## ABAC NEWS

September October 2018

The Official Newsletter of the Auto Body Association of Connecticut



**ABAC New Season Continues** ON THE ROAD TO EDUCATION!

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# President's Message Bob Amendola

### **Maintaining Parallel Line**



It is important for us to remember that we have a contract with our customer and the customer has a contract with the insurer (first party). Furthermore, in cases of third party, there is no contract at all. Tony Lombardozzi has been reminding us of this and encouraging us to take the S off our chests. As an industry, we've become accustomed to "taking care of everything". We need to put the customer and the insured at the center of their problems and leave it to them to decide who will pay

for the discrepancies. Do not form a triangle out of the parallel lines or you will lose.

In other parts of the country, there are shops that will not negotiate a claim. After a tear down, they will provide the insurance company with a damage analysis and simply state what the cost will be. No negotiations period. They leave the rest up to the insurance company and the customer. As a courtesy to their customer, the shop will then send a notice of deficiency to the insurance company once the repairs are complete. Again, no negotiations.

When I learned of this and their success in doing so, I was honestly shocked. Imagine not having to negotiate claims and just providing pricing. It sounds like nearly every other business's billing practices, but what a concept? Food for thought. Remember, knowledge is power and in unity there is strength. It is truly up to us to decide that we are going to run our own businesses again.

Thank you,

Bob

Bob Amendola - Autoworks of Westville President - Auto Body Association of Connecticut



### CCRE Hosts September Convention and Seminar Weekend

CCRE held its Fall Seminar and Convention weekend at the Embassy Suites at the Atlanta Airport on Friday September 28<sup>th</sup> and Saturday September 29<sup>th</sup> 2018. Attendees hailed from all parts of the country including Utah and Alaska. The room held a full house of eager to learn collision repair shop owners and other guests who wanted to learn another way of conducting business in our industry. Many of them have realized that the present system is not working and is not a profitable method of operation.

Friday morning's opening introduction was presented by CCRE President, Tony Lombardozzi. His opening statements were followed by his presentation of How the industry wound up in this mess and then he discussed where the industry is today and where it is headed in the future. Tony spent a great deal of time discussing how we let go of the control of our industry and how we let insurers into the repair process.

Following Tony's presentation, Jeff Bryant of Autosport Inc., gave a presentation on the billing of paint and materials using a cost accounting program. One of the highlights of his discussion was how he discovered that almost fifty percent of the materials he was using was never being billed or accounted for. After using a P and M invoicing program the shop's profits on those materials being used increased substantially.

Next to deliver his program was Shane Coker of Cokers Auto Body in Alabama, discussed his new method of business and front office management that has made it easier and more relaxing for him and his family while at their facility. He also discussed the many documents and forms he has created and shared those documents with all those in attendance. Along with the documents, word tracks and proper nomenclature of operations were discussed.

Saturday morning Steve Behrndt of Crawford's Auto center in Pennsylvania presented a Job costing program which explained the reasons for using this type of system and how it could be implemented in even the smallest size shop. Knowing your costs will allow you to know what price to sell your services for and be profitable at doing so.

The final presentation was hosted by Shey Knight and Jeff Bryant of Autosport Inc. They discussed how to meet you customer's expectations and listen to what they are really asking of you. They discussed repair contracts and other documents that are in use at their facility and how these documents and processes have made them a more profitable business.

Saturday afternoon was devoted to break out sessions and open discussions on a variety of topics pertaining to our industry and solutions that have worked for others.

Judging by the feedback from those that attended, this was a very successful event for all.

For more information or to join the CCRE go to www.theccre.com

### ABAC Begins New Meeting Season Featuring Educational Information from FCA



Kicking off the 2018-9 Auto Body Association of Connecticut's Meeting season was a well-attended get together at Seasons in East Haven on September 11<sup>th</sup>, 2018.

