And then there are those who had business plans focused on volume. And when the volume is gone, the revenue is gone," she said. "There were some exposed weaknesses in our industry and it gives us an opportunity to reinvent some things."

Miles driven

The entire panel anticipates miles driven will ramp up quickly in the coming months.

"Coming out of this, people are going to want to travel and go to work. We've seen a correlation with miles driven and accident rates for a long time, so as miles driven increases, accidents are going to increase and that will be good for collision repairers," Peirce said.

Felder and Anderson also predict a decline in ride sharing service business.

"People are going to want to get out there and start driving. They are going to avoid ride sharing and public transportation," Anderson said. "We are going to see more local vacations, which means more miles traveled. There is currently more telecommuting, but then people who are on the road drive faster, so there are more accidents."

Anderson warns that when "the dam breaks" and miles driven ramp up, shops

need to be trained, efficient and prepared. All agreed that shop traffic will be back to normal by summertime.

Technology impacts

COVID-19 has shone a strong spotlight on the importance of utilizing and adapting to new technology to stay efficient. Anderson predicts shops with a younger workforce may fare better going forward, as they are most likely more tech savvy.

Shops have been forced to adjust to a host of new technology elements, including online appointment scheduling, virtual inspections, touchless signatures and many more. "Shops that were fat on the administration or technician side may learn they can do the same with less people. We have to get smarter about what we do and the advancement of technology will be a good thing for us when we look back in 18 months," Anderson said.

He also predicts a whole new insurance process where photo estimating will be old news and virtual inspections will be rolling out and there will be less micromanagement across the board.

Marrinan also sees growth in how technicians use social media. "Techs work on the fly. This is an opportunity for them to utilize technology, social media and other outlets to better their knowledge and skills levels," he said. "Figure out how to implement technology into your workflow now because it is going to keep growing."

"Technicians who take advantage of technology and aren't afraid to ask questions will be more valuable going forward," Marrinan said. ■

KIA MOTORS' "TELLURIDERS" DELIVER FACE SHIELDS

Kia Motors continues to "Accelerate The Good" through the donation of personal protective equipment (PPE) to hospitals and medical facilities nationwide.

In early May, a group of volunteers

called "Telluriders" delivered face shields to Morristown Medical Center/Atlantic Health in Morristown, New Jersey. The deliveries are part of Kia's Accelerate The Good initiatives, which include ongoing face shield donations to medical facilities in New Jersey, Southern California and Georgia. The

face shields are assembled at Kia Motors Manufacturing Georgia in West Point and the brand plans on donating 300,000 face shields nationwide to help in the fight against COVID-19.

In addition, Kia donated \$1 million to non-profit partners that assist America's homeless youth population. ■

>> I-CAR CONTINUED FROM PAGE 4

one another, and for your support of the vision and mission of I-CAR.”

Van Alstyne then outlined a series of COVID-19 Industry Relief measures featuring free and discounted training options.

I-CAR COVID-19 Industry Relief Program details include:

- Continued industry-wide access to I-CAR's full suite of Online and Virtual training, featuring all the newly updated and relevant “purpose-built” courses launched in October, 2019
- Extension of the organization's Live classroom and In-Shop Training pause, at least through June 15th. Plus conversion of required Live training into Virtual training for ongoing delivery through at least the duration of the Live training pause
- Modified credentialing renewal dates for I-CAR Gold Class® and Platinum™ recognition programs for businesses and individuals with renewal dates through September, 2020, including deferral of Welding Training & Certification™ requirements until 2021
- Gold Class subscription payment relief (ie., one month free or three months deferred billing for existing subscribers, three months free for new subscribers)
- Free access to I-CAR's RTS (Reparability Technical Support), an

online technical portal that provides collision repair best practices, OEM-specific searches, information and news

- Free registration for Using Vehicle Maker Repair Procedures course
- Access to four free Production Management courses
- Five discounted ADAS course packages: 3 Courses For The Cost of 2
- Free access to its New Era of Collision Repair Virtual Conference content, featuring leading industry speakers
- And also coming in late May: Discounted Vehicle Technology Specific Course Packages: 3 Courses For the Cost of 2

Van Alstyne also announced the successful completion of remaining issues related to the October, 2019 “Even Better I-CAR” launch which involved resolution of a series of Learning Management System (LMS) data, training status reporting and course playability issues. He said he firmly believes that I-CAR has those issues behind them, and now is moving forward with a re-energized focus shifted to bringing out planned new user experience enhancements.

Case in point, Van Alstyne reported strong system wide engagement and training:

- Approximately 365,000 online courses completed since October, 2019

▪ More than 19,000 learners took training in April, 2020, up from 12,000 learners in April, 2019

- Plus, overall training in 2019:
 - o Gold Class grew by 23% over 2018 (8,359 in 2019 versus 6,818 in 2018)
 - o Platinum technicians increased 28 percent (32,610 in 2019 versus 25,428 in 2018)

Looking ahead to 2020 plans, Van Alstyne shared I-CAR's commitment to training continues with “robust industry support” through its rapidly expanding Sustaining Partner program and the newly debuted Membership Council, offering extensive inter-industry perspective, insights and feedback to guide future curriculum needs and support. I-CAR's Sustaining Partner program engagement has experienced a 133 percent growth since its 2018 inception, with 38 inter-industry partners representing OEMs, Insurers, Information Providers and Suppliers.

“I just want to thank you for hanging in there during our COVID-19 crisis and taking advantage of the opportunities to train and stay current with your credentialing requirements and for your understanding and compassion as we do what we can to give you relief and to serve your needs,” he said. 📺

GARMAT USA DEVELOPS WALK-UP TESTING BOOTH TO PROTECT MEDICAL WORKERS

Garmat USA has joined the fight to create faster and safer testing methods for COVID-19, putting their expertise in providing clean environments for painting to work to develop the COVID-19 Walk-Up Testing Booth. The new Garmat booth will protect medical professionals while allowing them to conduct testing without the need for constantly replacing personal protective equipment (PPE).

Garmat USA is America's leading manufacturer of paint booths. Garmat's

innovative COVID-19 Walk-Up Testing Booth, developed by Garmat entrepreneur Johan Huwaert, enables a rapid and effective rollout of testing sites. This solution reduces the need for additional PPE and provides protection for the healthcare worker while providing a more efficient way to test masses of individuals.

“In the weeks and months ahead, both the number of tests and availability of testing sites will need to grow exponentially,” said Huwaert, “and protecting our medi-

cal providers against contamination is of the utmost importance. We believe that the size and convenience of our walk-up style testing booths would allow for testing outside hospitals, urgent care centers, pharmacies, airports, universities and major sporting venues.”

The Garmat Walk-Up Testing Booth addresses several shortcomings of current testing methods. In the medical office, when a patient is being tested for COVID-

>> GARMAT CONTINUES ON PAGE 9

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CONSOLIDATION

FOCUS ADVISORS' ROBERTS TALKS THE FIX AUTO SALE TO DRIVEN BRANDS

JAY SICHT // Contributing Editor

The sale of 79411 Inc. dba Fix Auto USA, and its largest MSO franchisee, Auto Center Auto Body Inc., to Driven Brands, a portfolio company of Roark Capital, was announced in late April by FOCUS Advisors, which advised the sellers on the transaction.

"Together with CARSTAR and their recent ABRA franchise acquisition, Driven Brands is now positioned as the primary home for operators that want to remain independent in a time of accelerating consolidation," said David Roberts, managing director of FOCUS Advisors, in a company news release provided to *ABRN*. "Additionally, the acquisition of ACAB positions Driven to begin building its own consolidation platform."

Fix Auto USA, the U.S. licensee of the Fix Auto brand, has 152 franchisees. Auto Center Auto Body, a nine-location MSO in Southern California owned by Fix Auto USA founders Erick and Shelly Bickett, was mentioned in the news release as one of Fix USA's top-performing operations. Driven Brands operates more than 3,100 auto aftermarket locations in seven separate firms, including collision repair franchisors CARSTAR, ABRA, and Maaco.

ABRN talked with Roberts about what the sale might mean for the collision repair industry, and also about the current and near-future business climate of mergers and acquisitions in collision repair, including what effect the coronavirus pandemic may have on those.

"It's a strategic acquisition by a well-funded, forward-thinking private equity firm that owns some of the biggest aftermarket service firms in the country," Roberts said. "They are pretty optimistic about the future of the industry. And they now own four different collision repair

offerings, which gives lots of folks opportunities to decide where they want to find a home. We think our clients were well positioned and had excellent operations, and that was recognized by the buyer."

Fix Auto USA CEO Paul Gange said in the release that company personnel have been "impressed with their increasing professionalism and marketing impact."

He expects that while Fix Auto USA will remain an independent Driven brand, he looks to "gain access to industry-leading franchise expertise, synergies, and capital to accelerate and successfully manage the next phase of Fix USA's growth."

How Driven might build a consolidation platform with ACAB purchase

Asked how Driven might use the ACAB purchase to build a consolidation platform, Roberts said it's a departure from other Driven-owned company operations that may offer additional opportunities to franchisees looking to sell.

"Driven doesn't yet own many company operations in collision repair," Roberts said. "But they have a lot of franchisees, and sometimes their franchisees want to leave and sell their businesses. Heretofore, Driven hasn't said, 'Well, if you want to sell, I'll be happy to buy you, and I will run your businesses because I love your business and I know a lot about it as your franchisor.'"

"When some of the big CARSTAR franchisees were sold, they were sold to Caliber, or Gerber, or somebody else. Now with Driven starting to run company shops, you have another opportunity. If you're a franchisee and you're 68 years old and you've got a really nice business but you're ready to leave, your franchisor now has the capital to buy you. And that means it's probably a very friendly transaction. It may give you just

as good a value or maybe it's a little discount in value, but it's an opportunity for an exit by franchisees."

Erick and Shelly Bickett, co-founders of Fix Auto USA, opened their first Auto Center Auto Body shop in 1984. They also co-founded CIECA in 1995, Cyncast in 2000, the CCI training institute in 2015, and will both continue to advise Driven Brands.

"For years, we've contemplated how independent operators could continue to do what they do best and still have the opportunity to access capital and exit their businesses when they were ready," Erick Bickett said in the news release. "We have worked with Dave Roberts over many years to help craft our strategy and ultimately represent us in our own exit event. The current climate made the combination more challenging, but we are pleased to cement this vital partnership with Driven."

Shelly Bickett was described in the news release as "instrumental in growing ACAB to one of the top-performing collision businesses in the highly competitive Southern California market."

"Erick and I created Fix Auto USA to provide the kind of scale and professional support for smaller MSOs and individual shops that allowed them to effectively compete against the consolidators," she said. "With new capital and an expanded team, we expect to continue and expand our competitive position in the California market."

How the consolidation market differs today

Roberts co-founded Caliber Collision in 1997 and led acquisitions for the company, adding 37 shops before selling the company in 2008. He said consolidators today are more astute in examining potential purchases.

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>> **FIX CONTINUED FROM PAGE 8**

“The difference is better informed buyers, and you know — somewhat somewhat tongue-in-cheek — the sellers are better informed as well, because people like us are representing them. And so sellers are better prepared to have an engagement with the acquirer. Our clients are very well prepared, and they’re very well represented, because it’s their life’s work. I think the difference is much higher skill levels on both sides.”

Increasing challenges for smaller collision repair shop operators and the availability of private equity funds for consolidators mean this trend will likely continue, Roberts said. “There are probably five big regional MSOs that are growing fairly quickly, and they are people, for the most part, who are skilled at making acquisitions and doing really excellent due diligence on their acquisitions. Our long-term belief for the changes in the industry is that there are not going to be just two big consolidators or three big consolidators, but there are going to be some very large regional folks as well.”

For the past 25 years, the number of locations in the industry has been shrinking steadily, Roberts noted. And because of capital requirements, certification requirements, and getting access to repairable vehicles, it’s gotten ever more difficult for single shops and small MSOs to compete.

