



CCIF Calgary Meeting Report

**Canadian Collision Industry Forum
The Westin Calgary, Calgary, AB
Saturday October 20, 2007**

All About People

Twelve months ago CCIF's planning committee decided that "People" might be an appropriate theme for CCIF Calgary. Since then the severe labour shortage in Alberta has indeed highlighted the collision repair industry's need to focus on people issues. Albertan vehicle owners and insurers have experienced the loss of skilled labour to higher paying unskilled jobs and an inability to attract young people to replace them. This has limited the industry's capacity to provide a reasonable level of customer service. "Just about everything is secondary to the people issues faced by our industry", said outgoing CCIF chairman, Larry Jefferies. "What we've seen in Alberta may be a taste of things to come for the rest of Canada as the baby boomers retire and young people are drawn to higher pay and easier work in other industries. An adequate supply of labour is not the only people issue, though; managing and motivating staff, training, customer service and business management are all key areas in which collision repairers must focus more energy. Business survival will depend on excellence in these areas, not just on the ability to fix cars."

Continuing with the new format adopted for CCIF meetings at the start of 2007, there followed a full day of presentations, as reported below, interspersed with plenty of social breaks for meals, refreshments and, most importantly, meeting great people from every corner of the industry.

National Accreditation

Insurer-driven shop accreditation programs are already established in some provinces. Acknowledging this, and a wider industry interest in some kind of recognition program, Jay Perry has been running a work group to develop proposals on a national program that would be designed "by the industry, for the industry." The work group has defined three key components of accreditation - facility, technicians, non-licensed staff. Having established 25 criteria for the facility, the committee then turned its attention to technicians. A survey had been designed to gather opinions from technicians on continuing education. They are being asked questions that include what is most important to them, which courses they have taken and what type of recognition they receive for completing training. The results of the survey will provide guidance on creating

accreditation standards for technicians that will provide them with personal recognition as well as contributing to their shop's accreditation status.

Paint and Body Skills Competitions

Skills competitions exist to raise awareness and generate interest among school students, parents and influencers of careers in the skilled trades. They are run at local, provincial, national and international level, with many industries sponsoring and getting involved in the organization and running of the competitions. By doing so, they raise the profile of their industries and increase their chances of attracting the best students to them.

Collision repair does not enjoy a high profile in the list of skilled trades that young people might consider as a career choice, probably because there is little interface between the industry and the public, compared with industries such as electrical, plumbing, construction and hospitality. The first step, therefore, is to at least create awareness of the interesting and challenging opportunities that collision repair does provide. Skills competitions provide a showcase for every industry that participates. Shaun Thorson of Skills Canada pointed out that although body repair continues to be represented at all levels, painting has not been represented at national level since 2002. Shaun spelt out clearly what the industry would need to do if it wished to see representatives competing at all levels in 2008:-

- ☞ Provide evaluators - collision repairers who will judge the competitions
- ☞ Participate in provincial technical committees to design the competition and determine evaluation criteria
- ☞ Provide facilities - paint booth availability at collision repair shops, training facilities or colleges
- ☞ Provide materials and equipment, including paint, body repair products, tools etc.
- ☞ Provide financial support for contest related costs e.g participant travel, accommodation

With the national finals in Calgary in May 2008 and the next WorldSkills international competition there in September 2009, what better place than CCIF Calgary to start getting involved in this initiative, suggested Brian Pardell of WorldSkills. There will be 850 competitors from 48 countries at WorldSkills Calgary and 100,000 spectators. What a tremendous opportunity this will be for the collision repair industry to showcase itself as an exciting career alternative to the better known trades. Volunteers interested in learning how they can help fill the needs listed above should contact CCIF Administrator, Mike Bryan for more information as soon as possible.

Process & Innovation - Finding Great People and Keeping Them

Ken Friesen of Concours Collision Centres opened this session by stressing the importance of training in an industry where vehicle safety is a key issue. With the growth of vehicle history tracking, body repairs would be included in the log. In the event of problems or future accidents, the quality of previous repairs may be investigated and if found to be at fault, the repairer could be liable. "Claiming to be too busy or that training is too expensive, just doesn't make sense when you consider the potential liability for unsafe repairs performed by inadequately trained technicians", said Ken.

