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Provide stability, put people first and maintain perspective

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David Roberts discusses the acquisition, today's consolidation market and how the state of events could shape the industry

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We need to get consistent about the steps involved and compensation

SHOP PROFILE: Planning Expansion During A Pandemic



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MSO OUTLOOK HOW LONG WILL IT TAKE US TO FIGURE OUT SCANNING?

We need to get consistent about the steps involved and compensation

DARRELL AMBERSON // Contributing Editor

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FOCUS ADVISORS DETAIL THE FIX AUTO SALE TO DRIVEN BRANDS

JAY SICHT // Contributing Editor

The sale of 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 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. "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 a news release as one of Fix USA's top-performing operations. Driven Brands operates more than 3,100 auto aftermarket locations in seven

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MANAGEMENT

IT'S TIME TO DO YOUR Homework

BREAKING NEWS

JOHN SHOEMAKER // Contributing Editor

It is always a good time to look through any direct repair program contracts.

There have been a lot of changes in this arena lately and understanding those changes is important. I have talked to several shops about a new change with one insurer that requires you to provide a "credit" (which we all know is a penalty) if you do not meet certain guidelines. While some of this has been going on for a while, it seems the insurers are raising their expectations and increasing the credits. A little homework will help you realize what these credits might actually be costing you in the long term.

Reviewing your vendor

agreements is something else you might want to delve into. Have you been buying parts from the same supplier for a while? If so, you might want to review your service needs with them. As a loyal customer, there might be some things the supplier can do for you to help meet your shop's initiatives. Keep reading at **ABRN.com/homeworktime**.

TRENDING

DRIVEN BRANDS Acquires fix auto usa

Driven Brands has acquired Fix Auto USA and Auto Center Auto Body, Inc., adding nearly 150 franchised and 10 company collision repair locations to their Paint, Collision & Glass segment. ABRN.COM/FIXBUY

COLORS ON PARADE Hosts virtual National convention

Colors on Parade rescheduled their national convention to take place virtually over three Saturdays in late May and early June, holding sessions on Zoom. ABRN.COM/COPMEET

CARSTAR MARYVILLE PROVIDES FOOD FOR 300

In early May, CARSTAR Maryville provided food for all 500 staff members at Anderson Hospital in Illinois, while also supporting local businesses by buying the food from three area restaurants. ABRN.COM/FOOD500

BUSINESS OWNERS GIVE BACK TO THOSE IN NEED

CARSTAR owners across the country have donated more than 1,000 medical supplies to local hospitals and 1,000 lbs. of food to local shelters, along with hundreds of homemade masks during the pandemic. ABRN.COM/DONATE

PACIFIC ELITE, CRASH Champions Merge

Pacific Elite, the largest family-owned operator of collision repairshops in California, announced a merger with Crash Champions, LLC a regional collision repair business in the Chicago area. ABRN.COM/PACIFIC

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INDUSTRY NEWS

separate firms, including collision repair franchisors CARSTAR, ABRA, and Maaco.

ABRN talked with Roberts about what the sale and the current and near-future business climate of mergers and acquisitions in collision repair.

"It's a strategic acquisition by a wellfunded, 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."

Fix Auto USA CEO Paul Gange said in the release that he expects that while Fix Auto USA will remain an independent Driven brand, he looks to "gain access to 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've got a 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's an opportunity for an exit by franchisees."

The Bicketts, 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. "The current climate made the combination more challenging, but we are pleased to cement this vital partnership with Driven."

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.

"The difference is better informed buyers, and you know 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."

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 skilled at making acquisitions. Our long-term belief for the changes in the industry is that there are not going to be just two 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 shrink-

ing steadily, Roberts noted. And because of capital and 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 to be small. If you're small, you want to join together with other people 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.

The coronavirus impact

The coronavirus pandemic crisis facing the nation means that sales volume is throughout the country, Roberts said.

"Anytime there's economic disruption, 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.

"Some people have a playbook from 2008; they know how to get smaller and still be successful. There are others 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."

At the end of the crisis, many companies will emerge weaker, Roberts predicted, although those with a playbook will be 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 say, 'I'm getting out.' And some will find out the value of their business isn't what they thought it was going to be."

