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CCC REVERSAL CHALLENGED

A task force representing three national repairer organizations is lambasting CCC Information Services over its decision to reinstate in its estimating system a refinish prompt that can be set to automatically remove overlap based on a bumper being painted while on the vehicle. A year ago, CCC drew applause at the Collision Industry Conference (CIC) when it announced it was removing the prompt because it determined "unequivocally that...refinishing non-metallic bumpers requires use of a material that is not recommended on the rest of the vehicle". But CCC's Pathways 4.5 release once again allows the user to turn on a prompt to ask the estimator if the bumper is being painted as a separate procedure from other panels, or to automatically default to a "yes" or "no" to that question. One West Coast shop said a two-tenths overlap deduction on five jobs a week would cost the shop \$3,952 in annual sales. At least one insurer has sent instructions to its direct repair shops to show them how they are to choose the default setting to take the overlap deduction. In its press release, the task force is critical of CCC for making a change the task force believes goes "against all paint manufacturers' information," and for not notifying the Collision Industry Conference (CIC) Database Task Force in advance of the change. "Most disturbing though, is the apparent fact that the paint manufacturers were first formally contacted on this issue (by CCC) just this month, while the decision to reintroduce the refinish prompt was made as early as September of this year," the press release states. "One can't help but conclude that CCC made the decision first, and then later, only after being challenged, unsuccessfully attempted to generate and furnish documentation supporting the decision." CCC's response follows.

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Why Do Insurance Companies Want Cycle Time?

The J.D. Power and Associates survey earlier this year of 11,700 consumers who'd had an auto claim in the preceding 12 months reinforces why cycle time has been such a driving factor in the industry. The study compared the cycle time (as measured from first notice of loss to completion of repairs) of 25 insurers, and found that it ranged from 12.3 days (AAA-Michigan) to as much as 17.6 days (Mercury Insurance). All of the insurers with longer than the average cycle time of 14.8 days (which also included AIG, Allstate, Auto Club of Southern California, Encompass, Farmers, MetLife, Nationwide and Safeco) were also on the bottom half of the overall claims customer satisfaction chart. The study findings also break the overall cycle time down to show how many days elapse before the vehicle gets to the shop (industry average: 5.6 days) and then how long it is there (industry average: 9.2 days). Interestingly, the insurers whose vehicles got to the shop in fewer days, also tended to have cars in the shop for fewer than the average number of days. In other words, the insurers with worse-than-average overall cycle times generally had not only longer-than-average repair time, but also longer-than-average time between first notice of loss and the vehicle getting to the shop. For drivable vehicles, the study found customer satisfaction drops off significantly if repairs take more than a week; satisfaction levels for customers whose car was repaired within a week were at 855 points on a 1,000-point scale, compared to 773 points if repairs took 8-14 days, and 684 points if repairs took more than two weeks. For towed vehicles, there was a big drop in satisfaction if repairs exceeded two weeks.

Words to Live By: Aldous Huxley

" Wallowing in the past may be good literature. As wisdom, it's hopeless."

Is There a Better Way?

I started in the collision repair industry 28 years ago. Back then, shops rarely had their own frame machine, rarely had their own mixing systems, computerized estimating wasn't even a thought, and painters still used lacquer and enamel.

Today, some shops have two frame machines, computerized measuring systems, computerized mix systems, bake booths, water base color, and full blown body shop management systems. How things have changed, or have they???????

Remembering back 28 years, I'll do my best to recite the repair process;

- 1) The customer brought a vehicle in for an estimate and was scheduled for repair.
- 2) It's brought in on Monday and isn't started on until Wednesday. The vehicle sits for 2 days.
- 3) The vehicle is brought into the shop and disassembled.
- 4) Additional damage is found and parts ordered. The vehicle waits 2 additional days for parts and insurance company approvals.
- 5) After figuring out where he left off, the technician again slowly begins work on the vehicle only to find some parts are wrong or damaged. The vehicle sits 2 more days waiting for the correct parts.
- 6) The vehicle finally goes to paint but has to wait because it's Thursday and there are four cars ahead of it, all needing to be painted that day for a Friday delivery. While in paint, two of the five cars had some sort of issue causing them to not be painted.
- 7) Our vehicle finally goes into paint on Friday but can't be delivered until next week. It sits two more days over the weekend.
- 8) It's now painted and ready for re-assembly. After spending all morning finding the trim pieces from two weeks ago, the technician sorts through, and hunts down new, and replaces all the broken clips and almost completes re-assembly.
- 9) At the last minute he finds a broken trim piece that is not in stock at the dealership. The car waits two days for the smallest of pieces.
- 10) After only 20 hours of actual repair and two weeks in the shop, the vehicle is finally done and ready for delivery.

While this description isn't true for every vehicle, some horror stories are even worse. I don't think it would be stretching it to say this may be an average repair in an average shop TODAY!

But wait, I thought this example was of 28 years ago!!!! The answer today is as it was 28 years ago. Not much in the repair process has changed.

Now is the time when you're reading this to be honest with yourself. NOT MUCH HAS CHANGED HAS IT?

(continuing story from left column)

Now ask yourself, could there be a better way? Is there any possible way known to man that this ancient repair process could be improved even by only 50%? (OK, I embellished a little with that but you get my point.) Before you answer that question, you have to change an age old mindset within collision repair. Your thoughts have to change from;

Why we can't -----to----- Why can't we.

If you can't make this mindset change, stop right here and go back into the shop and start looking for the lost parts on that two week old job!!!!

If you can make that mindset change then know this. The process can be improved. Some of your competitors are already heading down that path. Also know this. These improvements must be made slowly, with a good upfront plan, and as a team with all of the technicians. Don't jump in head first, without a plan, and without sitting down with everyone involved.

You know insurance companies are already measuring your performance. Work is and will continue to be rewarded to the best performing shops. Now it's time to look in the proverbial mirror and ask an honest question.

Do I really think that if I don't improve my business performance from where it is today, that I will be the chosen shop of tomorrow?

Now it's homework time. Go back and re-read the 10 current processes listed above. Does this describe an average repair in your shop? If so, there's great news! You still have time to start implementing new processes that can dramatically change your shops performance. How often will you ever have the opportunity in life to be in the same crowd as the current front runners? The answer, NOW!

The great news is, it's not as hard as one may think. The two hardest parts are starting, and sustaining the change over the long haul.

If you would like to even take a free look at what I am talking about, feel free to email me at ron@drautopaint.com and we'll spend only a couple of hours together so you can see the future more clearly.