



CCIF Saskatoon Meeting Report

**Canadian Collision Industry Forum
Delta Bessborough, Saskatoon
Saturday, October 17, 2009**

From Lawbreaker to Lawmaker

It was hard to believe that the first presenter at this CCIF had been one of Canada's most dangerous and powerful criminals. Serge LeClerc told the riveting story of his dark past, involving theft, fraud, drug smuggling, armed robbery and racketeering. As a child he was caught by police for a petty crime and sent to a correctional school where he became hardened and determined to escape. Each time he escaped, he was caught and told he'd never get out again, but he did, and as he grew older, he established a large street gang and protection racket. Serge knew he was a leader and used his skills to develop a multi-million dollar drug dealing business.

Eventually he was caught and on his way to a maximum security jail, this time realising that he had lost everything. He was at the lowest point of his life when a visiting volunteer became the target of his abuse, but reacted to it calmly in a way that surprised Serge. The volunteer told him he had been created as a person of worth and he was only a loser because of his own bad choices. This struck a chord with Serge and it was the start of an amazing transformation that led him to Christianity and to taking charge of his life. He took university courses, changed his behaviour and was eventually released. His knowledge of the criminal world, drug dealing and addiction prompted interest among university professors and he was invited to lecture on these subjects. That led to more speaking engagements, opportunities for volunteer work and consulting with Crime Stoppers and the RCMP. In time his reputation and support from a multitude of law enforcement officials secured him a national pardon, providing a personal validation of his work and helping him accept that people now saw him as a good man. Today Serge is the MLA for Saskatoon Northwest.

Relating his experience to the business world, Serge encouraged participants to be leaders, exhibiting honesty and integrity. He spoke of the value of team work and leadership that recognizes the value of every team member and helps them understand their role. We can squander and misdirect our energy and skills, as Serge had done, or we can use them for the benefit of others, including customers, employees and family.

Collision Repair Exposed to Thousands at WorldSkills Calgary Competition

One of the key reasons for establishing the CCIF Skills Program had been to get car painting reinstated as a trade represented at the annual National Skills Competitions run by Skills Canada. This goal had been achieved and a car painting champion proudly represented Canada when Calgary hosted the WorldSkills international finals in September. Leanne Blackborow reported that the event was attended by over 200,000 visitors who were able to see 40 different trade competitions with contestants from 51 countries. This was a huge opportunity to raise awareness of car painting and auto body repair, and the CCIF Skills Program took full advantage of it. The Program financed the preparation and participation of the Canadian car painting champion, as well as providing promotional displays and facilitating the provision of equipment. With a special six-station paint booth specially designed and built by RS Finishing Systems, it was possible to hold the auto painting competition on-site, making it visible to all. Many industry volunteers were on hand to talk with spectators and supervise the hugely popular Virtual Painting "Try-A-Skill" electronic simulator. Collision repair stood out from the crowd at this competition and received excellent exposure on TV and in the press.

Encouraged by industry support for promoting collision repair at Skills Competitions and, having achieved its initial goals, the CCIF Skills Program has developed new ambitious targets, reported Leanne. It will provide support and guidance to those provinces not currently holding auto painting competitions, but wanting to do so. It will aim to raise additional funding of \$100,000 for the design and building of an on-site paint booth for the May 2010 National Skills Competition in Waterloo, Ontario. A third key goal is to carry out a feasibility study for a mobile trailer-mounted paint booth that could be used for provincial and national competitions, at auto shows, career fairs, schools etc. With an initial cost of more than \$1m plus annual running costs, the industry would have to look at both external and industry funding in creative new ways if collision repair is to build a continuing presence in competing with other skilled trades for its future talent. In a survey of students visiting the auto painting and auto body repair display areas at the PEI National Skills Competition in May, 89% agreed that their perception of careers in the collision repair industry had been improved. This provides further encouragement for the CCIF Skills Program to maintain momentum and establish new goals.

Lean and Getting Leaner

Third generation family businesses sometimes run out of steam, but not Regina Auto Body. On the contrary, this leading Saskatchewan repairer just keeps turning up the heat. It wasn't always like that, though, said Chris Mario, one of the three brothers who own and run the business. In fact, when the company began in the 1920s, much of its work involved the use of wood and horsehair when repairing buggies. The business grew steadily over the years, but when the Mario brothers entered the business in the 80s, they started looking for ways to take it to a new level. In the 90s they purchased the business from their father and began to develop a culture of kaizen (continuous improvement). They recognized that sustainable

improvements in every aspect of their business would more likely come from 100 improvements of 1% rather than one improvement of 100%. The brothers read books, they visited facilities using modern production processes, they asked questions and they fully involved their staff in the vision and goals of the company, recognizing the value of their input when discussing efficiency and productivity improvements. "Who better to ask than those who do the work," remarked Chris. Chris also acknowledged the tremendous support that Regina Auto Body has received from outstanding individuals from other collision repairers, suppliers and consultants, all working in a spirit of sharing ideas and pushing the boundaries of current methods.

