



CCIF Halifax Meeting Report

**Canadian Collision Industry Forum
Marriott Halifax Harbourfront
Saturday, June 27, 2009**

Thanks to the team effort of several Maritime volunteers, CCIF Halifax drew the largest number of participants ever in the region. The 170+ collision repairers, insurers, suppliers and service providers enjoyed a day full of positive attitude, industry action and valuable information.

Building the Industry's Image and Individual Pride

Ten years ago at CCIF's first meeting in Edmonton the 60 participants were grateful for the encouragement to develop this new forum into something of real value to industry stakeholders. Chuck Sulkala, a collision repairer from Boston and an active industry volunteer, had spoken about the need and the benefits of uniting the industry to work on common strategic issues. Now in 2009 Chuck returned to congratulate participants on the success of CCIF and to provide some inspiration on one of those ever-present issues on CCIF's original list – Industry Image. Among his many volunteer activities Chuck had founded the National Auto Body Council (NABC) in America to bring a national focus to this issue. A positive image is important because, as well as generating pride and self respect, it affects the industry's ability to attract and retain quality staff.

Recognizing that pride and self respect were fundamental to any image building activity, Chuck and his NABC colleagues had settled on the idea of trying to unite the industry behind a charitable cause. Their awareness of numerous individual, regional and group charitable activities supported their belief that collision repairers were generous and willing to give back, so they were encouraged to find a cause that could raise the profile of the industry at a national level. They settled on the idea of building a house for a family in need, and with the support of over 200 volunteers from all segments of the collision repair industry, the NABC and the Kansas City Habitat for Humanity successfully completed the project. Besides building a home for a deserving family and helping revitalize a Kansas City community, the project did much to promote the positive side of the collision repair industry. NABC continued to support deserving causes, including the Hurricane Katrina relief fund and their largest project to date, the \$500,000 funding of a medical centre at Camp-Mak-a-Dream, a cost free camp in Montana for children and families affected by cancer. Other volunteer

activities include the support and promotion of Recycled Rides, involving the repair and donation of recycled vehicles to families in need. NABC has also encouraged industry volunteers to approach their local Fire Departments offering training and guidance to rescue workers who, for example, may be unaware of how and where to cut high strength steels, handle the electrical danger in hybrid vehicles and disable airbags.

Chuck believed that the positive news generated by these industry initiatives outweighed the negative messages that are often associated with "body shops". He added that a huge bonus for volunteers has been the personal satisfaction in witnessing the impact of their efforts on the people they have helped. Chuck was conscious of several charitable initiatives already undertaken by Canadian industry stakeholders. However, he emphasised the value of a nationally co-ordinated voice that promotes and publicizes charitable work, inspires action and co-ordinates fund raising. He hoped that CCIF participants might rise to the challenge and take a similar path in building a positive image for their industry while generating pride and personal satisfaction.

CCIF Skills Program Success

The key goal of the CCIF Skills Program is to raise awareness of collision repair as a career option for young people. The annual Trade Skills Competitions run by Skills Canada had been recognised by CCIF as the best recurring opportunity to expose the industry to young people interested in skilled trades careers. After succeeding in having auto painting reinstated alongside auto body repair as one of the 40+skilled trades represented in these competitions, Leanne Blackborow, the CCIF Skills Program Director, reported on how collision repair had been taken from obscurity to star attraction at the recent National Skills Competition held in Prince Edward Island.

Supporting her presentation on the program's latest success, Leanne began by showing a video of the collision repair industry activity at the competition. The actual competition for Auto Painting was hosted by Centennial CARSTAR Collision in Charlottetown, who provided the use of their facility. The 12,000 students and influencers in attendance were able to watch the painting competition by video feed from Centennial CARSTAR to the auto painting display area of the main auditorium. The five major paint suppliers co-operated in helping to create an attention grabbing booth complete with take-aways, exciting visuals and an airbrush artist demonstration. The icing on the cake was the virtual painting machine that enabled students to "Try-A-Trade". This simulator created line-ups of excited students who were thrilled to hold an electronic spray gun and "paint" a screen.

One of the secondary goals of the CCIF Skills Program is to raise the level of industry involvement in solving its own issues and to generate pride in doing so. Leanne thanked the many volunteers who had helped as adjudicators, suppliers of products and services and those who were willing to do whatever was needed to make the competition and the display area a success. They installed equipment, set up displays, spoke with students and handed out the new brochure promoting careers in collision repair. Two of

those volunteers, Mark Weeks of Fix Auto Central PEI and Wayne Blair of Unifund Assurance spoke from the heart about the rewarding experience they enjoyed as volunteers at the competition. They spoke of their pride in contributing to such a successful venture and participating in such a positive activity alongside other industry volunteers. With a view to next steps, Wayne encouraged CCIF participants to get involved locally by becoming mentors and liaison contacts with schools, colleges and individual students.