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How long will it take us to figure out scanning?

We need to get consistent about the steps involved and compensation

ow long will it take our industry to figure out scanning? Unfortunately, the answer has become a bit of a joke. It has been roughly five years since the topic became widely discussed and many of us embraced it. Yet, compliance to OEM repair procedures and statements, charges and compensation levels and insurer positions all vary.

I find it disturbing that some insurers are pushing to REDUCE payment for scans. And to complicate it, some insurers have very different policies.

Ultimately, there is only one source of expert vehicle information, and that is the OEM. Most of their procedures and position statements offer clarity on the topic. Let's look at some of the key factors.

Different tools

Factory scan tools are consistent and depend-

able in terms of having access to all modules. Some manufacturers have embraced security solutions that limit access to scan data. In those cases, it is necessary to use a factory tool or an aftermarket one that has been granted access.

More OEMs are evolving to a tool solution that requires the shop to purchase a laptop, a vehicle connector interface (VCI) and an annual subscription. Initial costs are roughly \$8,000 per OEM, but can be up to \$30,000 for some high-end European brands. And the subscription must be renewed yearly.

If a shop intends to use a factory tool solution, their choices would be to buy one and train a staff person to perform scans, sublet to a dealer, sublet to an independent ADAS service company, or to utilize a third-party solution. In the third-party scenario, the shop must have a person to handle the tool connection, communication with a call center and perform any steps as instructed by the call center.

What is included in a scan operation?

While the process may vary based on the tool used, the overall steps are similar. Here is a list:

1. Bring car into shop and up to temperature.



COMPLIANCE TO OEM REPAIR PROCEDURES AND STATEMENTS, CHARGES AND COMPENSATION LEVELS AND INSURER POSITIONS ALL VARY.

- 2. Connect battery support to maintain adequate voltage. In some cases some trim and/or interior trim removal is required to gain access to the battery.
- 3. Connect scan tool. Perform pre-repair scan, which may include looking into as many as 200 control modules.
- 4. Review Diagnostic Trouble Codes (DTCs) revealed by the scan. When appropriate, inform the insurer and/or the customer to discuss possible unrelated repairs.
- 5. Research the meaning of each code and its implications.
- 6. Take photos and create PDF for file.
- 7. After the repairs are completed, perform the postrepair scan repeating steps 1-5, as necessary.
- 8. Clear the DTCs.
- 9. Repeat step 6 for documentation purposes.
- 10. Prepare and submit invoice.

When utilizing a third-party solution, some steps are performed for you. When subletting to a dealer or independent, demand the appropriate proof and documentation of the various steps including referencing factory repair information.

Are the costs declining or is the accountability?

The number of steps is not declining nor is the cost of the staff who perform them. Third-party fees are not declining. Many shops are either not embracing the requirements of OEM new technologies and/or are capitulating to the insurers who push arguments such as "It really doesn't take that much time," "You don't really have to do what the manufacturer says," "We haven't had any issues from doing it our way," or "This is our policy" and so on. And at the end of the day, who is liable? We as repairers are! And what about the consumer? That is where the risks lie when we accept substandard solutions. **■**

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LEADERSHIP DURING TIMES OF CRISIS

Provide stability, put people first and maintain perspective

ver the last couple years, I've provided three articles on leadership, specifically geared towards MSOs and with the intention of cultivating new leaders. I covered the difference between management and leadership.

DARRELL AMBERSON // Contributing Editor

Briefly, management is about strategy and organization and coordinating. Leadership is about social influence of others in accomplishing tasks. The difference is in the ability to influence the hearts and minds of people. It is what that person feels inside that can be such a great motivator, caused by the words and/or actions of the leader. I established that leaders can be born and they can be developed or a combination thereof. I covered some practical applications of identifying and creating leaders. I suggested that you become a "coach" to help

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turn some of your managers into leaders. I talked about what difference it makes in terms of business performance. I also covered leadership "style," including attributes and behaviors. It included the following top 10 list:

- 1. A real leader listens first and acts second.
- 2. A real leader knows what they don't know.
- 3. A real leader doesn't make decisions in the heat of the moment.
- A real leader gives constructive, not negative, feedback.
- 5. A real leader never acts like the smartest person in the room.
- 6. A leader focuses on the strengths of people.
- 7. A real leader cultivates a positive culture.
- 8. A real leader does what has to be done.
- 9. A real leader always finds a way.
- 10. A real leader celebrates the process as much as the rewards.