ABAC President Bob Amendola addressed members and their guests by thanking everyone in attendance and acknowledged the meeting's sponsors:

### **Primary Sponsor:**

- Bald Hill DCJR & Kia
  - Matt Jarvis, Parts Director
  - Sid Simoes, Wholesale Parts Representative
  - Anthony Pickett, Wholesale Parts Representative

### **Co-Sponsor:**

Enterprise Rent-A-Car



Amendola began, "I'd like to thank everyone that took the time to attend tonight and everyone that is part of this great association as we try to move forward to make everything better for our industry. Our goal is to educate and make sure that everyone can move in a positive direction for their business. There have been many great people that have been at the helm of this association and I hope to be one of them."

Amendola, noting the date of the meeting was September 11<sup>th</sup> asked everyone to take a moment of silence to reflect and honor the memories of the fallen 17 years ago.

President Bob then discussed how the ABAC will be offering added seminars for 2018-9. Plans are for these seminars to be offered throughout the state, featuring ABAC Members to assist shops in education and daily situations.

Amendola then read the Ct. Anti-Trust Statement.

At this juncture, new ABAC Members and ABAC News Advertisers were recognized:

### **New ABAC Members:**

- Bolton Collision Bolton
- Affordable Auto Body Watertown
- Gabby's Auto Body Seymour

#### **New ABAC News Advertisers:**

- Napoli Kia Milford
- Napoli Nissan Milford

Bob then welcomed Tony Lombardozzi, President of The CCRE and Co-Founder of Superare Marketing, to the podium. Tony acknowledged a special guest in the audience this evening, "On behalf of Bob Amendola and the ABAC, I'd like to welcome Evangelos "Lucky" Papergeorg, the new Executive Director for the Alliance of Automotive Service Providers of Massachusetts (AASP/MA)."

Lombardozzi then continued speaking on behalf of the 2018 CCRE Seminar that was being held in Atlanta, GA on September 28-29, 2018 and the importance of attending.

After a short break for dinner, President Amendola introduced our special guest speaker for the evening, **Dan Black, Collision Repair Specialist for FCA Group.** 

### Dan covered the following subject matter for all those in attendance:

- Increased advanced & technical repair requirements
- Increased too & equipment requirements
- Increased business performance accountability
- Market overcapacity & less available repair volume
- Impact of social media and technology influence
- Industry Consolidation (Shops, Suppliers, Insurers)
- Increased dependency on DRP as work provider
- Need to Satisfy Customers and Care for them for life
- Pressure to process claims and repairs faster



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### Do you know what happens when consumers choose the wrong shop?

- Poor Repair = Negative Brand Association
- 60% of consumers trade within 12 months
- 62% of those switch brands after poor repair experience
- Increased Passenger Safety Concerns
- · Shop Liability!

### **Owning the Customers for Life**

- The solution for vehicle repair
- Competitive Advantage
- FCA Certification Process
  - Never Ending, Constantly Improving

### Continuing his presentation, Dan then explained:

- FCA's wiTech Tool and the benefits of its usage
- Mopar Owner's Companion App Collision Assistant Feature
- How FCA Promotes Certified Shops
- Partnering with a Dealer
- Pros of Certification Over DRP
- More Robust FCA Technical Resource Tech Authority
- MoparRepairConnection.com
- Scanning & Its Importance
- Advanced High Strength Steel

### Dan then ended his presentation with an in depth look at:

- 2019 Dodge Ram 1500
- 2018 Jeep Wrangler

Dan then fielded questions from the various collision repair shops in attendance. If you have any questions, feel free to contact Dan Black at: <a href="mailto:Dan.Black@fcagroup.com">Dan.Black@fcagroup.com</a>

The ABAC would like to thank Bald Hill DCJR & Kia for their sponsorship and their involvement with Dan Black from FCA to help in the education of ABAC attendees.

