

The Case for Collision Repair Industry Self-Management

Imagine this futuristic dream: *Collision repair is a successful, profitable industry, respected by the public for its amazing ability to return damaged vehicles to pre-accident condition. It is easier than it used to be for the public to choose a collision repairer because shops now distinguish themselves by their industry qualifications and accreditation standards.*

Many shops are visible retail establishments with attractive external facades, plenty of customer parking and clean, modern reception areas. Some shops are fully computerized and use the most up-to-date equipment for repairing today's high technology vehicles. Others are less well equipped, but are successful in attracting the type of job that matches their capability.

Some collision repairers take great pride in their customer service, from the moment they hear of the accident until they hand back the keys. They provide progress reports on the vehicle repair and use process management tools to reduce cycle times, reduce costs and to delight their customers with their speed and efficiency.

Young people are attracted to the industry by the hands-on, but high tech jobs in structural repair and paint finishing. Others enjoy the challenges of customer service, process management and business operations. They are pleased by opportunities for skills development and are proud that the industry recognizes their achievement milestones with qualifications and accreditations. They understand the job functions and career opportunities available in a successful collision repair business and they know what skills they must develop in order to take on different roles.

It is not only the news features on local collision repairers' waste management initiatives, but also their consumer education events and marketing techniques that are motivating the public to visit shops for non-essential repairs. The public is pleasantly surprised at the appearance of today's shops, the efficient and courteous way in which they are treated and the quality of repair.

"Wait a minute, we already do all of that", will be the cry of many collision repairers. Maybe you do, but how can the vehicle owner and insurer recognize who does and who doesn't. There's no simple way to distinguish between collision repairers that have invested in their facility, in equipment, in training, in process management and in customer service, and those who have not. Young people considering collision repair as a career have little idea on how to distinguish between potential employers. Some insurers in some areas distinguish shops by quality criteria, but many do not.

In order to survive and prosper, individual businesses and the collision repair industry as a whole must face up to its major challenges - increasing costs, an ever-expanding range of vehicle makes and models, vehicle and repair technology changes and inconsistent regulations from different levels of government. Of course, another major challenge lies in the fact that there are 8,000 independent businesses operating in a mature industry with shrinking work volumes. Collision repair has been a fragmented, unco-ordinated industry due to Canada's size, uneven distribution of the population and the different styles between private and public insurers.

In 1999, "Prep for the Future" reported the results of a human resource study of the collision repair industry. It identified five critical areas that needed to be addressed in order to cope with the kind of challenges outlined above:-

- Industry Image
- Recruitment and Retention of Employees
- Entry Level Education and Trade Certification
- Ongoing Training and Skills Development
- Shop Accreditation

Let's focus on shop accreditation and start with some background on the issue; The nature of the collision repair industry puts it under constant threat of piecemeal, inconsistent legislation and regulations that threaten its survival as a profitable enterprise. As it becomes increasingly difficult to make a reasonable profit from collision repair, the capital and management skills currently employed in it may simply migrate to other industries. That would leave those *without* capital and management skills to carry out the ever more demanding and complex task of collision repair.

Perversely, governments seem willing to legislate on issues that serve their own broader agendas, e.g. isocyanate and VOC emission limits, but are reluctant to implement industry driven, positive reform such as the Collision Repair Standards Act in Ontario. So, rather than simply waiting for ad hoc provincial legislation to strike, the industry is considering the pro-active, positive step of self-management, i.e. let's get our own house in order without external interference.

A few years ago the notion of national self-management of the collision repair industry would have been almost impossible. Today, the industry has become much more united from coast to coast with more information sharing between regional stakeholder groups and a greater willingness to work together on common issues.

Many collision repairers believe that the industry should unite and begin to control its own destiny. They believe in the value of voluntary standards in areas such as facility, service, training and environment. Some form of accreditation in each of these aspects would benefit all stakeholders:-

Collision Repairer Benefits

- Level playing field
- Opportunity for quality-based competitive advantage
- Improved return on investment on existing business
- Stronger voice in business negotiations
- Increased ability to attract and retain staff
- Pride and self-respect
- Recognition for expertise
- Attract more work, especially self-pay and in public insurance markets
- Motivation for continuous improvement
- Improved image

Consumer Benefits

- Empowerment to distinguish between shops
- Improved trust and confidence
- Peace of mind
- Protection for 2nd largest investment
- Respect for a more transparent industry

Insurer Benefits

- Easier to help and empower policy holders in choice of repairer
- Increased customer satisfaction and retention
- Objective criteria for selecting collision repair partners of all types
- Cost savings from dealing with a more efficient collision repair industry
- Improved cycle times and simpler administration from a more quality driven collision repair industry

Government Benefits

- Fewer consumer complaints
- Established practical framework in place for future policy/ supportive legislation

Self-management through voluntary standards and accreditation should be recognized as a long term goal. With broad support for the principle and the vision, all stakeholders must work together in developing an outline plan. Those stakeholders should include national and regional trade associations representing collision repairers and their suppliers, I-CAR (training), CARS (HR development), the insurance industry (the customer) and CCIF (communications, facilitator).

The vision is bold and the challenges enormous, but the time is right for the industry to act. Progress will be made in small steps at a measured pace, with input and involvement of the whole industry. The choice is to self-manage or be managed. It is only the first option that offers an optimistic future for collision repairers.

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