



## CCIF Edmonton Meeting Report

Canadian Collision Industry Forum  
Marriott Edmonton at River Cree Resort  
Saturday, April 18, 2009

In March 1999 Edmonton was host to CCIF's very first meeting. It's newly appointed first chairman, Ken Friesen, launched the organization by asking the 65 participants to show their support by becoming the first CCIF Maple Leaf Sponsors. With their support and the consistent backing of its corporate sponsors, CCIF has grown steadily since then to become a must-attend event for industry leaders. Ten years and forty meetings later a record Alberta turnout of over 200 provided testimony to the unique value that CCIF brings to the industry.

### **Global Trends in Collision Repair**

AkzoNobel's Doug Kirk, a European based manager with global responsibility, shared his views on several collision repair industry topics that may have implications for the Canadian market. While many differences still exist between markets around the world, vehicle technology, environmental regulation, multi-national insurers and suppliers are creating areas of common interest, at least among the more advanced economies. For example, insurers internationally are focusing more on policy retention and are becoming clearer in how they wish that need to be met, i.e. by working with reliable partners who provide invisible repairs in a reasonable timescale. Although KPIs, productivity and efficiency were clearly important to insurers, the importance of policy retention suggested that more CSI focus should be put on policy holder retention at the next policy renewal date.

As Canadian collision repairers convert to low VOC systems it might be time to consider the marketing of small repairs, since waterborne basecoats tend to have superior blending capability. Doug quoted a UK example in which one shop is carrying out 300 customer pay small repairs per month, all from identifying the sales opportunities in dings, dents and scratches while vehicles were in for mechanical service or repair.

Predictive estimating was explored several years ago in Canada, but never took off. Doug reported that the latest versions of software being used in Europe, such as "Inventor", are able to "guesstimate" up to 95% of the parts required for a repair. From the data entered, the software program interfaces with the estimating system and predicts the parts needed by measuring the amount of damage incurred.

Procurement of parts and services by insurers is a trend that is beginning to develop in Canada. In Europe and other countries it has become an established way for insurers to use their buying power to reduce the costs of parts. The supply chain remains the same, but insurers are electronically included in each purchase transaction, so that they can benefit from the pricing that they have negotiated with parts suppliers. Doug said that some UK shops believed the impact of this process was to slow the repair process, create large inventories and to increase supplements. Also, if there are problems with parts purchased

this way, the responsibility falls on the shoulders of the insurer that specified/purchased the parts. Procurement strategies would appear to be driven by profit and it was not clear if they produce any benefits for the policy holder.

Commenting on the purpose of sharing information on international trends and practices, Doug said that forewarned is forearmed; by being aware of different practices from other countries that might begin to appear in Canada, the industry would be better positioned to judge the pros and cons based on the experience of others, and act accordingly.

### **Alberta Industry Update**

Consolidation of repair facilities continues, and Victor Marciano of ASRA predicted that despite the increasing population of Alberta, the number of shops would drop from the 700 of seven years ago to as low as 150. The loss is principally in the medium size facility, i.e. those without sufficient volume to justify the cost of increasingly expensive and diverse equipment. The small shops seem to always find a way to survive, focusing on the work that falls within their capabilities. Although many shops have closed, the shortage of labour continues, so it would appear that workers are leaving the industry rather than moving to other shops.

The labour shortage and consequent difficulty in meeting the needs and expectations of vehicle owners has led to improved relations between insurers and collision repairers. In plain language, insurers have had to become more accommodating of the challenges faced by collision repairers, with consequent upward adjustments to labour rates and more focus on working with fewer, reliable partners, said Victor.

### **CCIF Skills Program Achievements**

With the WorldSkills Competition heading for Calgary this September, Leanne Blackborow of the CCIF Skills Program, was proud to report that Canada would be represented by its National Car Painting Champion, Daniel Green. This resulted from the achievement of a CCIF Skills Program goal to facilitate the holding of a national competition in 2008 and financing/preparing the winner to enter this year's WorldSkills competition. Attendance at WorldSkills will be around 150,000 people, all of whom will be made aware of the existence of car painting and auto body repair as a career choice. CCIF participants are encouraged to attend and support the Canadian champions in both car painting and auto body repair.

Leanne reported that this year's national Skills Competition will take place in Prince Edward Island on May 20-23. Another goal of the CCIF Skills Program has been achieved in facilitating the inclusion of car painting and in making arrangements to hold the competition in a local shop, provide a video feed to the main competition site and to set up a booth in the main competition hall with new display material, brochures and the opportunity for students to try painting on a electronic simulator.

