



## **CCIF Mississauga Meeting Report**

**Canadian Collision Industry Forum  
Delta Meadowvale Hotel, Mississauga, ON  
Saturday, June 21, 2008**

### **"Leading Your Team to Success"**

"With the theme of this meeting being about leadership", began CCIF Chairman, Tony Canade, "what better way to start than with an opening address from the Mayor of Mississauga, Hazel McCallion. Indeed Mayor McCallion demonstrated her own leadership qualities as she spoke about treating her city's tax payers as customers, promoting fairness and welcoming foreign investment in her debt-free city during her 30 years as mayor. She congratulated CCIF for showing leadership in bringing together stakeholders from the fragmented collision repair industry to find new and better ways of doing things. "Since your industry provides an essential service, it is good to know that you are showing leadership by discussing how improve your businesses and customer satisfaction," concluded the mayor.

### **Myths, Lies and Leadership...The Simple Truth About How to Lead Your Market, Your Business and Your Life**

"Every industry thinks theirs is the toughest and their challenges the greatest," said Donald Cooper. "Running a business is certainly tough, but if you truly love it, you'll find ways to satisfy increasingly demanding customers and cope with stronger competition, shrinking margins, increasing complexity and finding/keeping great staff." Donald explained the problem of overcapacity and how it affects margins; a market may be able to support three competitors, but there may be five in business. The top company will achieve an ROI of 15-20%, the second will achieve 10-12% ROI, the third will break even and the other two will lose money. What is interesting is that when the two money losing companies go out of business, someone will perceive a gap in the market and promptly fill it, thus perpetuating the overcapacity and the pressure on margins for all five competitors. Donald suggested following the strategies of successful large corporations that will only enter or remain in a market if they can reach the number one or two position in it.

Donald drove home the point that mediocrity in business is no longer an option. Once the customer has experienced "Disney World", they expect nothing less. So the challenge is how to create an extraordinary customer experience, whether it be through creative, visible features or simple "go the extra mile" services that "wow" your customers. The first task of leaders and managers, though, is to create clear commitments – commitments to the future of the business, to customers, to staff, to the community and to family. Commitments should be derived from a

vision of the desired future and should be expressed in a one page clear and measurable vision statement, devoid of the usual "aims, goals and targets", but with clear and compelling *commitments* to the business, customers, staff and community.

Instead of defining themselves by the business they are in, companies should restate their role by describing how they help their customers. They need to ask more questions to understand their customers better, building and maintaining information on their purchase history, their interests, their lifestyle, their concerns and needs. To grow a business by gaining new customers and retaining existing ones, it is not enough to be extraordinary through uniqueness; the customer experience must provide compelling value. A sure sign of failing to provide or communicate that value is when customers see nothing else to focus on except price.

Addressing another major issue of the collision repair industry, Donald spoke about the need to create a business where people want to work and to be committed to its success. Companies must understand what staff want from their work, but also communicate to them the vision for the business, seeking their feedback and *their* commitment to the vision. It is essential that the whole team be on the same page with the same sense of commitment to the business and to their role in achieving the vision.

### **IBIS Global Collision Repair Conference Report**

Fresh back from attending the International Bodyshop Industry Symposium (IBIS) in Montreux, Switzerland, Tony Canade shared key discussion points from this conference. He observed that participants were mainly from the corporate sector, rather than collision repair industry itself, but that the topics were indeed critical to all industry stakeholders. For example, new vehicle technology is moving rapidly to develop accident avoidance features. Clearly, the cost savings to insurers in reducing the number of accidents are potentially huge, so it would not be surprising to see this technology spread quickly into the mass market. The other aspect of adding costly technology that reduces accidents and personal injury, is that when a collision does occur, the cost of repair increases, often to the point of making the vehicle a total loss. It was recommended that the collision repair industry work more closely with vehicle manufacturers to influence vehicle design and repairability.

While on one hand the trend towards corporate consolidation continues, the diversity of OEMs, brands and vehicle models is growing. There may be limited export potential for some of the new vehicle manufacturers developing in emerging markets, but they will bring innovations in cost and technology that may influence manufacturers in mature markets. With the increase in vehicle brands fighting for market share, competition will drive new model/variant introductions over shorter time scales, thus increasing the number of parts and the complexity of repair.

An IBIS survey of CEOs revealed that the issues of greatest concern were technical skill levels and environmental legislation. Vehicle technology is moving ahead of the industry's ability to repair some models. In order to meet customer needs, vehicle manufacturers must work more closely with the industry to ensure the availability of trained technicians and equipment in order to carry out repairs correctly and safely. Further waves of environmental legislation were expected to

keep impacting the industry, putting more pressure on costs and the ability to operate profitably.

Other presentations at IBIS focused on lean production and the need to develop new strategic relationships in order to find new creative solutions. Tony expressed some pride in the fact that many of the issues discussed at IBIS were already being addressed at CCIF meetings. Good examples are best practice recommendations on lean production techniques presented at CCIF and CCIF's strategic partnership with Skills Canada to raise awareness of collision repair as a career choice.