I covered how perfecting our own skills is the best place to start in passing leadership skills on to others. I also got into how as leaders we seek and generate specific behavioral traits in others including compliance, obedience, competence, enthusiasm, grit and grace.

The crisis

Definitions of "crisis" include "a time of intense difficulty, trouble or danger" and "a time when a difficult or important decision must be made."

We all deal with setbacks and issues regularly, but it's not hard to recognize the big ones when they come. I was 16 when my father left the family. (Family life was getting in the way of dating and partying.) I had to grow up fast and take on responsibilities I hadn't anticipated. I've experienced a divorce and a loss of a business. As a professional drag racer I experienced high-speed fires and crashes. In business, I've been in a leadership role three different times when an owner or key executive passed away, leaving great uncertainty. And I've experienced market recessions. Of course now we are experiencing the stunning effects of the coronavirus. Each of these crises is unique with its own challenges. Yet there are some leadership attributes and techniques that apply in virtually all.

Fear and uncertainty

Among the first reactions to a crisis is fear. Typically it starts with fear of the unknown. Many people within our organizations may assume the worst. They perceive the crisis and its attributes as a threat. Emotions can run high. It can feed upon itself, spreading and increasing in intensity. Biology can come into play as the brain releases cortisol, which is typically attributed to a "fight or flee" reaction. Studies reveal that the release of cortisol can diminish IQ by 20 points, making rational thinking more difficult. As leaders of people in fear, our job then becomes even more challenging, but at the same time the significance of our reaction becomes far more important. We must consider how to allow ourselves and our staff to process emotions, then how we can move towards a level of calm.

Stability is of the utmost importance

There are two key elements to stability. The first is practical. Make sure staff has the tools, materials, equipment and technology to function in the circumstances of the crisis. The second element is psychological stability. People want and need to know where the company is headed and that their job is secure. (Assuming that you can offer that security.) You must clearly define and communicate your decision-making principals, especially regarding employment and compensation. Focusing on employees' emotional needs will help get them through the challenging times. People need some sense of normalcy. Regularly communicate your progress and accom-

AS A LEADER, PUSH TECHNOLOGY

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There are key characteristics of a leader who embraces and implements technology for their business. Continue reading at ABRN.com/embraceIT.

plishments during this difficult time so it doesn't seem like the world has collapsed. Highlight consistency where you can find it to prevent tunnel vision. For example, your customer service policies likely won't change, though how you deliver it might.

Credibility and trust are crucial to establish stability. Be honest with your staff. Be as transparent as you can.

Hope is among your most precious assets during times of turmoil. It has an aspirational quality as well as motivational. It pulls people forward and invites them into creating a future that's better than the present. Hopeful workers are more resilient, innovative, agile and better able to navigate obstacles. But hope is built on trust and credibility. ONE BRAND. COMPLETE FOCUS.



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If you create false hope based on false confidence or false certainty it will blow up in your face. Rather, demonstrate that you and your leadership team are focused on the trajectory and health of the enterprise; that the captain is at the helm and steering the ship through the proverbial storm.

People come first, period

Leaders must care deeply and consistently about their people, including their health and their needs and their fears. That includes big and small things such as insurance and some time off flexibility to address family issues.

During the recession in 2008, I was confronted with the necessity to lay off some people to keep the business viable. Over a period of months it came to a total of 18 people. I handled most myself. It was among the most difficult things I've ever had to do in upper management. I reminded myself and the management staff that of primary importance is to protect the good core group of people that we build our business upon. If we let the financial viability of the company disappear, all would be lost for everyone. As best as we could, we made decisions regarding who was to be laid off based on performance. As much as I dread laying anyone off, I was responsible to protect the best performers. They were the most skilled, dedicated, responsible, conscientious, caring and loyal.