#### **Submitted by Don Cushing**

### October 2018 Social Media Update



Since our last update, we've gained 500 new followers on Facebook and our count continues to climb daily. We've been hard at work to keep spreading the word and reaching new people with our message. Speaking of followers, we bring you this update with a social media tip.

We've already discussed the importance of having an online presence but creating a follower doesn't happen overnight. We've find tuned our approach and wanted to share

what we've found to be successful with you to help you grow your business's presence online and reach new customers.

On Facebook, boosting posts and paid advertisements are both extremely cost effective approaches. Not only are they both simple and convenient, but they allow you to set your own budget, ad duration and audience. They are completely customizable to cater to you and your goals. Paid advertisements are a great tool to jumpstart your page and start to build a following. Think of this like an online billboard or commercial. They are completely customizable and easy to maneuver. You can create an ad in just a few short minutes that will be distributed online based on your selections. So, when your target audience is perusing their Facebook newsfeed, your advertisement will come up inviting them to like/follow your page. We run advertisements every month to reach new followers.

The boost feature is used when you want to promote a post from your page. This is an important tool to use to ensure that your content is actually reaching your followers. You can also set a boost to target your followers AND their friends. When we do so, we like to make sure that we check our "likes" on these posts during the promotion and invite anyone that has liked the post to like/follow our page too.

Furthermore, you can create as broad or narrow an audience as you'd like but we prefer to target different audiences specifically according to the content we are promoting.

On Instagram, the setup is slightly different but the end goal is the same. If you have your Facebook and Instagram linked together, you can cross post and cross advertise between the two platforms. Doing so not only helps to reach more people but it also helps maintain a cohesive presence.

Remember to also promote your social media accounts offline in your office, website, business cards, estimates, invoices etc. A little creativity and consistency makes all the difference.

Ashley Burzenski - ABAC Vice-President Autoworks of Westville





Our Spotlight this issue shines on our ABAC News' Platinum Sponsor, the Law Firm of Buckley Wynne & Parese.

Back in 1881, a young lawyer named John Wynne opened a law office in Connecticut, starting a family tradition of striving to provide excellent legal service. In 1986, fourth-generation lawyer John Wynne, Jr. joined with John Buckley in a legal practice that concentrates all the firm's experience, energy, and resources on helping personal injury victims and the families of wrongful death victims. John Parese joined the firm in 2007.

At Buckley Wynne & Parese, every client is personally represented by an owner of the business. Files are not simply initiated then passed down. Every case is handled from start to finish by an experienced and seasoned partner. The firm is dedicated to minimizing worries and maximizing results. As they advertise, the lawyers at Buckley Wynne and Parese are willing to meet any prospective client in the location most convenient to that person, be that one of its three offices (New Haven, Hartford or Stamford), at a client's home, or in a hospital room. Buckley Wynne and Parese proudly services victims of serious injuries throughout all parts of Connecticut.

#### Attorney John Parese's involvement with the Auto Body Association of Connecticut:

John became involved with the Auto Body Association of Connecticut several months after starting with BWP in 2007. Dave Fogarty introduced Parese to then ABAC President, Tom Bivona. John and Tom became fast friends and worked closely over the years on a variety of projects. John's relationship with the Association continued to grow when Bob Skrip was elected President, and then later when Tony Ferraiolo took over. John said that he hopes to stay integrally involved in the Association's future under Bob Amendola's leadership. At this point, John has served as general legal counsel to the Association for over a decade.

How often do you interact with the ABAC? "I would say I get involved in some auto body related issue, usually someone seeking legal advice, at least once or more a week. Some weeks, it's daily. I don't always have the opportunity to immediately respond, but I do my best and I rarely ever charge for my time."

What do you think sets you apart? "In the context of my work with the organization, representing other clients, coaching my kids' sports programs, or really anything I do, my reputation is my most valuable asset. My word being my bond.

Trust and Integrity is important in your field? "Yes! Lawyers have to earn the respect their clients and those that refer them business. If you can't do that, you don't stay in business.