In handing over the chairmanship of the Process & Innovation committee to Martin von Holst of Fix Auto, Ken commented that he had challenged his committee to come up with 101 Ways to Attract and Retain Staff. At first this had seemed an impossible task, but he congratulated them on achieving their goal and producing a hand-out for CCIF participants with 101 tips and ideas on how to do it.

Martin von Holst led a panel discussion on what needs to be done to bring more young people into the trade and keep them motivated and challenged enough to stay. The panel comprised:

- ☞ Mike Mario of Regina Auto Body
- ☞ Nick Penner, Fix Auto and National Skills Competition Gold Medallist
- ☞ Leigh Smithson, High School Regional Apprenticeship Program (RAP) Co-Ordinator
- ☞ Brian Williams, Southern Alberta Institute of Technology
- ☞ Ken Withell, Advanced Coatings

Leigh described how other trades call him at RAP for apprentices, but he has never received such a call from any collision repairer. Based on this experience, he assumed that the collision repair industry was not in need of entry level staff. Mike has found that traditional classified advertising no longer works, but has had success in attracting new staff through radio advertising. Brian spoke about the health of the apprenticeship system, saying that there were now 63,000 apprentices in Alberta, compared with 40,000 just four years ago. Over 100 apprentices a day are being signed up, but so few applications are being made to autobody that some programs are in danger of being cancelled. Like Leigh, Brian assumed that the industry did not need new people. "These comments from those willing and able to help the collision repair industry should serve as a wake-up call", commented Martin. "We keep hearing that our industry is invisible to the outside world and we clearly have to do more to change that", he added. Martin announced that he was booked to make presentations at three schools and encouraged others to do the same in their local areas. Nick provided the perspective of a young entrant representing exactly the type of person needed to maintain the capability of the industry. He believed that the school system and the industry should set its sights higher in terms of the quality of young people it aims to attract. The industry needs to target quick-minded people who are able to learn new skills and manage complex businesses. "The work is truly interesting and challenging, but the industry will always be at risk to losing its best people if it doesn't recognise them and pay competitive salaries", added Nick.

Alberta Update

Victor Marciano, of the Alberta Service and Repair Association, reported that the number of collision repair shops in Alberta had reduced from over 600 to about 400 in the last few years. With the average age of technicians being 48 and the average age for leaving the industry being 52, Victor believed the labour shortage would soon become even more serious, forcing further industry consolidation.

So much for the future, but the current situation is already critical. With fast food outlets paying more than collision repairers are able to pay their senior

technicians, the labour shortage has become so serious that the industry is struggling to provide an acceptable level of customer service. Repair delivery times have been running at 90-120 days and this has prompted insurers to complain and call meetings with collision repairers. The benefit of these meetings has been a greater understanding of each other's position, e.g. that insurance is heavily regulated and insurers are not free to make any changes that they wish, that insurance have staff shortage problems, too, and that the insurance business is very competitive, so much so that he had found insurers unwilling to discuss solutions in the same room as their competitors. On the collision repairer side, Victor commented that discussions at these meetings showed what a poor job the industry has done in the past to explain the big picture aspects of its problems. The Alberta government had been planning to roll back auto insurance premiums by 2.6%, a move that would have put more pressure on reducing the cost of repair. However, since understanding the negative implications of this for all parties, including the consumer, the government has authorized the insurance industry to hold rates where they are.

USA - Collision Industry Conference

Stacy Bartnik, chair of the Collision Industry Conference (CCIF's American equivalent), outlined the top subjects being addressed as common national issues in the USA by CIC - Insurer relations, business management, governmental (licensing and environmental), insurer parts procurement, education and training, technology (software and information access). CIC has an active committee system with eleven of them currently working on research and the development of solutions and best practice recommendations.