“It’s getting harder and harder to be small. If you’re small, you want to join together with other people who are getting together to become more effective by having common protocols, by having common information systems, by marketing together, by going out to insurance companies together, and by holding themselves to higher standards.

“We think for the folks who are trying to figure out what the future holds, becoming a franchisee may be just as attractive if you want to stay in the business, or more attractive, than selling out to somebody else. We think the big are going to get bigger, but there are going to be a lot of strong regionals. I don’t know whether there will be 10 of these strong regionals or whether there will be 40 or 50. But for the smaller operators, it means you’re going to have to find a place to call home.”

How the current coronavirus pandemic could shape the collision repair landscape

The coronavirus pandemic crisis facing the nation means that sales volume is down an average of about 50 percent in the past 30 days, Roberts said.

“Anytime there’s economic disruption, there are positive things for some people and negative things for probably a whole lot more people. There’s a confluence of impacts on the collision repair industry, including autonomous features in vehicles that are reducing collisions.

The cost of the repairs is going up fairly dramatically because of the systems and the vehicles.”

In comparison, the 2008 recession caused sales to be down 30 percent for many collision repairers. Some of them learned what it took to endure. That experience will be invaluable in the current crisis, Roberts noted.

“Some people have a playbook from 2008; they know how to get smaller and still be successful. There are other people who have no clue, because they weren’t in the business or they weren’t operating at the same scale in 2008. Now that they’re bigger, they don’t know which way to jump. I think that makes it much more difficult for some people to stay in business.”

At the end of the crisis, many companies will emerge much weaker, Roberts predicted, although the ones that have “figured out the playbook” will be “doing fine.” Those with access to capital will position themselves to buy some of the more attractive, smaller MSOs or merge with some of the more attractive bigger MSOs, he said.

“Sadly, a lot of people who were building their business so they could sell it and retire are going to have to decide whether to stick with it through a long recovery or just pull the trigger and say, ‘Okay, I’m getting out.’ And some will find out the value of their business isn’t what they thought it was going to be.”

>> **GARMAT CONTINUED FROM PAGE 6**

19, the medical provider must don PPE and change it after each patient. Drive-through testing stations are available, but they are not viable for those without access to transportation.

“South Korea has used booths to test its citizens for COVID-19,” said Huwaert. “However, the difference is that the patients enter the booths for testing. Therefore, that design still requires a full disinfection process after each patient,

which is a major drawback. This design alleviates this issue.”

Brigham & Women’s Hospital in Boston designed a three-sided plexiglass version, an improvement over the South Korea booth, as it placed the healthcare provider inside, minimizing the surface area and time required for disinfection. Garmat’s innovation advances Brigham’s version to provide additional protection by fully enclosing the booth and applying positive airflow pressure, preventing

contaminants including the virus, from entering the interior of the booth.

Garmat’s concern about keeping families, communities and health care workers safe led to the development of this product in less than six days. Garmat has ample production capacity in its Colorado manufacturing facility. The COVID-19 Walk-up Testing Booth is approved for direct government purchasing. The units can be shipped fully assembled – install is placing the unit and plugging into a power source.



CIECA WEBINAR EXAMINES HOW INDUSTRY MEETS CORONAVIRUS CHALLENGES

Pandemic may be 'reset button' for
collision repair industry

JAY SICHT // Contributing Editor

A recent webinar examined not only how the industry is handling the current operational and economic challenges of the coronavirus pandemic, but also how business may be permanently changed and conducted differently in the future.

The Collision Industry Electronic Commerce Association's (CIECA) April CIECast "How Our Industry is Addressing Challenges Created by the Coronavirus," included participants representing several industry segments: Dan Risley, vice president of quality repair and market development for CCC Information Services; Shan McMillon, owner of Cocoa Auto Salvage, in Cocoa, Fla.; Mike Anderson, of Collision Advice; Debbie Day, executive vice president and general manager of Mitchell International's auto physical damage division; and Don

Porter, CEO of United Recyclers Group (URG,) which has 480 member companies and 675 locations in the United States and Canada.

By necessity, consumers are becoming more familiar with virtual connections and contact-free transactions, said Risley, who gave as examples personal experiences with a contact-free delivery at Dick's Sporting Goods and a Zoom doctor's consultation so he could get an allergy medicine prescription.

"Those are the sorts of things that are going to happen in the collision repair space, and we're seeing trends of that now," he said. "I think that will carry forward once the pandemic is over."

It may seem basic, but before offering curbside pickup and delivery or at-home estimates, customers must first be reminded that one's collision repair shop is still open, Risley advised.

"As you know, the federal government has classified automotive repair as essential. Not everybody in the public knows that, so you need to let your customers know, your insurance partners know, and your vendors know that you're open. That's the basic jumping-off point for all of us."

Risley said this can be as simple as posting a sign on the front door offering curbside service, which may read: "When you arrive, call the number on the sign or ring the bell. We'll be right out to help you. Please feel free to remain in your car. Your health and safety are our No. 1 priority.' That to me is a positive message and customer-friendly."

Applications for photo estimating, such as is included in the CCC Engage package, are customer-friendly, precise and timely, and contact-free, Risley said.

"Photo estimating is on the rise; that technology is being adopted, and I expect



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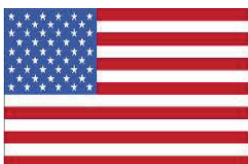


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that to continually rise for months and years to come.”

Day, of Mitchell, said that widespread and secure internet access has facilitated the feasibility of photo-based estimating and virtual claims handling. She also pointed to a recent article posted at insurancethoughtleadership.com that predicts “COVID-19 will bring many challenges, but it may be the reset button for insurance innovation.”

“Technology will accelerate to support a virtual world,” she said. “We were on this path already, but it was narrower, and we were talking about virtual claims, rather than a virtual world.”

The rollout of 5G internet networks was just in time to support artificial intelligence, incorporating live video into processes, and “moving computing to the edge. We need these new technologies to support the society of the future,” she said. “It’s an opportunity to re-imagine our industry. Given the challenges in airline travel, mass transit and commuting, the role of the private passenger vehicle may change for a very long time. Some are even suggesting that frequency may go up at the end of this.”

Pandemic gives us insight into how to evolve the industry

How much the pandemic has affected collision repairers varies by location, Collision Advice’s Anderson noted, with some affected minimally and some seeing sales and car counts down by as much as 50 percent. But he encouraged shop owners to view the slowdown as an opportunity to examine their current business practices, including paying more attention to their capture rate. Follow up on assignments or estimates in a timely manner and with exceptional customer service, he said, and check in on customers for whom you’ve repaired their vehicle within the past few months to ensure they’re satisfied with their repair and to remind them your shop is open.

“Most of us know that claims counts were down last year about two percent,”

he said. “I have a saying: ‘Lots of sales cover lots of sins or mistakes.’ I believe if you were to ask most collision repairers, they would say their sales were up last year. But I believe that is a little bit misleading.”

That’s because while severity increased because of ADAS features, including the scanning and calibration costs, the increased adoption of ADAS meant fewer accidents. Anderson added that if the federal government were to implement a stimulus for new-car sales, accident frequency might be driven down that much faster.

“I also believe that the landscape of how we see insurance claims handled is going to change in the future. I believe there are a lot of insurers that have probably micromanaged shops in the past in regard to how they manage their DRP networks, or even non-DRP shops. I think because of a lot of the self-quarantines, a lot of insurance companies are realizing they don’t have to micromanage shops; just let a shop write the estimate and fix the car. They’re going to find out that is an option and they can be more trusting using data and analytics.”

Anderson said collision repair shops have been slow to adopt technology, such as online scheduling, that offers additional options for consumers to contact them. He predicts “the entire industry will be reset,” and it will see a greater impact of telematics and connected vehicles.

Functional changes made to maintain social distancing

Porter said URG has increased its focus on technology and product development to help its members continue business operations.

“We developed a work-from-home business process to protect our employees while still providing quality customer service,” he said. “We understand we will need to continue to adjust our business operations and business models

throughout this crisis.”

Cocoa Auto Salvage operates a full-service salvage facility and a self-service one open to the public. Once theme parks in Orlando laid off thousands of service workers, McMillon said, many of those same workers came to her self-service facility, about 30 miles west.

“With so many people out of work and bored, we had a higher-than-average entry rate for our you-pull-it yard,” she said. “We set up barriers around our sales counter and our salespeople, but the social distancing guidelines, and even the barriers, were not respected. So we decided to temporarily close the you-pull-it yard and not let customers have any access.”

She said her full-service business had been on track for an all-time record sales month in the first few weeks of March. That changed practically overnight, and she’s since cut back non-essential workers’ hours to 25 per week as sales have dropped 36 percent thus far. She expects sales to decrease further as fewer people are driving, resulting in fewer accidents. Cocoa has also closed the sales lobby of its full-service facility.

“We’re still 100 percent operational with full-service sales, and we offer curbside pickup or shipping for our retail customers,” McMillon said. “We run three delivery trucks for our wholesale customers daily to all of central Florida, including Orlando.”

To minimize contact between its drivers and customers, one change the company made was to require order prepayment if there is not a charge account set up.

“They can just drop the part and go. If a customer needs any invoice adjustments, they can just call their salesperson, and we take care of it. Most customers are really understanding of these temporary changes.”

The company also requires its employees to communicate with a text or phone call instead of face-to-face to limit contact, and it has limited the number of personnel

with access to common production areas, while all areas are regularly sanitized.

Be ready for when business picks up

“The slower pace is allowing us to take a closer look at our inventory,” McMillon said. “Is the description correct? Is all the damage indicated in the description? Has it been logged correctly? Are the images clear? We are utilizing the extra time to look at our settings with the electronic platforms so we can make sure we are where we need to be.”

McMillon added that Cocoa expects to see limited OEM parts availability once business is mostly back to normal, offering more sales opportunities for recyclers.

“As an industry, we have historically done very well during times of recession. We expect sales to be high in demand.”

Anderson said collision repair shops can use the time to pay their employees to work on 5S processes, even if it is something as basic as maintaining spray booths by sealing air leaks, painting or applying booth coating to walls and replacing filters.

Shop managers can look for what training is required or will be soon, such as for online training for OEM certification programs, and have production staff review standard operating procedures from paint manufacturers and companies such as 3M.


Look for other ways to add to the bottom line

Anderson said there are a number of methods shop managers can use to add to their bottom line, including following up on receivables and credit memos for returned parts. And with more businesses request-

ing credit card payments instead of checks, look for a card that offers a 2-percent cash rebate at the end of the year.

“A lot of shops are going through their financials and analyzing what are “nice-to-haves” versus what are “must-haves,” he said. “A nice-to-have might be somebody who cleans your office. An example

of a must-have would be a subscription to a software solution for researching normal repair procedures.”

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JAY SICHT has worked in a number of roles in the automotive aftermarket for more than 25 years. Based in Columbia, Mo., he has covered all industry segments of the business as a writer and editor for 15 of those years. jaysicht@gmail.com

Financial pitfalls that can bring down a shop: Part 3

Not following up on accounts receivable may cost you two weeks of cash flow

Elainna Sachire, president of Square One Systems, Inc., spoke to me recently about some of the major pitfalls she sees tripping up many shops. Her company oversees almost two dozen 20 groups, helping a combined 450 shops improve their financial performance. Here are her other suggestions for things shops should work to avoid.

Letting accounts receivable slide. Receivables shouldn't be an issue in this industry, she argues, because unlike a dentist or lawyer who may let customers pay over time, insurance companies often cut one check for the claim. Shops just need to make sure they are collecting promptly.

To do that, she suggests to stop looking at receivables as 30-, 60- and 90-days old.

"If your system is to wait until they reach 31 days, the odds are you're actually not calling for another week or so after that," Elainna said. "Then how long after the call is it going to take to get the money? Your '30 days' suddenly becomes 45 days."