How do you feel about your relationship with the ABAC? "My relationship with the ABAC has been tremendous. I've met so many great people, many of whom I consider my personal friends. We've worked together, learned from each other, traveled together, and we've had a lot of fun over the years. I've learned a lot from this group."

I then asked John, what was the main reason for becoming involved with and becoming a sponsor for the ABAC News. His reply, "I appreciate what the organization has done for me, genuinely. But, more so, I very much believe in the cause and plight of the Association. I feel a part of the cause. I've spent the last ten years advocating for this Association and its members. I want to make changes that improve the lives of my friends. Becoming a sponsor was a no-brainer."

Where do you see the future of our industry with all the legal matters that have recently become headline news? (State Farm, John Eagle, etc.) "That's a great question. I think some things have undoubtedly improved from all the work the ABAC has done. And I'm also inspired by the great work of our brothers and sister groups across the country like Aaron Schulenburg and SCRS, Tony Lombardozzi and CCRE, Erica Eversman, all of the class action lawsuits that have been filed, and so forth. All of this gives me hope. I think "we" (I use that term intentionally because I feel so very much a part of all of this) are on the right side of the reform that needs to take place. With that said, I'm disappointed that more has not happened to fix the blatant disfunction and price suppression. That continues to trouble me. But, absent the constant vigilance and counter punching, I believe conditions would be much worse. As I see it, and I'm not sure you asked me this, Don, but here it comes, the big problem here is the insurance industry makes a lot of money by exploiting the auto repair industry. Insurers use a fraction of their oodles of money, resources and political capital to further their exploitation, which in turn produces greater revenues, and the cycle repeats. It's been my mission to help the Association disrupt that cycle in favor of more fair pricing and safer repairs. I think we've done a lot of good in this regard, but we still have a long way to go."

Parese attends most Board of Directors Meeting and all ABAC Meetings. He is always there for a question and is sometimes "put on the spot" at events. We're sure he enjoys it! John lives in Guilford with his wife and two boys (10 and 7). Anyone that knows John will tell you that if there's one thing he's more passionate about than his work, it's his boys.



Some things I can honestly say I enjoy about John is his keen sense of humor, his willingness to help and he's always smiling!

The ABAC would like to thank John for his time with this article and thank Buckley, Wynne and Parese for their involvement and sponsorship for the ABAC News.

**Submitted by Don Cushing** 

## Prepainted parts, Civic fender brackets, TPMS rebuilds: 5 more tips from the DEG



The Database Enhancement Gateway, which allows repairers and insurers to make inquiries and suggestions of the Big 3 estimating providers at no cost, was augmented in 2015 to offer weekly tips for repairers on the Audatex, Mitchell and CCC programs online and through the Society of Collision Repair Specialists' email list.

If you haven't used the free service before to submit questions about estimating collision repair work or just browse responses to other carrier and shop questions, check it out. It's a good way to find IP best practices and help write the most accurate estimates or appraisals possible.

Here's some areas spotlighted as tip-worthy by the DEG. To receive the tips as soon as DEG releases them, like/follow the DEG's Facebook and Twitter feeds. (It also posts videos to a YouTube channel once in a while.) Or just browse the more than 10,000 inquiries and responses in the database and see what else you learn.

TPMS sensor rebuilding not included. OEMs might require a collision repairer to use a "parts kit" to rebuild a tire pressure monitoring sensor whenever a technician replaces a tire or loosens a sensor nut, the DEG noted in a July tip.

"Rebuilding TPMS Sensors is NOT INCLUDED as well as the cost of the repair kit," the DEG wrote.

The DEG noted that rebuilding TPMS sensors weren't included in CCC and Audatex's wheel replacement time, even though other sensor labor might be.

It highlighted the CCC tip with a July inquiry about a 2017 Acura MDX.