This initiative is being funded entirely by industry stakeholders who are providing cash donations, equipment, materials and physical support. Leanne urged participants to maintain their support and asked for more companies to volunteer their help for this ongoing initiative. The only body that really cares about the collision repair industry's shortage of entry level staff is the industry itself. Leanne hoped that the CCIF Skills Program would be recognized as an effective achiever of its goals to raise awareness of collision repair as a career choice and that the Program would continue to attract support.

Ken Boulton of The Dominion followed Leanne's presentation by making a new contribution on behalf of his company and continued with the use of his "unusual" and interesting techniques to encourage participants to join in. His encouragement resulted in further contributions of \$2,300 to the Program.

Shaun Thorson of Skills Canada reported on his organization's satisfaction with the CCIF Skills Program, a joint venture between CCIF and Skills Canada. The partnership is

producing results that neither partner could achieve on its own and is setting an excellent example of industry working with a government sponsored organization towards mutual goals. Shaun commented that Skills Canada is developing a new broader strategy that will go beyond the organization of Skills Competitions. He hoped that through CCIF the collision repair industry would continue to support and partner in further initiatives to attract young people.

### **Waste Not, Want Not**

Using a series of shop situation photographs to great effect. Martin von Holst of the CCIF Process & Innovation Committee, asked participants to identify the things that would cause inefficiency and waste, without adding any benefits to their customers. He then showed photographs of the same scenes, but where the problems had been corrected. Solutions included the labelling of shelves and spaces for specific items and making each space size suitable only for the designated item. It was not hard to identify the problem areas, said Martin, and the solutions are not difficult or costly either. What's needed is an objective viewpoint and the self-discipline to address the aspects that cause loss of time and unnecessary waste. To make it easy to get started, CCIF participants were provided with a simple check sheet and encouragement to complete it while walking through their facilities and to act on it. The "Waste Walk" check sheet and "Identifying Waste guide" prepared by the CCIF Process & Innovation Committee are attached.

### **Low VOC Conversion Breaking News**

CCIF participants were the first to hear the news from Guy Gagné of Environment Canada. He announced that the impending new low VOC regulations were ready to be published in Gazette II and would appear during May. Gazette II would state that the stop manufacture and importation date of current level VOC products would be one year after registration of the regulations and the stop sale date would come into effect eighteen months after the registration date. The extension of these dates beyond the originally proposal date was designed to provide adequate time for collision repairers to make the necessary changes to their equipment and provide training to staff, added Guy.

### **Standardizing Insurer Processes**

In the same way that there's always room to improve efficiencies and reduce complexity in the shop situation, there is also scope to do so within insurer practices. For collision repairers working with several insurers, the differences in their standard operating procedures can result in errors, inefficiencies and wasted time at the shop level. Flavio Battilana of Collision Solutions Network introduced the topic and moderated a panel comprising Colin Herbers of Herbers Autobody Repair Ltd, Terry O'Donnell of Westlock Chevrolet and Joe Carvalho of The Economical Insurance Group. Flavio began by looking at what has been driving work volumes, commenting that much good work is being done on improving and refining collision repair shop processes, but the impact is sometimes diminished by the lack of skilled staff. Nevertheless, the wider use of process does make the training of new staff more consistent and effective. Efficiencies were also being derived from improved use of information technology, focus on customer service, technical training and keeping up with the latest tools and equipment.

One panel member suggested that a key issue holding back progress in standardization and simplification by insurers was trust. Both insurers and collision repairers need to work more closely together on process development and refinement. But in answer to the question on how the benefit of increased trust could be measured, the response was that less is more, i.e. the less to and fro contact, the faster and more efficient the repair. Another panel member agreed, suggesting that insurers identify partners they can trust, then leave repairs to the experts, i.e. their collision repairer partners.

The panel acknowledged the co-operation between The Economical Insurance Group and The Dominion in standardizing some of their standard operating procedures. This work was

regarded as a positive step in the right direction and it was hoped that other insurers would recognize the benefits of harmonization in some of their SOPs and work on simplifying them for their collision repairer partners. Simplification of processes, a reduction in the number of insurers working with each shop and the adoption of lean practices would all lead to greater efficiency. When asked if insurers would lose competitive advantage through harmonization and standardization, the panel did not believe that would be the case, adding that although the suggestion might seem utopian, the issue was really one of common sense. The conceding of disputable competitive advantage may yield greater tangible benefits for all parties, concluded Flavio's panel.

CCIF would like to thank all its sponsors who made this meeting possible and who enable CCIF to maintain the registration fee at a level that makes its meetings great value and accessible to all:-

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