Make that call after 15 days instead, she recommends, so you get paid within 30 days. Top performers that we work with have accounts receivable that are 15 days or under.

"If you can cut two weeks off your accounts receivable, that's critical to cash flow," Elainna said.

Lacking a detailed chart of accounts. One of the most powerful things a consultant can help you develop is a financial chart of accounts that allows you to precisely see where you're making or losing money. Elainna and I often see shops dumping all labor into one bucket on their P&L, for example, not breaking it out by body labor, refinish labor, mechanical labor, frame labor, etc.

"It's like the foundation when you're building a house," Elainna suggested. "You can't be 'expense efficient' without a thorough understanding of what your expenses are."

One tip off she looks for: A "miscellaneous" category on a P&L that has a large dollar amount associated with it.

"There shouldn't be much that you can't place into a specific category," she said. "When I see that, I will immediately question the accounting process of that shop."



YOU CAN'T BE "EXPENSE EFFICIENT" WITHOUT A THOROUGH UNDERSTANDING OF WHAT YOUR EXPENSES ARE.

Forgetting to focus on gross profit as a percentage of sales. Elainna acknowledges that the industry has seen erosion of labor gross profit over time. But shops still need to work at maintaining it, and she's seen many that do. How are they doing it?

"There are things insurers may not be willing to pay for, so you need to pick your battles and bill for other things you are doing on a regular basis," she said.

It's all about writing a good, thorough sheet, she said, with all work performed itemized.


Not hitting the net profit benchmark. Year-in and year out, in good sales years and bad, you need to hit a net profit (before taxes, amortization, depreciation and interest) of at least 15 percent, Elainna tells the shops she works with.

"Some of our really top performers will be a little bit above that," she said. "But 15 percent is a very good, achievable number."

She doesn't buy the argument that, "My sales are down 6 percent, so I can't make any money this year." She's seen shops be well into a down year, yet they still not have made any staffing adjustment.

"If I've been at \$3 million in sales the last three years, and I have x amount of people, but this year I'm only going to finish at \$2.7 million, why would I have the same number of people?" she said. "We didn't make the decisions we needed to make. Shop owners will sometimes say, 'But, Elainna, what if we get hail?' I say, 'Okay, but what if you don't? If you do, you will figure it out. You always do.' But I've seen shops that only get hail every three or four years still banking on it every year."

Few collision repair businesses end up in a strong financial position by accident. It takes work and time to build it out. Top performers don't get there overnight.

"You become what you think about," Elainna said. "It isn't always as complicated as shops sometimes think it is. You have to put some time into it, but it's not that complicated." 

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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Assessing the full COVID-19 impact on the industry

It's hard to know what lies ahead, but it's never too early to learn and prepare

As I write this, I'm just as unsure as all of you about where things will stand 60 days from now. Like you, I'm facing the tough day-to-day questions related to the new world we find ourselves in, trying to determine how to respond in a way that is best for my household, my business, my community and my industry.

My message to you here is that as you wrestle with those day-to-day challenges, don't forget to invest some time on the bigger-picture questions. Questions like: What can I learn from this? How can I better prepare for the next time?

Because while the COVID-19 pandemic — and the effort to respond to it — are in many ways unlike anything we've seen in our lifetime, major disruptions are part of the business cycle. Those of you who owned and operated businesses on Sept. 11, 2001, or during the 2007 and 2008 financial crisis know what I'm talking about. If your market has endured a major hurricane, widespread flooding, an earthquake or a three-week monster snowstorm, you've seen business disruption.

So what can you learn from our current situation to help you better prepare for the next time? Here's who I think best set themselves up to make it through this.

Those who remain connected to their community. Whether you're in a rural town or a big city, developing and maintaining ties to your local community will serve you well. People know you; they know who you are. They've met you through the Rotary or the Lion's Club, or you coach their kid's Little League team. There's a human relationship there. They will remember that and will want to support your business as they can. That's something you can do that a large chain often cannot.

Those who gave their employees more than a paycheck. You're seeing right now the importance of managing debt and maintaining some savings. But have you helped your employees learn to do the same? Employees living paycheck to paycheck may need to move elsewhere or change careers if they're not able to weather through just as your business is trying to do. Have you offered them a retirement plan? Have you offered them the



WHILE THE COVID-19 PANDEMIC IS UNLIKE ANYTHING WE'VE SEEN IN OUR LIFETIME, MAJOR DISRUPTIONS ARE PART OF THE BUSINESS CYCLE.

health insurance they need? Have you brought in some training on personal financial management? I know a shop that implemented an incentive plan for employees working to save for a major purchase or medical emergency. Helping employees prepare has to be part of your business preparedness.

Those who worked to have credit lines in place. A relative of mine operates a business in one of the industries most immediately hard-hit by COVID-19. He initially thought his strong cash position would help him through. When he realized it wouldn't, it was too late to refinance or expand his credit lines. He wasn't going to qualify at that point, no matter how much cash he had in the bank, because his short-term revenue forecast was non-existent. So prepare for the next time not only by having some savings, but also by always keeping your credit lines in shape. That can help you, for example, take care of your furloughed employees, so they're still there when the workload returns, rather than finding yourself starting at ground zero.

Those who diversified. What if that new-car dealer who refers you lots of work doesn't make it through this? What if a merger eliminates a vehicle brand or even an insurance company, and that direct repair program or shop certification that had become the majority of your business goes away? Can you do almost every aspect of repairs in-house — or are you subletting too much work (along with revenue and profit) to others (who themselves may or may not make it through this)? The old adage of avoiding having too many of your eggs in any one basket is a key lesson some businesses may now be learning the hard way.

I know it's hard to think about some of this big-picture stuff when you've got major day-to-day challenges. But those who have done so previously are the most likely to make it through this major disruption — and it's never too early to start preparing for the next one. 📧

MARK OLSON is the founder of Vehicle Collision Experts, LLC (VECO Experts), a consulting firm that takes a holistic approach to working with shops on repair quality and business performance. mark@vecoexperts.com

ADDRESSING OPPORTUNITY AND CHALLENGES

For OEM dealers willing to invest in training, technology there is a bright future in the collision industry

TED WILLIAMS // Contributing Editor

Collision repair has traditionally been a challenging business for dealerships to operate. Now industry trends around the emergence of technology are shifting control and opening new opportunities for OEM dealers.

OEMs are focused on brand loyalty, and statistics show many vehicle owners consider changing car brands after a poor accident repair experience. To address this, collision repair certification programs are expanding to manage customer experience and improve retention rates. This new approach, along with some dealers choosing to not operate a collision center, creates coverage and capacity issues. These are forcing some certification programs to go outside their dealer network and enlist independent operators to provide program bandwidth.

OEM dealers willing to invest in collision repair can contribute to that brand loyalty while taking advantage of trends that are favorable for dealership channels. These include:

- Vehicle technology that is becoming more complex, better positioning the dealer to have the tools and access to data to repair them.
- Vehicle connectivity systems driving the first notice of loss to the vehicle manufacturer. This provides a direct benefit to the OEM certified collision network.



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- Changing vehicle ownership trends due to higher vehicle costs. A trend towards leasing or subscriptions favor the OEM dealer for repairs.
- ADAS technology and access to driving history that may lead more OEMs to enter the vehicle insurance market.
- Opportunities for dealers to specialize. Rather than one size fits all, some may just do light repair and reconditioning work while others may focus on heavy repairs.

While these trends are favorable to a dealer willing to invest in collision repair, the one negative comment often cited is a shortage of skilled labor in both technical and managerial roles. This can be changed as well through the integration of process with technology

that is becoming more readily available in the industry.

Many buzzwords are used around technology. Among them are AI (Artificial Intelligence), Machine Learning and Augmented Intelligence. Many try to emulate operating a collision center as if it were an automotive plant. The collision repair industry is different from that manufacturing world in that we face a high level of variation and not understanding that has caused many well-meaning improvement efforts to underachieve. No two cars are damaged the exact same way and shops don't control accident frequency or severity. Parts availability and employee skill levels vary across the spectrum as well. In the collision repair world, the first technology



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path that will drive optimization will be augmented intelligence built around addressing variability.

Augmented intelligence differs in that it complements rather than replaces human intelligence. Just like a scientific calculator allowed for millions to gain quick access to certain mathematical functions, augmented intelligence will allow for the democratization of knowledge within our industry.

Think about augmented intelligence as a live navigation device that routes you based on ever-changing traffic conditions. It doesn't take over the driving of the vehicle, but instead allows the driver to make more optimal decisions based on data. In this example the driver doesn't have to be a traffic expert, they just use the expertise the system provides.

Rather than skills being concentrated within a few individuals, technology will assist decision making in a way that will create optimization, drive immediate results and develop individual knowledge. Think of it as having the best business coach in real time helping the team make the right decision. The desired outcome of this augmented intelligence is to move past lag key performance indicators and theory to demonstrable business improvement. This futuristic world is much less rigid, more agile with the ability to adapt to constantly changing conditions.

The future is here so how is this technology being applied?

Most have experienced a quality issue that was ultimately discovered by the customer. These issues are now addressed within the repair process via a Quality Validation application that imports the repair order by line item and provides electronic verification of the repair. The tool allows photos and in shop communication of issues with dynamic tracking of results for continuous improvement. The goal is to correct quality issues within-process, improving performance and ensuring the final product the customer sees is correct.

Another example of technology augmenting human intelligence are learning management systems. Most people under 35 have taken online courses in the past, and most people under 25 prefer them. The benefits of an online learning management



PHOTO DOCUMENTATION OF REPAIR QUALITY in process allows for accountability and continuous improvement.



A VEHICLE CORRECTLY disassembled and prepared for production.

system is the ability to provide a customized learning path that is reinforced and available when and where it is needed with minimal business disruption. This shortens the educational timeline for employees while improving performance.

Integration of intelligent production and scheduling software, simplified access to OEM repair methods and applications to manage inventories of parts, labor and materials in real-time will also augment human intelligence leading to optimum decisions.

Capital equipment is becoming more intelligent as well. Intelligent welders, new scanners, calibration tools and measuring equipment are transforming the collision center into a surgical center for automobiles while enhancing the skills of the surgeons. The collision center is becoming the new technology center in an OEM dealership.

For the OEM dealer willing to embrace and invest in the training and technology, the trends indicate a bright future ahead in the collision industry. 📡



TED WILLIAMS is Director of Business Solutions at Sherwin-Williams Automotive Finishes. A second-generation collision repairer, he has spent 30 years in the industry.

Cash for Clunkers is still a bad idea for the industry

The aftermarket must engage early to stop it

The automotive aftermarket has struggled for a number of years with government-sponsored vehicle retirement programs commonly known as Cash for Clunkers. These programs offer cash to consumers to trade in old vehicles for more fuel-efficient ones. A few states have long-established programs including California, Colorado, Delaware, Illinois, Texas and Virginia. Countries such as Canada and Germany have also had programs. The aftermarket has opposed these state programs with limited success. The state programs pale in comparison to what was established by the federal government during the 2008 recession; a program that provided up to \$4,500 per vehicle destroyed. In President Obama's words in July 2009, "the CARS (Consumer Assistance to Recycle and Save) program was an effort to boost the economy and sell more fuel-efficient vehicles." U.S. Secretary of Transportation Ray LaHood stated in the summer of 2009 that the CARS program was a "win-win for our economy and our environment."

The CARS program was signed into law on June 24, 2009, and the National Highway Traffic Safety Administration (NHTSA) established an eligibility period of July 1, 2009 through Nov. 1, 2009. The program proved popular enough that Congress appropriated an additional \$2 billion for it in August 2009. This program took approximately 700,000 post-warranty vehicles out of independent repair shop bays and destroyed them, which harmed not only independent repair shops, but also distributors and aftermarket manufacturers. In many cases, the program harmed some consumers who took the money but were pressed to be able to purchase a new, expensive, environmentally-friendly vehicle.