"Please clarify if the TPMS Sensor included operation includes the labor to REBUILD the sensor with a repair kit as required by the OEM or if this would require an on the spot evaluation," the user wrote.

CCC quoted its wheel remove and replace time to state that "TPMS sensor, if attached to valve stem," was included. However, it wrote to the user that "The estimated work time applied to the Wheel does not include 'TPMS sensor component rebuild."

"TPMS Sensor R/I or R/R is NOT INCLUDED in the wheel replacement labor time" for Mitchell, the DEG also wrote.

The DEG also reminded readers of the Tire Industry Association TPMS Relearn Chart, available at a \$100 discount to Society of Collision Repair Specialists members. Obviously, you'll want to check the actual OEM repair procedures as well in case something has changed, but this should help you get a feel for what's going to be necessary or what to look for in the OEM instructions.

Replacement parts might be pre-painted, assembled

Labor to repaint an OEM replacement part painted the wrong color isn't included in Audatex, CCC or Mitchell, nor is any labor to de-trim the replacement part so you can perform this refinishing, according to the DEG. The same applies to "LKQ assembly parts (i.e. doors, trunks, fenders etc...)," the DEG wrote in a July 23 tip.

"A recent example of this from the OEM would be a 2014-2019 Nissan Rogue which comes already supplied from the OEM in its most popular color K23 Silver including glass, wiring and hardware already attached to the lift gate," the DEG wrote.

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It also showed a footnote to this effect that CCC was nice enough to include in its system.

Advice for one-time-use parts

The DEG wrote in July that none of the estimating systems include the cost of one-time-use parts in the operations to remove them.

It also encouraged users to help improve the descriptions of these individual parts within the three estimating services by sending in inquiries about missing information.

"All three information providers do not list out every bit of hardware and clips in the database," the DEG wrote. "It is important to reference the OEM workshop manual as well as the OEM EPC (electronic parts catalogue) for correct part number and notes. Any person that runs across missing information in the estimating system should submit a DEG inquiry with the correct part number and information calling out for one time use so the appropriate IP can add it to the database with the appropriate note."

The DEG referred users to a "great" Toyota Collision Repair and Refinishing Training article about one-time use parts for more information.

"Non-reusable parts shouldn't be reinstalled because they won't operate as they were originally designed to upon second use," Toyota North America wholesale parts and certified collision manager Eric Mendoza is quoted within the article. "Reusing these parts can lead to customer dissatisfaction and a failed repair. It can cause water or air leakage, rattling, or can accidently damage other nearby parts."

#### 2016-17 Honda Civic fender brackets

The DEG in August warned that 2016-17 Honda Civic replacement fenders won't have "'front bracket' (Part #'s Right 60213TBAA00ZZ Left 60263TBAA00ZZ) and 'lower bracket' (Part #'s Right 60212TBAA00ZZ Left 60262TBAA00ZZ) that are originally welded and riveted with adhesive from the factory on the original part."

Neither CCC nor Mitchell include labor for transferring those parts within their time to replace a fender, according to the DEG.

"Audatex labor time for fender replacement considers the brackets included, but this is based on installing a new undamaged part onto the replacement fender," the DEG wrote.

None of the three systems include the expense of adhesive or the rivets themselves.

#### **R&I** fluid lines in Audatex

Offering the example of "a full frame replacement requiring replacement or r/I of a brake, fuel line, AC Lines from the damaged part to the new replacement part," the DEG in August wrote neither fluid line replacement nor complete R&I are included.

The DEG directed users to consult Section 4-2 of Audatex's Database Reference Manual, which the DEG said explains that a full R&I of a fuel, brake or transmission line isn't included.

It also referred them to Section 4-3, in which "Replacement and Recycled operations for specific components may only call out to 'disconnect' the line only," according to the DEG.

Source: www.RepairerDrivenNews.com

## Tech shortage: Local shops welcome at SEMA Career Day; TechForce researches supply



SEMA's Career Day is back for a third year, and repairers can take advantage of the opportunity to pitch their shops and snap up members of what recent TechForce research shows might be a shrinking pool of vo-tech students.