People are our most valuable asset. The culture within your staff, including their dedication, motivation, and talent, is the heart and soul of your company. As the leader, you are responsible for its protection.

One shouldn't navigate a crisis alone

Leaders must empower others so that everyone can contribute their skills to the needs of the moment. Align on what matters so that all have a clear "North Star." Give teams room to operate. Show trust. Organizational agility and digital tools for real-time coordination and communication become ever so important in times of crisis so that all employees, regardless of level, can bring their expertise to bear.

Let your leadership emerge over time. The core of effective crisis leadership is processed through the following steps, all guided by your purpose (mission, vision, and values):

- 1. Evaluate the situation from physical, emotional, reputational, political, social, human resource and financial standpoints.
- 2. Agree on near-term objectives and intent. Focus on safety first, reputation second and financial third.
- 3. Develop a list of options.
- 4. Predict risk-rated outcomes for each option.
- 5. Prioritize the options and decide which will become an action step.
- 6. Delegate responsibility for the chosen action steps to an accountable leader and dedicate necessary resources.
- 7. Execute, monitor, evaluate and adjust.

Add "rumor busting" to your meeting agendas. Discuss ways to dispel them without coming across as defensive.

Create a sense of "we are all in this together."

Shy away from inspirational messages that lack substance.

As the leader, take charge of communication.

Exercise your fearlessness

Don't allow your emotions to get the best of you. In times of crisis, leaders invariably find themselves in the midst of a tense and stressful atmosphere. There can be enormous mental, physical and psychological pressures. Now is the time to take charge of your thoughts, emotions and the way you deal with problems. Often a periodic reminder of the big picture to yourself and your team can put things in perspective and promote self control. Stop and realize you may have more control than you first thought. Exercise self discipline. When things aren't working, get a good night's sleep and start fresh the next day. Maintain a healthy lifestyle. A special confidant, such as a spouse, can be helpful to vent to or to bounce ideas off.

Fear is contagious. If your demeanor demonstrates fear, your co-workers will sense it. You cannot afford to project yourself as someone unsure of their ability or lacking confidence. I often ask myself, "What is the worst thing that can happen?" In many cases, it may not be as bad as one feared.

Understand that every strategy or decision will not yield positive results. Failure is part of life. It makes us smarter and tougher. Good leaders don't take failures personally.

Winston Churchill said, "If you are going through hell, keep going." That toughness, persistence, courage and fortitude are what make the difference.

Things happen for a reason. Though hard to see at the time, there may be a silver lining to the dark cloud on the other side of the crisis. Many of my crisis situations have resulted in something better further down the road.

At the end of the day, it's all about how you react to the crisis, including inspiring action, making decisions and embracing mistakes. Virtually every leader faces crisis at some point in their career. It's when leadership really matters. How you react defines your ability as a true leader. **M**



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Planning expansion during a pandemic

Waldron's Autobody CARSTAR adjusts to 'new normal,' forges ahead with plans for additional locations

JAY SICHT // Contributing Editor

As he approaches his 40th year as an MSO owner, Bob Waldron said he's still passionate about the collision repair business. In fact, he looks forward to adding at least a couple more shops before he retires, aided by a veteran staff and proven systems and processes.

The coronavirus pandemic has created a number of challenges for Waldron, who owns four CARSTAR shops in the Boston area. But he's pressing forward with expansion plans for the near term.

"Our business is way off right now and has been since the middle of March – and it shows," he said. "We laid off quite a few people. Believe it or not, we were supposed to have a closing in the month of May," he said. "But this corona thing has thrown everybody off. I think they won't even talk to you. We had a verbal with everything; we've been working on a location for a little over a year. We had everything all lined out, and then the coronavirus came in." Waldron began his auto body repair education as a high school freshman and bought his first shop, in Marlborough, Mass., when he was only 20 years old. That was his only location for almost 20 years. In 2000, he began the first of three acquisitions, the location that would become Waldron's A-1 Auto Body CARSTAR, in Lancaster. He followed that with Hanna Color Auto Body, in



WALDRON'S AUTOBODY CARSTAR Boston, Mass. // waldronsautobody.com

Bob Waldron	BASF
Owner	Paint supplier
4	300-350
No. of shops	No. of customer vehicles per month
38	CCC One
Years in business	Estimating and management software platform
50	\$9 million
No. of employees	Annual gross revenue

Clinton, in 2010, and Thomas Waldron Auto Body, in Worcester, in 2013.