In September the national skills champions from all over the world would be gathering in Calgary to compete in the WorldSkills 2009 Competition. Leanne announced that, based on the industry support seen at, and in the build-up to, the National Competitions in PEI, collision repair would be one of the few industries invited to exhibit in front of the 150,000 visitors. For the painting competition itself, RS Finishing Systems of Aurora, ON, had been commissioned to design and build a unique spray booth configuration that would enable it to be carried out and watched at the main competition site.

None of this would be possible without the financial support that established and maintains the CCIF Skills Program. Ken Boulton of The Dominion has played a significant role in both contributing funds to the program and encouraging others to do so. Ken took the stage to announce that he would hold a draw at this meeting for all those participants who made a contribution to the program. By now Ken's boxer shorts, displayed to raise funds at previous CCIF meetings, had become well known. They were now framed and inscribed "World Famous Ken Boulton Dominion of Canada Boxer Shorts in Support of the CCIF Skills Program 2009". Hoping he would not be questioned at Customs, the draw winner, Chuck Sulkala, had a rather unusual acquisition to carry back over the border to Boston.

Inspired by the generosity of CCIF participants in supporting the CCIF Skills Program, Flavio Battilana of Collision Solutions Network announced that his organization would match the contributions collected during the meeting up to \$1,000. Flavio commented on how gratifying it was to see the industry joining together in support of an initiative designed to address one of its major ongoing issues, i.e. the attraction of young people. His lead was quickly followed by others also pledging up to \$1,000: Assured Automotive, Auto Parts Network, Automotive Recyclers Association of Atlantic Canada, The Boyd Group, CARSTAR, Fix Auto, Integrity Collision Network and NAPA/CMAX. Combined with the contributions from individual collision repairers and others, the total raised was \$12,000.

No More Newspapers?

Bringing the issue of attracting staff to another level, Drew Williams of Careerbuilder, focused on recruitment advertising in today's on-line world. With some 23 million people in Canada going on-line every day, it was important to recognise and use the different internet and email based communication tools that exist, said Drew. It is evident that young people, in particular, spend their time receiving and sending information via MSN, Google, Yahoo, YouTube, Facebook and MySpace. Drew encouraged collision repairers to establish a presence on line with their own web site. The web

site could be used to promote careers and show why your shop would be a great place to work. The site could also advertise specific jobs opportunities with as much support information as necessary to gain the interest of young people.

How would your shop be found if a young person who had just visited a Skills Competition, searched "collision repair, Yourtown" on Google? How would an experienced painter or body repairer be encouraged to apply at your shop with just an ad in the local paper saying "Body man wanted. Good wages"? How can you expect to attract the best staff if they can't find out about your company on-line? Drew emphasised the need to create an impression and project an image. Even participation in charitable activities like the ones presented earlier by Chuck Sulkala could create a lot of web traffic. Reports or articles written by the local press or magazines will show up on Google, while videos and messages can be made available on YouTube and Facebook. With these new and rapidly developing communication tools available, there is a tremendous opportunity for businesses to use them for connecting with potential staff and giving them reasons to want to join your company.

Nova Scotia Industry Update

Collision repairers in the province were benefitting from the trend for people to keep their vehicles longer, said Lindsay Gates of the Collision Repair Association of Nova Scotia. However, the shortage of skilled staff was an ongoing issue and one that would continue to impact shops' ability to meet customer needs and expectations.

Many collision repairers have made the switch to waterborne products and are noticing an increase in material costs. Lindsay hoped that more appraisers would acknowledge this increase and reflect them in their appraisals. Smaller shops that have not yet converted are playing a game of wait and see. However, it remains to be seen if they maintain this position now that the industry's conversion process and deadlines have been clearly defined by government regulation.

Appraiser Certification

In order to professionalize hiring standards, create trade recognition and facilitate repair standards, the Automotive Sector Council of Nova Scotia has been working with the province's Automobile Insurance Appraisers Association to establish a compulsory training and certification program for appraisers. Shannon Smith outlined the benefits and rationale behind the move, but reported that the recent change of government following the 2009 provincial election, would put the plan on hold for now.

Growth of Collision Repair Networks

Like many other industries, collision repair must respond to its external influences. Former CCIF chairman, Larry Jefferies of CARSTAR, took a look at those influences and the impact they are having on the way in which the collision repair industry operates.

The first key influence, said Larry, is the vehicles themselves. Advanced technology is making repairs more complex and affecting reparability. This raises the issue of new requirements in tools, equipment and training and

the policies of vehicle manufacturers in making these available to all or only designated collision repairers.