The job fair will be held Monday, Oct. 29, from 1-3 p.m. in the Westgate Las Vegas, right next to the convention center housing the SEMA Show.

SEMA confirmed Tuesday that local shops can participate for free, so sign up for a booth here and don't pass up the opportunity to sell your company to young technicians from around the country. (Last year, we talked to attendees from Colorado, New York, Utah, and Idaho, for example.)

Local auto body shops who participate will be in good company; the list of nearly 40 companies committed so far includes some familiar faces from the collision repair industry.

The Society of Collision Repair Specialists, I-CAR, ASE Education Foundation, Pro Collision Training, Service King, Gerber, AkzoNobel, Audi, Honda Professional Automotive Career Training and State Farm all plan to attend.

Sherwin-Williams business consulting services manager Mike Lanza in a recent interview encouraged body shops to attend job fairs and recruit by showing prospective techs that they'll have a career path at your business.

Attending career fairs like this might also be valuable simply for the convenience of having SEMA flush out an elusive population and bring it right to your door.

June research from the TechForce Foundation confirms what repairers might have anecdotally sensed — the number of technicians graduating from technical programs into the wild is decreasing.

#### TechForce Foundation study

TechForce analyzed National Center for Education Statistics data and found found that collision technician postsecondary completions fell from 8,566 in 2011 to 5,791 in 2016. The 5,761 graduates came out of 348 post-high school institutions.

Not surprisingly, two-year community colleges and two-year for-profit schools provided the lion's share of collision technicians in 2016, according to the foundation. "The decline in completions since 2011 has come across most sectors and no sector has increased or decreased their commitment significantly since 2011," TechForce wrote.

Top collision schools in 2016 were Wyotech-Blairsville and Wyotech-Laramie — both of which the Zenith Education Group said in 2017 would close.

Each graduated more than 177 students in 2016.

Universal Technical Institute of Texas was third, at 156 graduates, and Lincoln College of Technology-Nashville and UTI of Northern California tied for fourth at 117. "Our country and education system have divested in high school auto shops and stigmatized trade school education which is killing the trades," TechForce CEO Jennifer Maher said in a statement. "A big part of the problem is the outdated image of the 'grease monkey'

mechanic that students and their parents, teachers and counselors may have. Today's techs are well paid, highly skilled, hands-on problem solvers who are not burdened by massive school debt like their four-year school counterparts. As we change this image we can get more students interested in becoming technicians."

Demand for techs didn't boom until after 2013, though it had since at least 2011 beat out postsecondary supply by a few thousand technicians. By 2016, TechForce reported that the 5,791 graduates would be insufficient for a projected 17,200 new entrant demand.

TechForce described the post-2013 boom in demand as "catch-up demand" for both automotive technicians and for collision technicians.

"Postsecondary supply has not kept up with the spike in demand, partly because the increase in demand was so significant but also because student interest in postsecondary training is contracyclical," the report states of transportation technicians in general. "While it may seem surprising that students are less likely to enroll in career education and 2-year schools when the economy is strong, many students perceive that incurring student debt and giving up wages to go to school is a much riskier option than taking a job when jobs are plentiful. ... The peak enrollment was in 2010, the height of the Great Recession, followed by a decline in enrollment during the recovery.

"The countercyclicality of the supply of students generally aggravates the shortage of technicians."

The report found that the pool of collision postsecondary graduates might dwindle further from scenarios like:

- Some graduates go for additional education
- Not all graduates go into the occupation.
- Not all graduates are employable (attitude, poor driving record, felon, failed drug tests etc.)
- Some graduates from collision technician programs go into related fields, e.g. insurance claims adjustment. (Minor formatting edits.)