Who were the winners? New car dealers and vehicle manufacturers. According to the Brookings Institution research study, "Cash for Clunkers: An Evaluation of the Car Allowance Rebate System," some OEMs saw large stock spikes during the Clunker program with significant decreases once the program ended.



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The Automotive Service Association heard from independent repairers across the U.S. that they were seeing losses in their customer base during the program.

To date, at least two OEMs have called for Congress to bring back Cash for Clunkers as a response to lagging vehicle sales due to the COVID-19 pandemic. Although this would clearly benefit OEMs and new car dealers, what about aftermarket stakeholders? The U.S. Government Accountability Office (GAO) noted the importance of including other stakeholders prior to any re-establishment of a Clunker program: "Given the number of stakeholders that are financially affected by the auto industry, it would be important to collect and consider information on how a future program would affect these stakeholders and take mitigating actions."

Unfortunately, even in its own review of the 2009 Clunker program, GAO did not include the aftermarket as part of its analysis.

Recently the automotive aftermarket, Auto Care Association, Automotive Oil Change Association, ASA, Service Station Dealers of America

and Allied Trades, and the Tire Industry Association joined in a letter to Capitol Hill opposing Cash for Clunkers as part of the COVID-19 stimulus response. "We urge you to OPPOSE any new Cash for Clunkers vehicle retirement program in the next COVID-19 stimulus package. COVID-19 has had a devastating effect on small businesses. As an important sector of the U.S. economy, we cannot survive any further negative effects."

Both the U.S. House of Representatives and Senate are now considering a fourth COVID-19 stimulus package. It is critical that Congress consider the impact of a Cash for Clunkers-type program on all automotive industry stakeholders and not just one segment of the industry. 📧

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

LEADERSHIP IN THE DIGITAL AGE

Embrace and implement technology as a leader in your business

CAROLYN GRAY // Contributing Editor

As the owner of your business, you are the leader of the team. This means not just leading the team with new policies, procedures and training — but to lead with the understanding of how digital applications and advancements can help you and your team succeed.

To have a successful and expanding shop in 2020 and beyond, the rapid advancements of technology and how they affect each area of your business is a crucial component of leading the business.

Technology is no longer its own subcategory of running a business. Technology affects every area of your shop.

There are key characteristics of a leader who embraces and implements technology for their business.

Curiosity

This is possibly the most important attribute of a leader in the digital age — the desire to want to know about the latest technology that could be a great addition to your shop or curious to learn the latest technology applications in cars being built.

Without curiosity, a leader will stay stagnant. With curiosity, a leader will find new ways to solve old problems and new ways to motivate their team. This leader never feels that they have found the one and only solution to a shop issue. They may have found it for the moment, but



this leader is always open and searching for new and better technology solutions on the horizon. Staying curious will keep your shop ahead of the competition.

Being curious and a commitment to continuous learning is a crucial component of a successful leader in this digital age. Not only for their team, but themselves. Don't ever think you know everything about a particular topic. As soon as you do, you'll shut off your mind to new technological solutions. Attend seminars with a digital emphasis. You may be surprised that what you learn can be directly and immediately applied to your business.

Adaptability

The community you have your business in evolves. New housing developments are built. Employers move or expand.

Or you have a great team member who leaves. Knowing that population growth can mean a bigger customer base and knowing how to reach out to them first among your competition by using the latest technology application can increase your car count. Always being in a recruitment mindset means you are continually adapting to change. Embracing these changes requires a leader who is adaptable. Change is constant; it's important to see change as a new opportunity and think through how your business can grow from each development.

Agility

Being a strong leader in the digital age requires agility. Things can change quickly. Being comfortable with change and having the ability to be nimble is key. This leader never puts up barriers and is al-

ways open to change; they invite change and have the ability to move quickly but still purposefully.

Engagement

A leader in the digital age is engaged. They are engaged in the world around them. They have a natural inclination to be involved, whether it's in their community, in associations with fellow shop owners from around the country, or attending industry conventions and trade shows. Being engaged includes online outlets. From public and private Facebook pages to Instagram, being a part of the online community that serves your industry is an important element of being and staying engaged. You can't wall yourself off from the world. As soon as you do, the learning stops.

Humility

You should never think that your so-

lutions or opinions are the only ones. Be open to other ideas, including your employees'. Technology changes each day and because of that, you can't know everything. That new service advisor you just brought on board may bring something up to you that you hadn't thought of, like a new app that will serve your customers better. So keep your eyes and ears open and don't think that what you think is always the best idea in the room.

Vision

A great leader in the digital age thinks big. What's around the corner for your industry should always be on your radar, along with how that change can affect your business and your team members. You are inspired and determined to bring that "big picture" thinking to your business and industry.

Builder

Knowing what new technology offerings can bring to the table and knowing how each building block fits in with other building block brings you and your team closer to the goals you have set.

Consider each of these "Leadership in the Digital Age" attributes and think about where you're strong and which traits you need to bolster.


"Technology lets people learn things they didn't think they could learn before; it's all about potential," said Steve Ballmer, former CEO of Microsoft, owner of the Los Angeles Clippers. 📺




CAROLYN GRAY of DRIVE has an extensive background in Marketing, Creative, Media Strategy and Branding including Vice President of Digital at FOX Broadcasting and Co-President of Filmaka Studios. She brings that wealth of knowledge to DRIVE.


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HEAVY HITS ON HEAVY TRUCKS GET QUICK TURNAROUND

Fitzgerald Collision and Repair's assembly line process and specialization means most repairs are completed within a week

JAY SICHT // Contributing Editor

Have you ever considered how specializing in only a few makes and models could create efficiencies that would set you apart from your competition? Robert Fitzgerald, president and CEO of Fitzgerald Collision and Repair (FCR) in Livingston, Tenn., has found a business model that allows his shop to offer the fastest turnaround in the industry for heavy-duty truck collision repairs.

In trucking, time is money, with every day a truck is down costing the company lost revenue. In fact, FCR offers owner-operators a payment of \$150 per day if it can't repair their truck within 10 days of repair approval. It draws wrecked trucks from all over the contiguous U.S., transporting them back to the shop, and then delivering them upon completion to the customer, if necessary.

It was by suggestion of someone who would be his first customer that Fitzgerald got started in the collision repair business. In 2013, he was working in the family business, Fitzgerald Glider Kits, in nearby Byrdstown, Tenn. That business assembles painted and mostly complete truck "kits" sold by OEMs, less the engine, transmission and rear axle assemblies. Glider kit assemblers such as Fitzgerald



FCR ADDED BEE LINE FRAME CORRECTION early on after experiencing delays in trying to sublet frame repairs.

then install rebuilt or remanufactured components to deliver what is essentially a new truck, at a much lower cost. Impressed with the speed at which the company could assemble these trucks, Max Fuller, co-founder of trucking company U.S. Xpress, suggested to Robert Fitzgerald that he may be able to reduce the downtime he was facing in waiting to get trucks back on the road.

"At the time, I was not aware of just how big the need was for a better way to repair heavy-duty trucks," Fitzgerald said. "After Max explained to me that he was waiting

as long as 58 days for many of his trucks to be repaired, it really caught my attention."

So with Fuller agreeing to be his first customer, in 2014 Fitzgerald found a shop in nearby Livingston and sold his shares in Fitzgerald Glider Kits. He said he started out specializing in the make and model most common to large carriers, the Freightliner Cascadia.

"When I first started building out the collision center, I had zero experience repairing wrecks...no paint experience, frame experience or bodywork experience," Fitzgerald said. "I had envisioned a



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FCR OWNS \$2 MILLION OF PARTS INVENTORY to minimize parts-related delays.



KEYSTONE SUPPLIES the Axalta Coating Systems Imron paint, sprayed in Uni-Cure booths.

high-volume collision center that would someday serve all the major fleets but no idea exactly how to pull it off. Like many other companies, we started with friends and family, because not just anyone will come to work with you without proof that your business idea will even work.

“Looking back, we definitely could have saved a lot of money and time bringing in more experience in the beginning, but I also think there was insight gained by looking at things from a fresh perspective. One of my friends had owned his own body shop, so he played a major role in getting the paint and body departments up and running. The rest of us were all mechanics, so I assumed we would figure it out.”

As an example, when FCR started, frame repairs were sublet.

“It was mainly because I had been told it’s impossible to find techs who understand that side of it,” Fitzgerald said. “It took us about six months to make the decision to buy our own equipment, because subbing out the frame repair was adding two weeks to every repair waiting to get it into the frame specialist shops.”

After doing some research, FCR selected Bee Line frame correction equipment.

“The decision to go with them had a lot to do with the fact that they offered training, and I definitely needed that. I had also heard a lot of feedback about how well their system worked,” Fitzgerald said. “A lot of the other tools, we have

had to custom build in-house. You can’t really go out and buy hood dollies, platforms and cab-alignment systems like we needed, so we just built them.”

FCR uses Mitchell TruckEst for estimating, with all repairs done by book hours. There are no OEM-certified repair programs — let alone OEM repair manuals — available.

“In the heavy-duty world, you really don’t have repair manuals or recommended repair processes like you do in automotive. I found it very helpful to tour the OEM’s manufacturing plant so that the team and I could have a good understanding of how they were put together from the factory. Other than that, it was a learning curve of what works best and what not to do. Honestly, the first trucks took us over 90 days to repair as we were going through the learning process.”

FCR’s painters spray Axalta Coating Systems’ Imron, supplied by Keystone Automotive in Nashville.

“Our rep, Gary Fryer, has been excellent to work with and is a lot of the reason we continue to use Axalta products,” Fitzgerald said. “They have always been good to help keep our team informed on the latest products and training available through their suppliers.”

More uptime for truckers means more money on the table

The industry average of the time that heavy-duty trucks are down for repairs

ranges from 30 to 50 days, Fitzgerald said. But his shops have been able to cut that time to a fraction of that, completing many repairs within a week, and some even within the same day.

The key, he said, is having a staff of 130 employees with roughly 20 different skill specializations, including estimating, frame repair, interiors, wiring, dash replacement, panel replacement, computer diagnostics, engines, parts, and detail and cleanup. As many as six team members may work on a truck at once, and there are additional specialists for recovery and transportation. Altogether, Fitzgerald figures there are about 20 different employee categories. The shops work four 10-hour shifts.

“Where most shops use only a few different techs on a project, it really limits the amount of touch time they book on a car,” he said. “With our setup, we can book more touch time, because we can have as many as six techs on one job. The other advantage we have is a strong team of parts specialists who bring the parts to the tech so they can get a full 10 hours in.”

FCR keeps an inventory of more than \$2 million in OEM parts from Landmark International and the Premier Truck Group.

“We own all our parts and don’t carry anything on consignment. We looked at doing a deal with parts on consignment, but ultimately, we decided it was a much cleaner process to manage our



DOLLIES, OVERHEAD TROLLEYS AND HOISTS, and personnel lifts, shown here, increase productivity at FCR's shops.

own inventory, rather than trying to manage someone else's. Our vendors have been great to work with, and they go above and beyond in their parts delivery and getting us what we need in a timely manner."

The company later started repairing International and Peterbilt trucks in a Sparta, Tenn., facility. But it recently moved those operations to a new 70,000-square-foot facility in the same 35-acre industrial park in Livingston that is also home to the 100,000-square-foot Freightliner repair shop and a 70,000-square-foot trailer repair shop. The shops currently average more than 21 trucks per week, and in some months deliver more than 115 trucks. FCR still repairs a large number of U.S. Xpress trucks, along with other large fleets, including Covenant, Marten and Swift.

Trucks are often towed in from around the country

FCR does not have any DRP agreements. In fact, most large fleets are self-insured, Fitzgerald said, and FCR's quick turnaround time means trucks can get back on the road more quickly, which means less cost, even when factoring a similar door rate and the towing time and bill.