When it comes to who is repairing vehicles, there have been noticeable changes in recent years. For example, in Ontario, where the total number of collision repairers appears to be in a steady but fairly slow decline, the networks and multi-store operators are enjoying a growing share of the business, with Assured Automotive, CARSTAR, Collision Solutions Network and Fix Auto accounting for about \$350 million of the province's estimated \$1 billion collision repair volume. In the last 15 years or so, Auto Pro, Procolor and other networks across the country such as the Boyd Group, Craftsman Collision, Kirmac, have also grown market share. While network repairers represent only about 20% of the shops in Canada, they account for about 50% of the business. Some vehicle manufacturers have established collision repair programs to support their dealers in growing their market share, too.

With more demanding consumers, fewer and more demanding insurers and the need to manage changes in vehicle and repair technology, there has been an increasing focus on Key Performance Indicators (KPIs). This has created a greater need for emphasis in management of the repair process, customer/insurer relations, training and in continuous improvement. Looking at short term trends, Larry predicted that these factors will continue to cause more vehicle repairs to be carried out by fewer repairers, more specialization and better marketing to capture the small repairs that may otherwise not be carried out. Successful repairers would be those who adjust to the need for higher efficiency and respond to changing customer needs. After years of micro management and downloading of administration from insurers, there needs to be a reversal of this particular trend and the establishment of trust that allows repairers to focus on what they do best and concentrate their resources on vehicle repair and customer satisfaction. There should be no need for appraisals, imaging and complex paperwork between long term trusted partners. Improved software and an audit process would make it possible to dispense with these costly processes that impede efficiency and lengthen cycle time.

Larry saw further concentration of the industry into various forms of network/banner groups. These organizations continue to strengthen their ability to provide a host of "Out of the Box" services such as central billing, training, strategic alliances and published standards. Independent single shop owners looking to the future should consider whether to grow their business, join a larger entity, learn how to do more with less, harness the power of technology and work on the management and measurement of financial and business performance. It is important for them to understand the options available to them and fully consider what is important to them, e.g. "Can I address the ongoing changes and challenges on my own as I am? How will I manage insurer relations, consumer recognition, systems, networking, benchmarking and profitability?" The bottom line, said Larry, is to recognize the trend, think through the issues and make a conscious decision on the future of your business.

21st Century Auto Recycling

Steve Fletcher of the Automotive Recyclers of Canada reported on the successful recyclers conference held in conjunction with CCIF at the same venue the previous day. He noted some parallels between the auto recycling industry and collision repair, such as the interest in environmental responsibility, the identification and sharing of best practice and the need for common standards. Steve cited a goal of the recyclers to provide collision repairers with recognizable standards for recycled auto parts. He also called for greater accessibility to the purchase of scrap vehicles in order to build recyclers' parts inventory and be able to meet their customers' needs. The recycling industry continues to benefit from the software solutions and communication tools provided by its suppliers to show the availability, price and location of recycled parts. By making it easy to source recycled parts, Steve hoped that collision repairers and insurers would continue to grow their use, thus reducing cost and strengthening their environmental responsibility.

IBIS Global Symposium

CCIF chairman, Tony Canadé, reported on the annual global symposium, IBIS, that had recently been held in Europe. This year the conference was held against the backdrop of a global recession and many of the presentations had focused on the basics necessary to survive. On the subject of sustainability there was a clear message about the need to focus on what you do best, not necessarily on being the best. Customer service excellence and a commitment to leadership, principles and core values were also essential to survival and growth.

Total losses have increased to a level of 20% and with the increasing use of high technology materials and parts, this figure could continue to rise, thus depriving the collision repair industry of work and causing dissatisfaction among vehicle owners. The suggestion was that more specialization in understanding reparability might help in holding back the trend. Tony proposed that mitigating total loss reduction would be an ideal topic for a CCIF work group to address. He invited anyone interested in forming such a group to speak with him.

In the discussion on how to prosper in difficult times, IBIS saw operating discipline, focused leadership and a strong balance sheet as key elements in being prepared for the future. "Faster, cheaper, better" would be replaced by "faster, better, more valuable and innovative." Reduction in waste, attention to "revenue per employee" and a focus on core business would also be key to survival and future prosperity, reported Tony.

In closing, Tony invited all participants to attend CCIF Saskatoon on October 17th for another useful and enjoyable day of industry camaraderie, new information and knowledge sharing.

Please note new CCIF email addresses:-

Mike Bryan – mike@ccif.net

Pam Bryan – pam@ccif.net and administrator@ccif.net

CCIF would like to thank all the sponsors that made this meeting possible:-

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