The report discusses four hurdles towards fixing the overall transportation technician shortage:

• The old perception that these are "grease monkey" jobs with limited career advancement, low pay, and low status. Parents and students are not aware how advanced technology and competition have dramatically increased the skill levels, compensation and career opportunities for bright, ambitious students.

- Waiting to the end of the education pipeline to see who is interested. Changing perceptions will require building a pipeline into the industry—before parents and students have committed to "college for all", before students have decided that they aren't interested in STEM subjects in high school, and before the old perceptions eliminate any interest among parents and career counselors in learning more about the opportunities in the transportation technician occupations.
- "Every employer for himself". Without some form of a focused, collective action, the transportation industry will suffer from inadequately financed, fragmented efforts to solve these problems. A solution requires pooling resources and consistent public messaging to change perceptions and build a talent pipeline.
- Competition from other skilled trades. With only a small percentage of students interested in going into a skilled trade vs. seeking a college degree, the competition among all the skilled trades for those students is fierce. However, starting wages for auto technicians are among the lowest across the skilled trades. Add to that the fact that entry-level technicians are expected to arrive at their first job with their own tools and it does not make the career very attractive, compared with other choices. (Minor formatting edits; emphasis TechForce's.)

Source: www.RepairerDrivenNews.com

## 'Who Pays for What?' Surveys Illustrate Shops', Insurers' Practices for Scanning Vehicles

Two recent "Who Pays for What?" surveys offer a glimpse into shops' and insurers' practices related to vehicle scanning.

The most recent of the quarterly surveys found that of more than 500 shops that responded from across the country, 78 percent said they are paid "always" or "most of the time" to conduct post-repair "health scans" of vehicles by the country's eight largest auto insurers. That's up significantly from the 64 percent in the same survey a year earlier.

There was an even bigger jump in the percentage of shops reporting they are being paid regularly for pre-re-pair vehicle scans. Though the percentage being paid regularly is a bit lower (71 percent) than those reporting being paid for post-repair scans, it is still up 20 percentage points over a year earlier.

A "Who Pays for What?" survey earlier this past spring found that fewer than 3 percent of shops said they are not scanning vehicles at all.

There are four "Who Pays for What?" surveys per year, each focusing on different aspects of the collision repair process. The surveys are conducted by CRASH Network and Mike Anderson of Collision Advice. The current survey, which asks shops about their billing practices---and insurer payment practices---related to aluminum repair and various shop supplies, is open throughout October. Shops can go to https://www.crashnetwork.com/collisionadvice to take the current survey before Nov. 1.

Last spring's survey found that more than half of shops say they conduct scanning in-house, using their own equipment. Of those, about 1 in 4 charge a flat fee, and just over 40 percent charge one labor hour (or less) at a mechanical labor rate.

The remaining 35 percent of shops conducting scanning in-house were all over the map---some charging up to two hours at a body labor rate, some charging more than one hour at mechanical labor rate, a few not charging at all and some saying the charges vary by vehicle.

That particular "Who Pays" survey focused on "not-included" body repair operations. It found, for example, that compared to the same survey in 2016, more shops are seeking (and receiving) payment for the not-included process of duplicating the OEM texture of seam-sealer.

"Although the labor to apply seam sealer on a welded-on or bolted-on part may be included (depending on which estimating system you use), the additional labor required to match the OEM appearance is not included and can be very time-consuming for the technician," Anderson said.

Two years ago, more than 50 percent of shops surveyed said they had never charged any of the eight largest national insurers for the additional labor time to match the OEM texture of seam-sealer. The same survey this year showed that number has dropped to about 43--46 percent, meaning more shops are charging for this procedure.

Similarly, only 34 percent of shops two years ago said that when they did charge for the procedure, they were paid "always" or "most of the time," but today, even with more shops billing for it, a higher percentage (40 percent) say they are paid "always" or "most of the time."

"Educating collision repair professionals is a big part of what these surveys are about, and findings like this indicate to me that that's happening," Anderson said.