"Most fleets are hesitant about the tow bill at first, so we normally work a special deal on the first couple trucks so that we can show our capabilities and value. I would never expect anyone to do anything other than what's best for their own company. If the value isn't there for them to use our model for all trucks, then we encourage them to use us for the trucks that make sense.

"Some fleets have a very high utilization rate and need all their trucks producing instead of sitting at shops for long periods of time. Others may have extra trucks sitting around and can afford to wait. Our experience has been that most fleets start out sending us the trucks that are close, and then after seeing the difference and figuring up the downtime cost we eventually end up getting the majority, if not all, of their wrecks."

Another value proposition is that industry-wide, fleets often need to increase the numbers of trucks and trailers in their fleet to account for a certain percentage of them that are not road-

worthy at any given time. Offering quicker repairs can change this for some fleets, Fitzgerald said.

"In many cases, we can cut that number down to a third of what they normally have in shops. This allows them to better utilize the assets they have and in some cases could even present the opportunity to purchase fewer units, if they don't have to count on having as many down."

Scaling up to reach additional markets

FCR recently opened a new facility in Davis, Okla., which is similar in scope and function to its Livingston facility.

"As a starting point, we plan to specialize in Freightliner trucks and then expand that, depending on the level of support we get from other vendors. We chose Davis because it was within a couple hours of major markets, but still far enough away that it would be considered a rural area. We have had really good luck in our current location in finding a strong workforce in a rural area, and we hope to have the same luck in the Davis area." ■



JAY SICHT has worked in a number of roles in the automotive aftermarket for more than 25 years. Based in Columbia, Mo., he has covered all industry segments of the business as a writer and editor for 15 of those years. jaysicht@gmail.com

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REASSESSING SHOP LAYOUT

Is expanding your shop the best solution for more space?

JOHN SHOEMAKER // Contributing Editor

Adding square footage is commonly the first thought when a shop needs more production space. Most of the time, this comes up because shop owners are looking for more room to add a technician or improve workflow. However, adding brick and mortar to your facility can get expensive very quickly. The good

news is that production space can often be found within the existing footprint by doing a little measuring and reorganizing.

The first places I look at are the areas consumed by things. I can always find things in a shop that are taking up space with nobody knowing why, similar to how “we’ve always done it that way, it’s always been there” is a common reply.

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My favorite areas to check out are along the side walls — an easy place to put things where they aren't thought to be in the way. However, anything on the side walls takes away from production space, and it usually does so "quietly." A floor jack gets put along the wall, then a welder joins it; next thing you know, another welder shows up and now you've lost about 24 square feet of production space with just a couple pieces of equipment. While 24 square feet is not enough space for a production stall, I recently added two repair stalls in a shop by relocating tables and some unused equipment. To prevent this from occurring, shop management should designate specific spots for equipment at the head of the repair stall adjacent to the technician toolboxes.

Since we are talking about relocating equipment and such, it is probably a good time to discuss 5S. The stages of the 5S process includes Sort, Store, Shine, Standardize and Sustain. The first two are key to gaining more production space in your existing footprint. The Sort process gives you the opportunity to look at the things consuming space that have always been there. Weed out the things that are not being used or that are in disrepair; they aren't doing anything for you but are absorbing valuable production space.

Store is the next step in 5S, and sometimes it is not the things being stored but the space available to store things. I guarantee that if you have space to store things, you will store them, whether you need them or not! In a shop I visited that wanted to add space, I found a room full of storage shelves. Some had things on them while others didn't, but nonetheless, the shelves themselves were taking up space. A quick measurement showed that there was 1,200 square feet of available space being occupied by shelves. After closer inspection and a little bit of discussion, we found a way to create an entrance to this area by installing a garage door opening space for six production stalls.

Another option to increase production space is to look at repair stall size itself. I have seen shops with repair stalls measuring 15' X 20' or 300 square feet, with others 12' X 20' or 240 square feet, and some with my recommendation of 10' X 20 or 200 square feet. While the first two are not optimum, they are designated repair areas, and compared to

shops without designated repair stalls, it is better. Remarketing two 15' X 20 stalls will create three 10' X 20' stalls and remarketing five 12' X 20' stalls will create six 10' X 20' stalls. Quite simply, a shop with 10 15' X 20' stalls can be remeasured and marked to create 15 10' X 20' repair spaces. Gaining five production stalls without adding brick and mortar has to be a bonus in anyone's book.

Take a hard look at your facility before you move to add to your existing structure. I assure you that you will use the space you create by adding on, but it is best to ensure you are using your current space wisely before you invest in creating more. As you can see, sometimes all it takes is cleaning up the shop and reutilizing space to gain additional production spaces. Creating more production space within the same footprint will not only save you construction costs, but you will also increase profitability by improving your sales per square foot. Improving profitability while saving money is something anyone would be interested in pursuing. 



JOHN SHOEMAKER is a business development manager for BASF North America Automotive Refinish Division and the former owner of JSE Consulting.

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A CURE FOR WHAT AILS YOU

IT'S TIME TO USE UV PRODUCTS

TIM SRAMCIK // Contributing Editor

With many shops across the country closed due to state shelter-in-place orders and many more worried about the fallout from what looks to be an impending, potentially severe recession, there's no better time to look for new repair solutions for your business. In particular, these solutions should add revenue and cut waste, especially by allowing you to uptick throughput using fewer resources — namely, time and product costs.

Let's throw in one more cost you'll want to reduce: utilities. UV-cured products check all these boxes and have the added benefit of being better for the environment, making your shop cleaner and safer for your employees and community. These products are engineered to work quickly at lower costs, which includes slashing your use of electricity and gas. They've also made a place (small, but growing) in collision repair.

So why have you and many of your colleagues waited so long to use them? According to Randy Drury, owner of Full Service Auto Stop in Houston, it's usually because repairers either see them as still too new to the industry or are a bit wary of change. "You stick with what works," says Drury. "Switching to waterbornes wasn't that difficult for shops because you're using a familiar finish basically the same way and with only a few changes. UV products challenge how you've worked before, and folks can see them as a bit too risky."

Taking calculated risks is a key part of surviving and expanding in any business. Turning to newer technology — even during a business downturn and, perhaps, especially at such a time, could be a game-changing move. Here's what you need to know about UV finish technology, the solutions, challenges and options available to your shop.



AN ARRAY OF HANDHELD UV LIGHTS IS NOW AVAILABLE.

Check with your paint manufacturer to see which lights are approved for its products.

UV basics

Getting a firm, workable grasp on UV-curing technology begins with understanding how any finishes cure. Curing, in the world of automotive finishes, occurs when solvents in the finish vanish (evaporate) from any pigment, so that only a coating on the substrate remains. During this process, that remaining layer hardens. Ambient temperatures typically cause the solvent to dissipate. To speed along this process, heat is applied. Depending on the automotive finish and amount of heat supplied, curing can take anywhere from 30 minutes to 12 hours.

UV curing is a photochemical process created when high intensity, ultraviolet light is applied to coatings containing photoinitiators. Photoinitiators are molecules that release free radicals (atoms, molecules or ions with unpaired electron that make them highly chemical reactive). Photoinitiators essentially replace auto-finishing hardeners. When UV radiation is applied, the photoinitiators go to work building chains of molecules that create the final layer of coating at souped-up speeds. Basically, a special light is focused on a specialized finish for quick results.

OEMs have used UV technology for years to apply finishes and create other important chemical bonds in the factory. This technology has yet to realize its full use in collision repair due to costs, but has been evolving. AkzoNobel, for example, began offering a UV clearcoat 10 years ago.

UV products have also made their way into windshield and headlight repair. This article will focus on the most popular, growing area of UV technology, UV primers. UV primers are a particularly cost-effective use for this technology since their ability to greatly cut repair times lends itself to small repair jobs whose work time can be reduced from 30 minutes up to an hour instead to mere minutes. The handheld UV lights currently recommended for this work do typically cost around \$2,000, which isn't cheap, but they're still very affordable in light of all the potential uses for this technology and considering the steep savings in energy and labor.

Putting it to work

What can shops expect when using UV products? SATA, which creates a line of special guns dedicated to spraying UV primers, has created a number of videos on YouTube explaining the application process.

SATA notes that the application process for UV primers will differ from one manufacturer to another. There is a basic process. Painters apply the primer to the

work area in thin layers. From there, the UV light is directed on the area, often from less than 12 inches away. The length of time the light needs to be applied also will vary based on product and size of the repair. SATA says a repair area the size of a volleyball frequently can be repaired in 30 seconds.

SATA says an additional benefit of using UV lights is the absence of heat, meaning a variety of substrates (including plastics) can be repaired. Also, a repair can be sanded or polished immediately after the light has done its job.

Mind the challenges

While relatively simple, using UV technology does pose some challenges. Namely, you'll need to stick to manufacturer guidelines both for the coating and the light. Keep in mind also that a number of factors can prevent a finish from curing properly.

One of the most common is failure to use the UV light for the necessary time. When this happens, the light doesn't reach the photoinitiators at the finish's deepest layers, preventing the finish from curing and causing what's known as adhesion faults. In some cases, if sunlight hits the finish before or while it's being sprayed (even for the finish on the tip of the gun), it can begin to harden too soon, creating more finish problems.

For these reasons, you'll want to get some training for your UV products and make sure your painters/techs gain some experience before using them on paid work. Drury says his workers first tested this technology on practice panels to get a better "feel" for spraying and curing the finishes. "The learning curve isn't steep. It shouldn't scare off anyone," he says. "But it's necessary. In our case it also helped sell their [UV products] use to the staff."

As with any repair products, use the proper personal protection equipment (PPE). Always cover all exposed skin,



PHOTO: PPG

PPG HAS EXPANDED its OneChoice line of UV products to include a UV light, protective gloves and glasses.

including hands and face, and wear UV-rated eye protection.

Available options

What products could be making a difference at your shop? Manufacturers suggest the following:

AkzoNobel

AkzoNobel says its Autosurfacers UV is one of the fastest-curing fillers and can be used for 85 percent of all repairs. The filler requires five minutes of UV-A exposure to fully cure, is isocyanate-free and can reduce paint usage up to 50 percent per job compared to conventional primers. Other benefits include:

- Can be sanded in one step immediately after drying and it can be applied directly to metal
- Is a 1K product, making it easier to use and reducing the risk of mixing errors and waste
- Does not require a wash primer on steel surfaces
- No pot life to deal with

BASF

BASF suggests its newest UV product, Glasurit 151-70 primer, available both in liquid and aerosol form. The primer



PHOTO: AUTO BODY CONNECT

UV LAMPS ARE AVAILABLE FOR LARGER JOBS, but smaller versions used for UV primers can provide significant savings in resources and labor for quick repairs.

is designed to be easy to use since it's a 1K offering and includes a self-guide coating to prevent tacky or sticky layers on the surface once cured and provides an exceptionally fast cure. BASF says Glasurit 151-170 UV Primers are 100 percent cured, means there's no dieback or shrinkage in repair areas.

The primers promise drastic gains since they can cure in a matter instead of seconds to minutes. Visit www.basffinish.com to learn more.

PPG

PPG's OneChoice UV primer system now includes a handheld UV light, along with protective gloves and glasses. The company says technicians can complete spot refinish repairs in two to three minutes using its SUA1080 UV primer and SXA1081 UV primer cleaner. The SUA1080 UV primer is a "shake and spray" product requiring no mixing and designed to be

ready quickly after application after sanding, with no waste, no pot life issues and no need for spray gun cleaning. PPG says the light makes the curing process more effective and convenient compared to fixed-position lamps.

Other manufacturers have either started selling or begun looking at adding UV lights to their product offerings. All provide documentation specifying UV light models that can be used with their products.