Today there are processes at Regina auto Body for all operations and each includes "Important Steps", (what to do), "Key Points"(how to do it) and Reasons (why to do it that way). Staff are trained to understand the interdependence between each department, as well as suppliers and other external bodies. By empowering staff to make suggestions and take decisions, the Mario continuously discuss with them what has gone right in the three areas that matter – People, Process and Product. The only vehicles on the premises are those that are being worked on and the goal is for hands to be touching them at all times. Like many well designed products or processes, the end result looks simple, but it's clear that today's success and tomorrow's will be a result of the Mario brothers' relentless drive to achieve success by making their business just a little bit leaner and just a little bit more productive....every day.

Denis Bellemore

It was with great sadness that Larry Jefferies spoke about the recent passing of Denis Bellemore. Denis had been a member of the team that led to the formation of CCIF and had been a strong supporter ever since. He was an enthusiastic volunteer, giving his time and energy to committee work and was always looking for ways to help. As a senior member of the NAPA management team, Denis had grown the CMAX business and had been ambitious to build on his success. He will be missed by his many friends in the collision repair industry.

Proven Steps for Causing and Sustaining Change

Rich Altieri of PPG set the tone of his presentation with a quote from W Edwards Deming, "*It is not necessary to change. Survival is not mandatory.*" Assuming, however, that those present were aiming for their businesses to survive, Rich suggested that they must accept the need to change. Indeed, those who can respond to change and navigate the rapids will emerge with fewer competitors and extraordinary opportunities for profitable growth. As external forces change, e.g. increasingly difficult environment, fewer repair opportunities and increased insurer involvement, collision repairers should focus their own change strategy on four critical success factors:

1. Performance- addressing quality, speed and cost. Reducing cycle times and establishing processes that result in lower stress among staff.

2. **People** – finding ways to attract, keep and develop staff. To create the best performance and best processes, it is necessary to grow employees to be the best. Spend more time working closely with them as their coach. Listen and act on their ideas. Learn and invite help from external sources such as suppliers and consultants.
3. **Adopt Parakaizen**, a model of continuous improvement, as a working method and instil it as a mindset among all staff.
4. **Philosophy** – Recognize the important role of interdependency. Every department, every employee and the business owner are internal customers of each other and dependent on each other to succeed. Also, suppliers, insurers, service providers etc. depend on you, as you depend on them. Interdependent success comes from all parties understanding and serving each other's needs.

So the key questions are: what to change, what will be the result of change and how to sustain the change. In deciding what to change, consideration should be given to the 80/20 rule; focus attention on the 20% that affects 80%, e.g. the 20% of tools and equipment that are used in 80% of repairs. Resistance to change should always be anticipated, so it must be thought through and carefully planned. Failure would be unfortunate, but entirely predictable, said Rich, if:-

There is no shared vision or sense of urgency. There must be a compelling business case that staff can buy into.

The people being asked to change are not engaged in the planning and development.

There is an overwhelming number of change initiatives.

There is no pilot to help people understand what it will take to support the change.

The leader lacks execution skills.

Rich concluded with two statements supporting the case for change; since it is a fact that processes will erode over time, the only way to stop slipping back is to make conscious efforts to keep taking small steps forward. The second statement was a quote by Charles Darwin, *"It is not the strongest of the species that survives, nor the most intelligent. It is the one that is the most adaptable to change."* Recommended reading is "Leading at a Higher Level", by Ken Blanchard, "Flawless Execution" by James D Murphy and "Toyota Talent" by Jeffery K Liker and David P Meir.

Unlocking the True Value of Your IT

Today's software is capable of providing an overwhelming amount of information, said Mike Gilliland of AutoHouse Technologies. It is particularly complex because three parties (repairer, insurer and vehicle owner) are involved in nearly every transaction, rather than the two in most customer/provider situations. So there is a need to filter information in a way that makes the right information available in the right format, to the right person at the right time. Mike referred to this simple concept as Business Intelligence and contended that at least a 1% business improvement was possible by applying it. Business Intelligence helps decision makers make more informed decisions and supplies users with

critical business information on their customers or partners, including information on behaviours and trends.

Some Business Intelligence applications will allow the review of severity by model year / vehicle manufacturer / drivable vs tow % - information that sometimes the insurer may not be eager to disclose when comparing performance between repairers. They also make it possible to review and compare past performance, as well as looking at the future with different "what if" models. These are typically delivered through interactive displays where the user easily manipulates the data. So a user may choose to review historical trends, identifying and analyzing accounts for data on volume / profitability / vehicle mix / parts mix. A user might also choose to compare KPI's across timelines or review other specific data that can be used to guide strategic and long term business decisions. For many, a clear understanding of the business today is crucial, with the need for an instant view of current sales against budget or break-even, or a view of administrative tasks that are negatively affecting cash flow, such as improper tracking of shop-pay items, parts returns for no-show repairs and timely closing of ROs after delivery. Others may want to track their own KPIs, not just those required by insurers. By providing the right information to the right people at the right time, it is possible to affect behaviour, recognizing and responding more quickly to situations requiring attention.

Business Intelligence applied to the future allows the exploration of "what if" ideas. Different forecasts can be produced by feeding in variances such as the addition of another technician or increases in square footage. How would profitability be affected if business were increased by X% with insurer A?

Mike encouraged participants to take control of their IT and use Business Intelligence to produce data they need to facilitate decision making, reduce costs and improve profitability. The information age has only just begun, so it's worth exploring how to harness and shape its capability to meet everyone's individual needs.

CCIF would like to thank its sponsors for their support in sustaining the Forum and for making this meeting possible:-

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