For Waldron, it's worked well to focus on acquisitions, not greenfield startups or facility conversions and rehabilitation that can take more time and money to meet zoning and code requirements. When looking for an acquisition, he looks for an operating collision repair business of about 10,000-12,000 square feet — a size that makes it easier for Waldron to remotely oversee. "I like to dress things up, and I don't know sometimes when to stop. Budgets are like laws; they're meant to be bent or broken, you know?" he laughed. "I have a tendency of going overboard, so that's another reason I try to stay away from the renovations."

What makes a prime acquisition candidate?

Waldron operates in a business climate that's a little unique for collision repair shops, he pointed out. There are no major consolidators in the state, in large part because the state effectively has outlawed direct repair programs. Thus, his competitors and other acquisition targets tend to be smaller facilities.

Near Boston's city center, high land values have resulted in some body shops closing and selling their property.

"It's getting worse now. There are body shops closing, and they're getting bought out by developers for a pharmacy, a Dunkin' Donuts, or condos. They're squeezing out the body shops because they're paying a premium for the land."

So how does Waldron gauge potential in an acquisition candidate?

"I think like anything else, you have to have a feel for the area," he said. "In fact, I got a phone call a week and a half ago, and I have to look at another one."

Even before social distancing was limiting how much people were able to venture out, Waldron could gather information remotely by checking out the shop's website and looking at its photos on Google Earth or Street View.

"If it's neat and clean, you've got my attention. And within an hour, I can figure out what their competition is in that area and what the population is."

Although a candidate shop having updated capital equipment is a plus, the one piece of equipment that is most important is the spray booth. That's because of the time required to have plans approved, inspections passed, remove the old booth and get the installation scheduled, which can take up to a couple months. Waldron likes to have a quick transition to his operations.

Typically, Waldron makes a deal with the seller for the vehicles that are works-in-progress so that Waldron bills the seller for the work done on them to complete them. Over a weekend, everything gets pulled out of the shop, it's pressure-washed and repainted with the CARSTAR gray and red colors.

"So we have something going from day one. The cash register is ringing, so to speak. It's hard to start from ground zero and then go up; you walk before you run. You use the existing name for a while, and then you add yours; you blend them and then you blend them out. It depends on the previous owner's reputation, how fast that process is."

Small facilities, big results

Before the widespread pandemic lockdowns in the area, Waldron's four shops had been delivering between 300 and 350 vehicles per month, for a total of about \$9 million per year in sales. In some months, one of the shops can do \$170,000 a month in sales out of just 3,000 square feet. The smaller shops stay productive by focusing more on smaller hits or cosmetic repairs, while heavy hits are sent to the larger shop in relatively rural Lancaster, which is only about 20 minutes from the farthest Waldron's location.

"We also have a towing company, and we do the police towing 24/7 for three towns. So usually when they have to be towed, they're pretty big hits. That's the store where we do what we call our 'train wrecks."

CARSTAR membership helps Waldron's meet challenges, prepare for growth

At his first opportunity, Waldron joined the CARSTAR network as a franchisee in 1990, shortly after the company was



BOB WALDRON

founded the year before by Lirel Holt. Waldron already had a close working relationship with Holt while Holt ran the 3M Auto Repair Management Software (ARMS) workshop.

Waldron has been a member for the past 30 years, and as a member of CARSTAR's EDGE Performance Group (20 group), he is able to network with other MSOs and gain encouragement and insight as to what has been successful in their businesses. A corporate representative may be knowledgeable, he pointed out. But the advice has additional impact when it's from fellow MSOs from noncompetitive markets in how they approach their operations of multiple locations. It's made all the difference in allowing him to expand.

"You take chances and you struggle; you have your ups and downs, you know? But all in all, in my opinion, going with more than one location is the way to go if you want to survive today. I think you couldn't do this 20 years ago, though. We didn't have the technology, we didn't have the information, and we didn't have proven track records on how to run multiples. We even have an IT professional to help with that. Today is a different day and age."