Making the case

This level of support makes for a quick transition from simply considering UV products to incorporating them fully into your services. If you're sizing up revenue-boosting/cost-saving options, being able to fast track them to the shop floor is significant. Acting, while others are considering moves, is almost always a good strategy.

For some perspective, go back 12 years when the country slipped into a deep recession that tested the mettle of every shop, even the most successful. Today, those repairers reflect on lessons learned there to guide them when difficult times arise again. They adjusted their operations, cut costs, actively pursued business where they could find it and came out of the experience stronger, leaner and meaner.

For you now, this lesson could mean incorporating new technologies like UV and taking other smart risks that shine a transformative light on the need to change and adapt today and tomorrow. Stay well. 📧



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

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BREAKING DOWN GALVANIC CORROSION

WHAT IT IS AND WHAT YOU NEED TO KNOW

DAVE BRINKLEY // Contributing Editor

Growing up on the border of Ohio and Kentucky in the '70s, rust on vehicles was a common sight. One of my first memories of "body repair" was my dad's attempt at fixing the rust on the bedsides of his truck. The truck was a 1973 model, so it was only a few years old in the mid-seventies. I was only five years older than the truck. During those few short years, the rust had created holes above the rear tires large enough to stick your hand through. I watched my father, who was a mechanical engineer by trade, wrestle with fiberglass mat and resin in a feeble attempt to fix that rusty thing, his still almost-new and mechanically sound truck. I don't think that event inspired me to enter our profession, but his love of automobiles most likely did.

Corrosion, or rust as we called it, has been a part of a vehicle's life since the day they were born. I'm sure it was not a concern of the early creators, but it has been and still today is a thorn in manufacturers' sides. When most everything was made from steel alone, the battle waged against corrosion was a bit one-dimensional. Aluminum has been around for some time, but its widespread use today has provoked yet another challenge for automobile manufacturers. The mixing of different types of metals in design and construction presents a new, almost unique form of corrosion. That particular scenario is called galvanic corrosion.

I should set the stage a bit before we get focused on what galvanic corrosion is. Steel in itself and by itself can corrode. Such was the case on my dad's truck; just one metal type was in use there. Aluminum is similar in that it can corrode on its own accord or by itself, as it were. Galvanic corrosion can form when two dissimilar metals are used. Galvanic corrosion in our world is becoming more common due to the increased use of aluminum and steel on the same vehicle. The basic technical definition of galvanic corrosion (also called bimetallic corrosion) is an electrochemical process in which one metal corrodes preferentially when it is in electrical contact with another, in the presence of an electrolyte. What does that mean to a collision repair facility? In simple terms, it is telling us that corrosion can form because we have two different types of metal interacting. I'm not going to dive deeply into the science, because it's somewhat irrelevant for this discussion. Moisture, of course, is at play here as well as it is a factor in all types of corrosion.

So, let's recap. Corrosion can form on vehicles in a couple of ways. Steel can corrode on its own. Aluminum can corrode on its own as well, and we can have galvanic corrosion caused by the two different types of metals interacting. We as repairers have become pretty well versed on the best possible ways to combat corrosion that is caused on a singular type of metal, correct? We



GALVANIC CORROSION can form on the threads of a screw, nut or bolt before being noticeable in use.

generally know that following the OEM guidelines for corrosion protection on repaired or replaced parts typically will yield the greatest chance of success. We also generally know even if there are no guidelines from the manufacturer that we must use common sense to prevent corrosion. The correct primers and top-coats are understood to be part of the necessary steps used to achieve that goal. We've all most likely seen that car running around town that had that fender or

hood replaced some time ago but never painted. We all cringe at the intermixing of the e-coat with the ever-growing brown surface rust accumulating more real estate every year. We know that had they just painted that fender or hood before installing it the outcome today would be much different. So, we know to follow procedures coupled with general common-sense tactics. Corrosion in those forms is manageable, but how do we deal with galvanic corrosion? I'm going to help you to understand how.

We know galvanic corrosion is caused by dissimilar metals. In our world, as noted earlier, that is most commonly aluminum and steel usage. To be clear, aluminum is not steel. Aluminum and steel are two different metals. I want to get that straight so there is no confusion going forward. Understanding what the manufacturers attempt to do and what we must achieve as collision repairers are simple. The best way to avoid galvanic corrosion is to separate the two metals as much as reasonably possible.

There are basic steps we should follow to help prevent any type of corrosion. I-CAR touches on some of the ways to do that in its article, "Back to Basics: Corrosion," from November 2018:

Sometimes going back to basics can make the difference between a quality repair and a failed repair. When repairing and refinishing, corrosion can be avoided by taking proper steps to ensure a clean metal surface.

Corrosion may not be visible by looking at the refinished surface unless, in most cases, it causes the paint to blister or raise. Some ways to help avoid corrosion:

- Always wear gloves and follow paint maker instructions for proper metal treatments and primers during the refinishing process. The oil from bare hands touching the metal before refinishing can interfere with paint and primer.
- Drill all necessary holes before the refinishing process and clean the holes of burrs and flakes to ensure that dissimilar

metals do not come in contact during the refinishing process. This type of corrosion is called galvanic corrosion.

- Clean welds thoroughly and apply corrosion protection or primers according to the paint maker's recommendations.
- Inspect filters around the spray booth for moisture. Filters may need to be emptied and/or replaced. It is imperative that there is no water in the air supply.
- Improper drying or cleaning of the bare metal areas. Clean the vehicle thoroughly following the paint maker's instructions on what product to use. Make sure there are no sources of moisture on or around the vehicle before refinishing.

By concentrating on the basics, you can avoid many of the problems that would otherwise prevent complete, safe, and quality repairs.

A basic principle to help prevent corrosion of any type is to seal the part or panel with a waterproof coating or providing a barrier between the metal and any moisture. It's not commonly thought of in this manner, but everything we do in the refinishing process is a form of corrosion protection. When moisture is kept away and off the metal, corrosion has little chance to form.

Another basic principle to help prevent galvanic corrosion in addition to refinishing is to separate the two dissimilar metals. Vehicle manufacturers can accomplish this in several ways in addition to the topcoat. One way may be to separate the parts or panels with gaskets or barriers of different materials. Plastic or other types of nonmetallic materials may be used between a hood and hood hinges or under a fender to separate it from the mounting flange which is a different type of metal. Those are just two examples out of many in which the vehicle manufacturers may implement design and construction methods used to battle galvanic corrosion. If those types of items are used, they are there for a reason, and they must be replaced if needed or specified.

Fasteners may have a coating on them



GALVANIC CORROSION formed due to using a steel fastener with an aluminum panel.



CORROSION EVIDENT after the fastener was removed. Galvanic corrosion can form between the two different metal surfaces.

to help with galvanic corrosion. Some one-time-use-only fasteners may have a manufacturer-applied coating to them, which is a sacrificial coating to create a barrier between the dissimilar metals. That is why some fasteners may need to be replaced even if they look to be in reusable condition after removal. Another way to help prevent galvanic corrosion when it comes to fastener use may come in the form of a vehicle manufacturer's recommendation of a type of coating specified by them to be used on that fas-

tener before installation. Manufacturers may have a way in place to keep a faster from directly contacting the part or panel. It may be that there is a nonmetallic gasket of sorts used between a steel fastener and an aluminum body panel. It is designed to keep the two different metals from contacting when installed. It would be critical to reuse or replace, if specified, these items when they are removed to prevent corrosion in the future. To sum it up, there may be several ways that are used to help with corrosion protection. I-CAR has links to several manufacturers' guidelines through their RTS portal. These guidelines may also include general corrosion protection practices as well as specific concerns related to galvanic corrosion.

Corrosion protection in general, as well as galvanic corrosion protection, can mean much more than ascetic implications. Corrosion, if formed, could have an adverse effect on crashworthiness in extreme cases. It's also worthy to note that as with any form of corrosion, galvanic corrosion can form in a typically unseen area on any vehicle. It's vital to protect, to the best of the repairer's ability, the inner portions of the vehicle such as cavities and where multiple panels may join anywhere in the structure or elsewhere. Those areas are the most susceptible to moisture lingering unnoticed.



EXAMPLE OF A MANUFACTURER using a barrier between the dissimilar metals of a fastener and an outer body panel. Barrier is below the screw head.

THE CORE FOUR SOLUTIONS TO CORROSION PROTECTION

Have you ever seen a vehicle that has corrosion on only one panel? Do you then wonder why just one panel has corroded while the same panel on the opposite side of the vehicle is pristine and corrosion free? Collision damage repair can create "hot spots" for corrosion to start and accelerate at a pace faster than the rest of the vehicle. This is further influenced by environmental conditions and if proper steps are not taken to protect repairs, the resulting failure may appear quickly, or years down the road. Keep reading at ABRN.com/corefour.

We know corrosion can be an issue on a vehicle even if it has never had any repairs done to it. My most important point is that the repair facility must perform the best repairs that are possible and adhere to the OEM guidelines/repair manuals if available. The motoring public typically frowns on corrosion as being unsightly or devaluing the vehicle. They may not understand the full scope of the implications of corrosion. We as repair technicians must realize the more important aspects of controlling or eliminating corrosion to the best of our abilities. It's as important as any other portion of the repair process. The steps we take when repairing the vehicle can impact the longevity of the repairs we make. We must also strive to make the vehicle perform to the best of its abilities as designed if it should happen to be involved in a collision or not. For further learning I-CAR provides a course on corrosion protection that can be helpful in understanding ways to prevent it. Several manufacturers of corrosion prevention products may have training available as well.

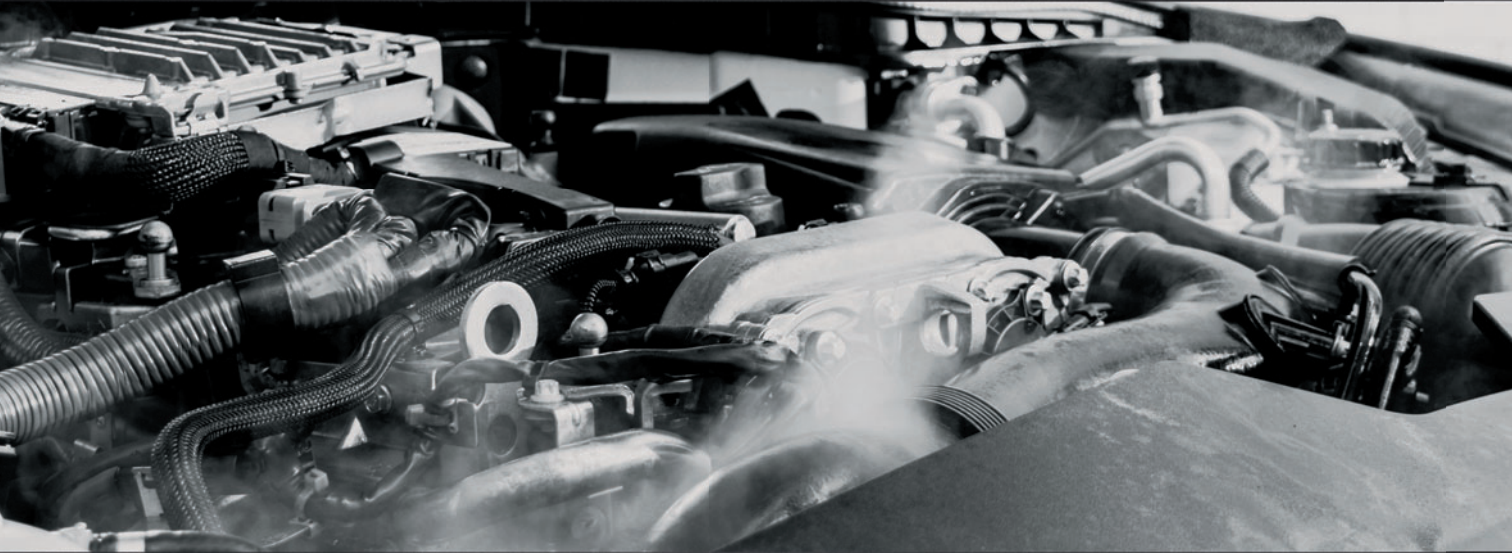
My dad was mortified that his "new" truck was rusting where he could see it. If he only knew what was going on behind the panels. The happy ending is that once I became a professional technician we had long since retired that truck to farm-only duty. Since those days the vehicle manufacturers have come a long way towards improving corrosion protection as well. It's still not a perfect science for the manufacturers and those of us in the repair field, but I did see to it that he never drove a rusty thing again! He probably saw it as his son keeping him in nice-looking vehicles. I saw it as keeping him safe! 🚗