### **Government Regulations Affecting the Collision Repair Industry**

"The purpose of government regulations is to provide Canadians with a safe and healthy environment in their home and workplace," said Bruce Henderson of DuPont Performance Coatings, as he began an overview of current and future regulations affecting the supply of materials to the industry. These include the chemical content of products, labelling, shipping and emissions. Bruce cited the main components of the regulatory areas administered federally, provincially and regionally – Workplace Hazardous Materials Information System (WHMIS), Precursor B Regulation, the Canadian Environmental Act (CEPA), the Chemical Management Plan and Toxic Substance regulations.

CEPA gathers information on chemicals and tracks their use, raising concerns if necessary and requiring CEPA compliance for all chemical components of a product before it can be imported into Canada. Under the Chemical Management Plan there is an aggressive project to reassess 11,000 chemicals that were grandfathered by CEPA in 1984. Only four of five of them are used in products used by the collision repair industry, but manufacturers will be ready to face the issue if the reassessment calls for their elimination.

Provinces and in some cases, local "regions" such as Greater Vancouver, the cities of Toronto and Montreal, are responsible for regulations on emissions into the air and water. Ontario introduces 7-10 changes each year in its air permitting and is also developing new toxics regulations. Quebec is introducing new VOC regulations for air permits and British Columbia is working on new greenhouse gas initiatives.

Sarah Paul of the Ontario Ministry of the Environment (MoE) described a new streamlined process for the Certificate of Approval that all Ontario collision repair shops must have in order to operate legally. Any changes, such as switching to low VOC coatings, installing new fans or spray booths, would trigger the need for a new C of A application. Usually, this would require the involvement of an environmental engineering consultant, but MoE has developed a streamlined screening tool that enables collision repairers to enter information on an MoE web site to assess whether they may apply via the streamlined process or the more traditional way with an environmental engineer's help. The process is still at the pilot stage, but anyone interested in participating or finding out more about it should contact MoE's Zafar Bhatti at 1800 314 8001 or [zafar.bhatti@ontario.ca](mailto:zafar.bhatti@ontario.ca) .

### **Waterborne Survey Results**

Cindy Macdonald reported the results of Bodyshop Professional Magazine's benchmark survey on the conversion to waterborne products. On a scale of one to ten, collision repairers reported their satisfaction with the conversion experience as an eight. While just under 10% of respondents had spent less than \$1,000 on

the conversion, over 20% had spent more than \$20,000. If they had to do it again, some shops commented that they would do more research into paint brands and equipment and that they would seek more financing. With regard to post-conversion costs, 40% stated that operating costs were higher and over 50% said that material costs were higher. While 46% of respondents claimed that productivity was about the same, nearly 40% said that it had improved. Overall, satisfaction levels with the conversion were high, as was the satisfaction with paint supplier support.

### **The Journey of a Recycled Part**

Steve Fletcher of the Ontario Automotive Recyclers Association spoke about a recent tour by industry stakeholders who had followed each step of the process for locating and receiving a recycled part. Over fifty collision repairers and insurers began their journey at State Farm's Aurora head office and then on to CSN Bayview & Steeles Auto Collision shop where they identified a need that could be met with a certain recycled part. The group moved on to Carcone's Auto Recycling in Aurora, where they saw how the part could be located from stock or anywhere in North America, priced, ordered and shipped to the collision repairer. The tour ended at Oaktown Collision in Richmond Hill, where the high energy and level of questions indicated that the tour had opened some eyes on a segment of the industry that everyone had thought they understood before, but were more enlightened now. "CCIF talks about the value of bringing people together so that they can understand each other, to learn and find solutions together," concluded Steve. "Comments on our tour seem to confirm the value of this communication exercise."

### **CCIF Skills Program**

The increasing need to attract young people into careers in collision repair has always been a focus of CCIF, but the existence of Canada-wide skills competitions has provided a tremendous opportunity to expose the industry to thousands of students and influencers. Leanne Blackborow explained the unique partnership that had been created in April between CCIF and Skills Canada, the body that organizes the trade and technology skills competitions at regional, provincial and national level. Thanks to funding from a wide range of industry stakeholders, Leanne has taken on the role of industry representative and is acting as the link between the industry and Skills Canada. True to CCIF's role, Leanne will identify issues, gaps, problems and opportunities, influencing others to take actions that meet the goals of the CCIF Skills Program. Program goals include:-

- ☛ Ensuring that there is a national car painting champion in 2008 and a coach to prepare him or her for the 2009 WorldSkills Competition in Calgary. The achievement of this goal has already been reached, as a direct result of Leanne's intervention.
- ☛ Identify what can be done to maximise the number of regional and provincial car painting and auto body competitions.
- ☛ Involve the industry in providing materials, facilities, equipment and people to design and judge the competitions and to meet, greet and promote the industry to visitors at the Skills Competitions.