Impact of Leadership Style on Business Success

Management is simply power granted by title or position. The word management suggests control, power, authority, but what really matters is leadership and the ability to influence, said Mike Bryan of Rockwood Learning Solutions. Everyone has their own natural leadership style and one way to get a perspective on this is to consider the styles of managers and teachers from our own experience or to look at well-known leaders in government and business.

Understanding one's own natural style of leadership is the first step, but then it's important to consider how this impacts business success. The next step is to learn how to adapt one's leadership style to suit the situation and the individual. There are situations in which a "directive" leadership style is most appropriate and others when a "supportive" style is called for. Directive leadership involves telling and showing, while supportive leadership involves motivating, assisting and giving feedback. In highlighting the traits of both first class and second rate leaders, it was clear that neither a totally directive or totally supportive style was desirable or effective. After all, people are *the* key competitive element of a business and should be nurtured, coached and led according to the needs of their own personalities and their current situation in order to achieve their optimum performance and maximum positive impact on the business.

I-CAR Sneak Preview of New Programs

When it comes to vehicle technology, remembering what all the acronyms and letter combinations mean and to understand what they are, is a challenge in itself, said I-CAR's Joe Da Cunha, as he reeled off terms such as TPM, HEV and DSC. More important though, is the need to be aware of what the rapidly

advancing technology means for collision repairers. New technology that starts in the high end brands soon finds its way to the mass market and can show up in the collision repair shop at any time. Repairers cannot assume that their knowledge and past experience will suffice when repairing computer controlled parts and new substrates. That's why I-CAR is constantly developing new programs to keep collision repairers up to date. With the I-CAR SPS07 program and the brand new SPS08 program to be launched at NACE, I-CAR training is full of valuable content on front structures, laminated steel, tailored blanks, hydroformed parts, multiple layer construction, foams and weld bonding.

Attracting More Customer- Pay Work

Winning more customer- pay work at retail prices can be highly profitable and should be included among a collision repairer's marketing goals. That was the view of RIFCO's Doug Decksheimer, as he explained how to overcome the impact of high deductibles, fear of increased premiums and preferred choices for available funds. "You've heard all the stock phrases that vehicle owners use as objections when they receive your estimate", said Doug, "but often they can be overcome by presenting a choice of payment options". These should include credit card payments and quick approval, third party financing options. The latter may also provide sufficient credit room that enables inclusion of additional cosmetic repairs that the vehicle owner had never bothered to get fixed.

Retailers of consumer goods learned long ago that making credit easily available was a great way of winning business and minimising price objections. Collision repairers can also take advantage of this marketing tool, particularly at a time when the average Canadian seems to have less disposable cash. While vehicle repair financing applications are rising, the amounts applied for are decreasing. In fact, more credit is granted to pay \$500 deductibles than anything else. This indicates an increasing opportunity to create win-win situations, where the vehicle owner gets her vehicle repaired without delay and the shop wins a profitable job.

CCIF Chairman

This CCIF was the last for Larry Jefferies in his three-year term as CCIF Chairman. He looked back over the period as a time when he built on the success of his predecessors, Glenn Hickey and Ken Friesen. "Participation has continued to grow and more value has been added through the quality and relevance of information provided at CCIF", commented Larry. "We continue to listen to the industry and reflect its interests through presentations and the activity of work groups. We have provided a vehicle for debate on the subject of accreditation, but now the industry must decide how far it wants run with the idea and what sort of organization it wants to manage any program that emerges." Larry concluded with the observation that "people" issues would continue to loom larger and the industry at both individual and strategic levels, would have to improve its marketing efforts dramatically in order to attract its fair share of technicians and managers, too.

CCIF Administrator, Mike Bryan and incoming Chairman, Tony Canade of Assured Automotive, both paid tribute to Larry's leadership and integrity. "Larry will be a tough act to follow", said Tony, but having already demonstrated his own longstanding commitment to CCIF and other industry volunteer

organizations, there was no doubt that in his new role Tony will prove to be an outstanding leader and great asset to both CCIF and the collision repair industry.

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