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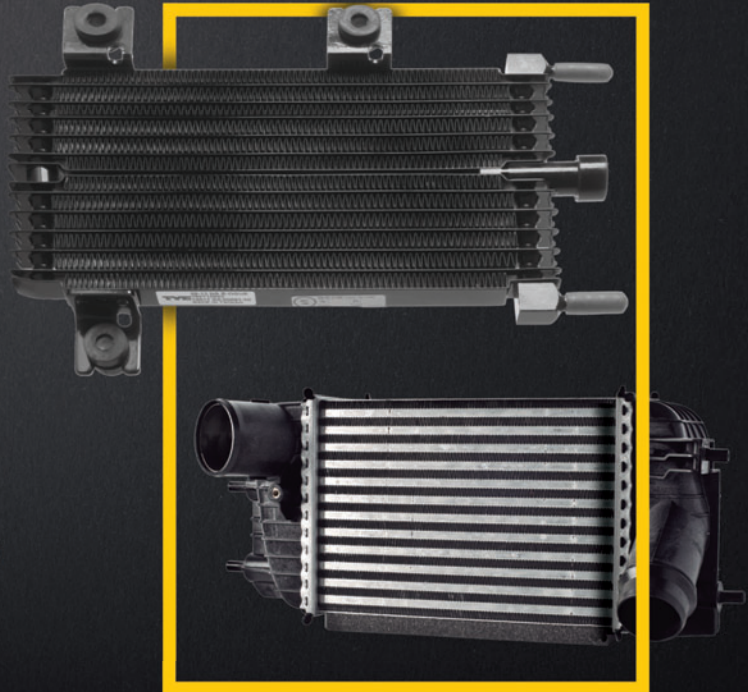


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PUSHING THE PERFECT REPAIR

PART 1 IN A TWO-PART SERIES OF WHAT YOU NEED TO KNOW ABOUT DIRECT-TO-METAL SEAM SEALING

DOUGLAS CRAIG // Contributing Editor

The series covers when technicians may still want to prime when using DTM products to prevent corrosion and when they can forge ahead and apply directly to the metal. Repairers will understand what DTM products are and how to use them properly to perform the “perfect repair.” Part 1 explains which process to use and what technicians should know.

In collision repair, a seam sealer is the tough, flexible material that bonds metal surfaces together while providing a robust level of corrosion protection. Seam sealers are used for duplicating factory appearance on automobile repair and industrial heavy-duty truck, bus and trailer repair. Some of the typical applications include trunks, truck bed seams, tooled door skin seams, floor pan seams and core support seams.

There are two processes currently in use in the industry. Repair shops can use Direct-to-Metal (DTM) seam sealers or a two-component primer followed by a seam sealer. DTM seam sealers, as the name implies, are applied directly to the metal surface without the need to use a primer beforehand. There are some questions within the industry as to which method to use. Many repair



DIRECT-TO-METAL SEAM SEALERS BOND WELL TO BARE ALUMINUM AND STEEL TO PROTECT THE REPAIR AREA.

shops follow the two-component primer method as it does provide a better repair. Since a primer is not necessary for DTM sealers, they are often used when highest corrosion protection is not needed.

The reasoning behind this involves the paint application. After the seam sealer has been applied, the paint refinishing is next and there is a possibility that the paint would not be able to be applied to the tight interface at the edge of the seam sealer — this is just due to

physics and applying with an atomized paint system. Because of the panel angles around the seam and the way the spray gun is held, it's not always possible to make a perfect application.

Using a primer needs to be factored into the overall repair time. It may not take any more time if it is planned as part of the process. Technicians can quickly apply the primer and let it dry. Then apply the seam sealer.

DTM seam sealers have been tested for their ability to stick very tight and

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protect the underlying steel or aluminum. Testing is done using a corrosive chamber, which simulates a salt spray environment. The seam sealers are tested with and without paint systems applied over them as well. Many of the DTM products are very robust and help with corrosion forming underneath an automobile. The majority of the DTM seam sealers both grab and hold the metal as well as provide a high level of protection.

History vs. today

Years ago, seam sealers actually dried, meaning they had a solvent in them that evaporated. Those products were notorious for shrinking and cracking as they gave up the liquid they contained. As the volume would shrink a little bit, the seam sealer might crack and start pulling away from the surface. Fortunately, today's seam sealers are different.

The whole theory behind DTM really started eight to ten years ago as a logical method to save time in the repair process. The older two-component products were not direct to metal, but always over primer, and with reformulations the chemistry was changed to really bond to the metal and protect it. Along with two-component sealer improvements, changes were made to one-component sealers as well and we now see the majority of products being DTM.

Higher quality repair shops have standard operating procedures (SOPs) for every task within the repair process. In those situations, individual shops may still sometimes deviate from the standard rulebook and use the repair process they prefer. So, even with procedures and recommendations, it's best to leave it up to the individual shop as to how they want to perform their own repairs. They're the ones who are responsible and have to warrant their repairs.

In collision repair, we're trying to restore the vehicle to as-built condition.

In the OEM world, many sealers are, in fact, DTM. But that whole build process is different from a collision repair. During the build, the manufacturer uses an e-coating processes, which is the big variable. They dip a whole vehicle versus spraying it. After it's dipped in a rinse, it is dipped into the primer and then baked at 400 °F. Baking in an oven changes everything because of the level of heat being used. The chemistry involved with an OEM seam sealer, along with the high heat bake, causes the sealer to cure and obtain an even better bond. Dipping in the e-coat provides 100 percent coverage — a coverage that goes absolutely everywhere.

Which process to use?

On an exposed seam, a quick epoxy prime with a seam sealer is preferred. Exposed seams refer to those exposed to the environment, such as salt splash off the road. Doing a quick epoxy prime beforehand helps with any salt spray on an undercarriage.

Material manufacturers put together SOPs to set up procedures that are the most robust for the best product usage and repair. Despite what procedures a material manufacturer may recommend, in the end they defer to the OEM if the OEM has a published procedures to follow. It's their car, they engineered and built it, they know how to fix it.

It should be noted that there's inconsistency among manufacturers as to how much information they actually provide. For example, one manufacturer may recommend application of primer to any bare metal before sealing the seam, despite location or environment. That is their procedure. Another may be more specific and indicate primer only in certain locations. All try to create a fail-proof repair. So, the DTM capability may not be of interest if other steps are being taken to guarantee that the repairs are covered.

If a primer is not used beforehand, it can be due to time savings. DTM saves

the step of applying the primer, which saves a few minutes for application and dry time. In the end, the procedure used is technician- and shop-driven.

If that priming step is not done and the DTM products are used, the repair is still good. The challenge becomes the application of the paint. It's important that it's hermetically sealed. This is where if it's an exposed area, it is subject to salt spray and water spray. Other areas, for example inside a trunk, are typically dry zones, and after the refinishing operations will generally have a finishing step where cavity wax is applied. Cavity wax differs from paint with its ability to wick and crawl into tight areas and provide a tight seal.

What should technicians know?

With any of these products it's critical that the technicians need to know clearly how the product is to be applied.

This includes:

- Knowing how to tool it
- How get the correct appearance
- If there are any other recommendations for tricks or techniques
- Reviewing technical data sheets and any SOPs
- Reviewing the safety data sheet to understand what they're handling

When the technicians have all that information, then it just becomes an art form.

Getting the information on the car and making it appear just as it was before the accident is essential. It's important that the shop is always testing off metal from the car with their own paint system, to ensure compatibility. This is especially vital when using a slower curing material. 📧



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DIAGNOSTIC DECISIONS

MAKE YOUR BEST BUYING DECISIONS WITH THESE STEPS

TIM SRAMCIK // Contributing Editor

With the nation in the grips of the COVID-19 pandemic, many shops have begun reassessing their short- and long-term finances. Some already are seeing reduced businesses. Others (with many in the financial field) are predicting a steep recession in the immediate future and possibly lasting

into 2021. One such repairer, Trace Cocimiglio, owner of Valet Auto Body in Draper, Utah, (who also sits on the board of the Society of Collision Repair Specialists) already has announced he's putting off replacing his paint booths until the industry's economic future becomes both clearer and brighter.

More than ever shops must make smart buying decisions when it comes to tools and equipment. If the purchase

of the most expensive pieces can be put off, with either no or minimal effect on a shop's revenues, shops would be wise to hold onto their money. In other areas, investment is a necessary part of survival. Such is the case with diagnostic equipment, particularly scan tools. Scanning has been one of the more important issues in collision repair over the past five years as repairers have struggled to purchase and utilize the right tools necessary

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to determine if any vehicle sensors have been damaged in a collision and then to recalibrate them so that a number of necessary safety and convenience systems work properly when the vehicles is returned to the owner. These tools aren't cheap. Stocking a shop with the right ones to meet its particular business needs can easily run between \$10,000 and \$20,000.

Make the most of your diagnostic tool purchases with a plan that gets you what you need at the best price. Use the following five-step strategy.

Step 1: Put an expert on staff.

If you have an employee making scans, your shop has an expert on board, correct? Actually, that's not necessarily true according to consultant Don Conklin, a former shop manager with experience in both collision and mechanical repairs.

He says when shops realized the necessity of scanning, many turned the chore over to techs with little training. "These guys are trying and in a lot of cases making this work, but at the end of the day it's a tool they're plugging in trying to make work," says Conklin. "Simply having experience using a tool doesn't make you an expert. You need to know more."

Randy Drury, owner of Full Service Auto Stop in Houston says when his shop started making scans they turned the work over to a tech who worked on the mechanical side of his business. The move made sense since mechanical techs have greater experience with these tools, but issues still cropped up. "The tech was a great worker, but he was new to collision repair and more used to using these tools to diagnose problems instead of calibrating and clearing codes. He had to put in extra time working with our collision techs identifying problems," says Drury. "There was a real learning curve."

Conklin says shops would be better served by having their scanning tech(s) trained by vendors on several different tools, along with being further educated on how the technology works and spe-



PHOTO: AIRPRO DIAGNOSTICS

MATCH YOUR DIAGNOSTIC TOOLS to the brands you typically service and the work your shop provides when it comes to scanning.

cifically why some tools have limited functionality in specific vehicle brands or models. Better still, he says shops should have a "technology leader," a staff member or several members who keep up with the latest technology developments in order to help buying decisions.

Step 2: Determine your needs.

Right now, not every shop needs to be able to scan every single vehicle brand. Costs are just too high for the equipment, and the need isn't yet there. With manufacturers looking to drive repairs of their vehicles into repair networks, in many areas you may not see much, if any, of some brands.

The main issue driving the cost of scanning equipment is that some OEMs work with only specific tools or restrict diagnostic/calibration information for working on their vehicles. There isn't always a comparable, less expensive aftermarket version. So, what do you buy? Look at what you repair. Conklin recommends reviewing your repair orders from the last 18-24 months, looking for vehicles that require scans, and then focusing on the most common brands.

From there, he says to examine the options available from OEMs and the af-

termarket. "A lot of shops see the majority of their work coming from three brands, which isn't a lot if you get the OEM tools for each and maybe an aftermarket tool or other strategy for everything else that comes in," he says. "This setup could work for a lot of businesses."