- ☛ **Create the linkage between the industry and Skills Canada to ensure that industry support is available to the competition organizers across the country.**

**Reporting on the 2008 National Skills competition that took place in Calgary, Leanne said that there had been 550 competitors competing in 40 skilled trades. In auto body repair students from every province except PEI competed in projects including welding and frame measurement. In car painting, students using waterborne paints for the first time, represented Alberta, Quebec, New Brunswick, Newfoundland and Yukon. The importance of establishing national champions in these two skill areas can be appreciated when one considers the size of the opportunity for exposure provided by the WorldSkills Competition – 150,000 visitors watching 50 skilled trades in action. As well as the need for more funding to sustain the industry’s support through the CCIF Skills Program, a big challenge will be how to install one or more spray booths at the main competition sites. Currently, exposure of car painting at all levels of the Skills Competitions is limited by holding them at off-site facilities.**

**Leanne thanked CCIF Skills Program sponsors individually, without whose support there would have been no 2008 national car painting champion to compete at next year’s WorldSkills Competition. She encouraged others to make contributions to sustain the program and help it achieve its goals for the industry.**

### **The Y Factor: Engaging the Younger Generation**

**“It’s one thing attracting young people,” began Laura Cole of the Dale Carnegie Business Group. “But it’s another thing to understand their needs, keep them motivated and retain them as long term staff.” The Y or Millennial generation represents those born between 1977 and 1998 and, like every generation before them, has been shaped by its time. “Gen Ys” are confident, optimistic and believe they have the power to change things. They may appear to have short attention spans, but this may be because they can multi-task and because they simply get things done quickly. They believe in the wisdom of the group more than authority, and they influence by talking rather than rebelling. They may not complain, but just do something differently or rewrite the rules based on their perspective.**

**The Y generation grew up in a safe environment, transported by minivan, in safety seats, to facilities that met all their needs. In sports and competitions there were trophies for everyone – just for showing up.**

**So what does all this mean in the workplace. First, more than 50% of Gen Ys have had three or more jobs in the last five years. Employers often recognize that this generation *is* different, but simply don’t know how to deal with it. What the Gen Ys are seeking is good pay (many of them have large school debts), respect, fun, responsibility, frequent feedback, mentoring, benefits and security. They want to feel secure, appreciated and allowed to be creative. Work is important to them, but as part of a balanced life which includes family, friends and many activities. They are willing to work hard, but want to enjoy it, making friends and socializing with their co-workers, too.**

**It’s important to recognize that trying to change Gen Ys won’t work. You can keep trying, but you’ll keep losing them. So if your goal is to keep them, the key to success is to work with them. Make sure they understand your vision and goals for the business and that they are truly aligned with them and on board. Provide structure by organizing schedules, setting deadlines, seeking commitments,**

defining tasks and success factors. Encourage their “can do” attitude and support their personal self-image, while taking advantage of their team spirit and getting them involved in company social events. Listen to them and ask for their opinions and ideas. Respond to their need for change and new challenges so that they don’t get bored or feel that their contribution has no value. Respect their life balance needs and provide fun opportunities in an employee-centered workplace. By adopting the attitude that your job is to accommodate them, rather than change them, you’ll keep the brightest and the best for years to come.

### **Mentors at Work**

In concert with the ideas expressed about the Y generation, Mark Claypool of VeriFacts Automotive, showed some alarming statistics about the looming skilled labour shortage, emphasizing the critical importance of running a business in such a way that it not only attracts, but also retains the young people it will need to survive. The industry has not done a good job of attracting and developing apprentices, but studies have identified the key elements of apprenticeship programs that have proved to be successful. The key elements include strategies and processes for recruiting entry-level staff, apprentice orientation, mentoring, pay plans, accountability, tools and equipment. All of this provides structure and consistency that will certainly be appreciated by the apprentice, but most important is the mentor principle, i.e. a designated experienced employee who will support and develop the apprentice.

A mentor should be chosen, not because he is the best or fastest technician, but because he has respect for others, technical expertise, the desire to mentor, company loyalty and above all, good communication skills. Just as teachers are trained to teach, mentors at work benefit from being coached in how to mentor apprentices.

Mark explained that his company’s Mentors at Work program can help with the selection criteria for apprentices and with strategies for reaching out into schools and colleges to identify and attract young people with the potential to become skilled technicians. To create the best first impression, an apprentice orientation program should be in place to share the company’s vision and goals, discuss what’s expected of them and excite them about their roles. From that point on, regular reviews between the mentor, apprentice and the program co-ordinator, will keep the focus on developing the apprentice’s skills, dealing with issues before they become problems and keeping the young person motivated to make his or her career at your shop.

Tony Canade commented that several of the day’s presentations had fitted perfectly together in providing important insight on ways to beat the challenge of maintaining a skilled workforce. The changes that are needed to ensure successful, profitable businesses and a healthy industry will be made one at a time by individuals ready to accept new ideas and motivated to act on new knowledge. Tony hoped that every CCIF participant would leave with at least one “take-away” on which they would act. He also hoped to see a large contingent of industry stakeholders from across the country at CCIF Montreal on October 18<sup>th</sup>, where the focus will be on sales and marketing.

CCIF thanks the following sponsors for their support in making CCIF and this meeting possible. Sponsor contributions also enable meeting fees to be kept at a level that makes CCIF accessible to all.

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