Running multiple shops and maintaining CSI and NPS scores requires emSHOP PROFILE

ployees to be on board with corporate goals, he continued.

"You have to have a good staff who believes in your dreams and your goals. And you have to make sure everybody is buying in and doing the right thing through SOPs and a lot of checks and balances."

Formal technical training program, I-CAR Gold status

As a high school freshman, Waldron went to Assabet Valley Regional Technical High School in Marlborough thinking he may study either carpentry or auto mechanics. But those two subject options were not available, and he ended up in the body shop class. He quickly found he enjoyed it, though, and he chose to continue on that educational path through high school. "The rest is history," he said.

Understanding that recent trade school graduates often fall through the cracks without encouragement from fellow workers at their first shop, Waldron implemented a mentor/mentee program written by his part-time human resources manager.

"They come in as DFR [Disassemble for Repair] techs, so they disassemble the vehicle properly — nice, neat and organized."

Once the mentor checks off that those tasks have been mastered, the mentee advances to removing small dents and continues to advance. Once the mentee completes that program, the company buys the newly minted technician a starter tool set. If they stay with the company for six months, the tool set is theirs to keep.

"It's a nice little incentive for them. We're not spending thousands of dollars on them, but we're spending a few hundred dollars. I don't try to convince anybody that this is how they're going to spend the rest of their life, here at one of my facilities, but if you prove you can come in every day on time with a good attitude, a clean uniform and with good work ethics, I'll work with you."

Education does not end with formal training, Waldron recognizes, which is why he pays for all of his staff to be I-CAR trained. And all of his facilities are I-CAR Gold-recognized. [Waldron pointed out there are no DRP agreements to require it.]

That education is more important as vehicle complexity increases, which is why Waldron's shops adhere to OEM repair information for each repair, sourced from ALLDATA, CCC and I-CAR's Repairability Technical Support Portal. Waldron said he stresses to technicians that the correct repair is not always how the vehicle was constructed — or what may seem the most straightforward method.

"My rules, my ideas and my wants don't mean anything anymore. What does the manufacturer say? Sometimes, techs and I will look at what the manufacturer recommends, and it doesn't make sense. But I tell them, 'Guys, this is what they've done. They've put a lot of R&D into this and quite frankly, if something happens after we fix it and it doesn't hold, some attorney is going to make mincemeat out of us for not following those guidelines. So do the guidelines. It's not about us anymore."

OEM-certification programs have not shown ROI

Waldron said he had participated in multiple OEM-certification programs, but this is the second year he has not renewed them. Although he sees their utility, he hasn't seen the ROI.

"I started to look at it a little differently. We've got the lowest labor rate in the country and no DRPs, and now we've spent a lot of money on OE certifications, I-CAR Gold and all of the equipment and training we need certified for Honda, Ford, aluminum, Hyundai and Kia and so forth. And then they want me to give them \$3,000 annually per store to be on their list so I can fix their cars properly. "I do the math for all the stores and all the certifications, and we're talking some serious monies. If they want their cars to be repaired perfectly after the accident, then why do they want me to pay for it? How much more do they want from us? We're getting paid \$35 or \$40 an hour for the labor rate out here, and now we've got to start paying to be on your list? It just doesn't make sense."

Adjusting operations to the pandemic

At the time this article was written, Waldron was planning to use the pandemicinduced slowdown as an opportunity to catch up on needed maintenance.

"We just talked about the "New Plan" for the next few weeks of doing some work to the building, both inside and out, cleaning up some of our vehicles (we have about a dozen or so cars, pickups and tow trucks) and we're doing online training for I-CAR, CARSTAR U and CCC."

Waldron is quick to credit his staff for his enduring success.

"I wouldn't be where I am today if it wasn't for our people. I have employees who have been with me for coming up on 30 years. I couldn't be here without a handful of people along the way. As far as I'm concerned, I still have a long way to go, but I just thank the people all around me. CARSTAR has been very good for me. It's a very good, positive program that's been very helpful over the past 30 years. It offers a lot of great things; you just have to get out of your shop and get involved in something somewhere down the line, pay attention, find a system and use it." **M**



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