Step 3: Work with vendors.

Of course, you won't know what "setup" works best without doing some investigation. Investigate your scanning options. The National Automotive Service Taskforce (NASTF) maintains a list on their Website (www.NASTF.org) of approved OEM scanning tools. You also can contact the OEM directly for information, or better still, speak to a local dealer who might be able to help you immediately. Also, speak to aftermarket vendors to determine what they offer. Conklin says to look at what capabilities a tool has — scanning and clearing codes, recalibration and, if necessary, programming — and which vehicle brands the company can provide these services for.

He also recommends examining tools to make sure they're easy to read and use. This is where having an expert on staff helps, since this person can help select



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the tools that work best for your operation. Beyond that, Conklin says to make sure the vendor offers training and easily-available ongoing technical support and software upgrades.

“Support might be the most important feature of a tool,” says Conklin. “Some tools will do a decent job of returning codes on multiple brands, but you still have to determine the source of that code and quickly.” You may want to look into diagnostic tool providers who also provide live support, an expert who’s going to know what’s up with a particular model and get you an answer right away.”

Step 4: Look into additional tools

All three information providers have begun offering scanning services you should consider to work into what setup or formula of OEM and aftermarket tools you decide upon. Each provider offers something different.

ALLDATA’s Diagnostics scan product turns a shop’s Android or Windows 10 tablet into scan tool capable of performing pre- and post-scans with exportable reports. The product includes a VCI (Vehicle Connection Interface) device that attaches to the vehicle’s OBD port and links wirelessly via Bluetooth to a tablet. With the tool, shops can retrieve and clear manufacturer P, B, C, and U codes and access system tests, relearns, resets, initializations and calibrations supported by the OEM. Subscriptions include OEM data and software upgrades.

Mitchell Diagnostic System tool works similarly with a VCI but includes a separate piece (essentially its own tablet). The tool provides pre- and post-scan and calibration capabilities. It also generates reports and is designed to work with a variety of system management products, even those from its competitors.

CCC provides an interface to its CCC ONE Platform that it says enables any vehicle diagnostics provider (OEM and aftermarket scan tool providers and



PHOTO: AIRPRO DIAGNOSTICS

LOOK FOR TOOLS THAT OFFER EASE OF USE and expert support for tracking down difficult code sources.

telematics-based diagnostics solutions) to share scanning results with repair shops and insurers who use CCC repair workflow tools. There’s no charge for CCC customers who are provided with a verifiable record of the scan completed by the repairer that can be turned in for compensation.

Working with an information provider can provide a repairer with some useful scan options which can be worked into the setup and budget you have for scan tools. Drury says some shops work exclusively with their providers for scanning services. He would prefer to but can’t because he sees heavy shop traffic in models that fall outside of what providers can service.

Step 5. Consider subletting the work.

Being able to leverage an information provider-based setup can be a real boon. For many shops, there are still going to be times when working with a dealer for some scanning work, namely recalibration, is going to be necessary. This is a fact of life for working in the industry. You’re probably going to need to reach out for help unless you’re part of a select group of shops certified to repair numerous brands and who can afford the full

range of scanning tools.

There’s nothing wrong with subletting this work, says Conklin, who believes that as collision repair work becomes more complex and expensive to perform a large part of the industry will turn either to specializing in complete repairs of a select few brands or specialization in certain types of repairs that other shops will sublet to them. “Subletting isn’t defeat,” says Conklin. “It’s a necessary part of a safe repair since you’re turning some processes over to other experts.”

Ultimately, that’s the goal of setting up your shop correctly to handle diagnostic duties. It’s the single best, probably only, way to account for electronic and associated damage to a vehicle. It’s also the best path to returning a vehicle to a pre-accident condition that will continue to protect the occupants and others on or near the road.

Money could be tight over the next year. Be sure to put yours in a place that continues to allow you to be the best repairer you can. 📡



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

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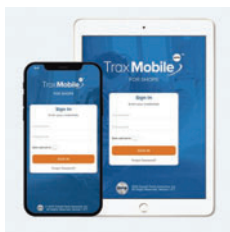
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COLLISION PRODUCT GUIDE

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AUTO GLASS GEAR

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mantra is about celebrating Auto Glass Professionals and their commitment to perform safe removals and clean sets on every vehicle they work on. NHCS™ is dedicated to increasing support for our industry, awareness to certified training, and educating consumer knowledge of why a "clean set" is crucial.

WWW.EQUALIZER.COM

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WWW.MILWAUKEETOOL.COM



BST860

The LAUNCH Plug-and-play Battery Tester BST860 is designed for many battery-powered vehicles ranging from 12V to 24V like cars, boats and motorcycles. It can perform 6 types of battery system tests which include ripple detection, battery test, electric current test, starter test, charging system test and voltage test to find out the battery health status. BST860 will display the analysis result in a few seconds, which also can be printed out with the built-in printer. If any abnormal test results, expect shortened service life-span or battery damage.

WWW.LAUNCHTECHUSA.COM



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How COVID-19 could improve your business

As the pandemic continues, it is important to stay focused on positive outcomes

This is being penned early in the U.S. COVID-19 pandemic while under a shelter-in-place order. The length, scope and effects of COVID-19 are projections currently. As this pandemic runs its course, it is important to remain focused on positive outcomes.

Our response to COVID-19 will matter to our businesses, our employees and will shape the recovery in the months and years to come. COVID-19 has temporarily disrupted and halted many nation's economies. This has caused massive hardship for businesses, employees and families. To minimize the effects of these events, we must remain focused on improving both during and after this pandemic. COVID-19 has provided businesses the opportunity to adapt, change and improve to create a better version of themselves. With the right focus, successful business owners will adapt rapidly to stay viable during these tough times. There are three key steps owners and managers can take to improve.

The first step is to know and understand the business's overhead and break-even point. Not clearly understanding monthly, weekly and daily costs will make it nearly impossible to remain profitable in a tumultuous time. All costs need to be analyzed for necessity and size. Implementing spending controls will help to minimize outgoing cash flow and liabilities from the business. This can require realignment of job duties and new restrictions on who can make purchases of parts, supplies and equipment. Once costs have been analyzed and the necessities determined, then break even can be calculated by taking total overhead costs divided by total gross profit percentage. This will provide the sales dollars required to reach break even. Some MSOs have projected a 40 percent to 50 percent reduction in sales during the pandemic. The important point to realize is that as volume decreases, the amount of sales per job required to reach break even increases.

The second action is to refine and reinvent how shops interact with the consumer. Touchless services have emerged as the early adaptation to this situation. Sending digital authorizations



COVID-19 HAS PROVIDED BUSINESSES THE OPPORTUNITY TO ADAPT, CHANGE AND IMPROVE TO CREATE A BETTER VERSION OF THEMSELVES.

and accepting online payments are two early examples. COVID-19 will continue to provide shops the opportunity to change how and what they communicate to their customers. It is just as important to have digital documents as it is to have digital presence communicating your business's status to the market. Outgoing communications must reassure consumers that the business is open, adapting and a viable option for them. Consumers will choose a business that demonstrates empathy, provides direction on how to conduct business safely and instills trust for them to risk public interaction. Social media, texts, emails and phone calls will all have their place to reassure an uncertain public that getting their car repaired is a safe choice. Shops will also need to focus on capture rate and customer retention. Shops must evolve their methods and services to ensure that nearly every customer who comes in repairs with them. Simply selling the estimate and scheduling the consumer will not guarantee success. The customer must be reassured from estimate through drop off. Failing to create a solid post-schedule sales routine can lead to attrition and lost sales.

The third action businesses must take is to be in the moment. There is no definitive road map for how this pandemic will affect consumer behavior or the economy. Strategies implemented early in the outbreak may not suffice throughout. Success will hinge on owners, managers and employees being ready to change and adapt quickly.

COVID-19 has presented everyone with a challenge. It is the response to this challenge that matters. Those who view this time as lost sales will miss the moments available to them. Moments to be uncomfortable and analyze financials. Moments to value customers. Moments to emerge on the opposite side of this life event stronger, better and more grateful than ever before. 📧

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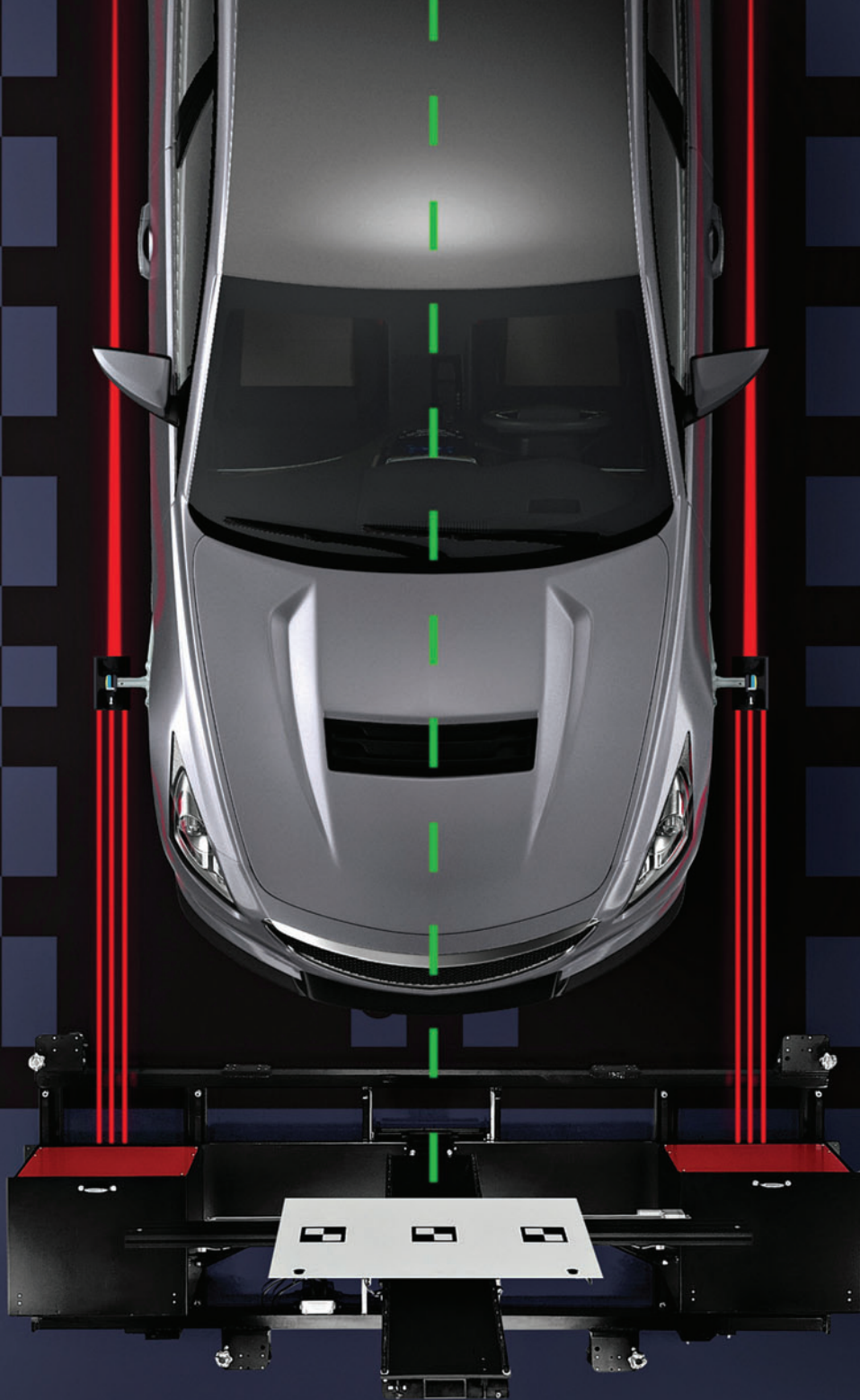
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