Some of the other procedures asked about in the survey were:

**Replace vapor barrier.** Anderson said it's important for shop estimators or repair planners to check OEM procedures to determine whether the vapor barrier is designated as a one-time use part and must therefore be replaced.

"This is common if there are airbag pressure sensors in the door," he said. In either case, labor to R&I or replace vapor barriers is a not-included operation that 3 in 5 shops say they are regularly paid for when it is necessary. About one-third of shops, however, haven't sought to be paid for this labor.

**Labor to gain collision access.** "It is very surprising to me that, in most regions of the country, 25 percent of shops have not sought to be paid for this," Anderson said. "It has been my experience that it is not uncommon for a collision technician to need to cut an access hole to remove components from a damaged door, for example, or to get the latch open when the hood is damaged."

Anderson believes more shops would seek to be compensated for this labor when it is necessary and performed if they knew, as the survey in April found, that 54 percent of shops that bill for this are paid for the procedure always or most of the time.

**Clean up old urethane.** When glass is removed, there's often labor required to remove or level the old urethane left behind. The "Who Pays" survey found that more than one-third (37 percent) of shops who bill for it said they are paid always or most of the time for this procedure when it is necessary, yet more than half of shops have not sought payment for it.

Four out of five shops that participated in the "Who Pays for What?" survey series reported that they have been able to use the surveys and the results to improve their business. Most (about 75 percent) said they use the surveys as a regular reminder of procedures that are "not-included" in the estimating systems and to train their staff about "not-included" procedures they could be charging for when they are required as part of the repair. About half of participating shops (46 percent) also said they have shared the survey results with insurance representatives, and more than 1 in 10 have occasionally shown the results to vehicle owners. Others have even shared the results with state regulators.

The surveys, now in their fourth year, have consistently indicated that whether or not a shop gets paid for various procedures depends largely on whether the shop includes the item on estimates or invoices. One independent shop owner from New York confirmed this.

"I was an insurance company staff adjuster for over 20 years, and as a staff adjuster you were instructed not to give if the shop doesn't ask for it," he commented with his survey responses.

Shops can take the current "Who Pays for What?" survey (or sign up to be notified about future surveys) at https://www.crashnetwork.com/collisionadvice. The four different surveys, conducted at one per quarter, each take about 15--25 minutes, and Anderson said they should be completed by the shop owner, manager or estimator who is most familiar with the shop's billing practices and the payment practices of the largest national insurers.

Individual responses are not released in any way; only cumulative data is released.

On the website, shops also can download the results of previous surveys, reports that break the findings down by region, by insurer and by DRP vs. non-DRP. The reports also include analyses and resources to help shops better understand and use the information presented.

Source: www.AutoBodyNews.com - Article written by John Yoswick

## NuGen IT: Using OEM repair procedures crucial, but so is retaining proof you did

NuGen IT employee owner and business development executive Pete Tagliapietra estimates that despite the industry emphasis of OEM repair procedures since at least 2011, many shops still fail to use them.

"It's so apparent to us," Tagliapietra said.

Even the shops who do follow OEM guidelines might not be preserving a record of having done so, Tagliapietra said.

A shop who doesn't access and retain the procedures they used to fix the vehicle along with the repair order, estimate and images of the work, is engaging in a "going out of business strategy," he said.

Tagliapietra and NuGen IT's Wil Peck plan to address both issues at "The Imperative of Accessing and Retaining OEM Repair Information on every Structurally Repaired Vehicle," 3-5 p.m. on Tuesday, Oct. 30, during the Society of Collision Repair Specialists' Repairer Driven Education series at SEMA.

Continued on Page 17

Asked why the course stressed OEM repair procedures for structural repairs versus all repairs (Tagliapietra himself noted how even a headlight replacement could require calibration), Tagliapietra said he was "trying to get it to resonate."

The industry is so behind on following OEM repair procedures — Tagliapietra described it as on the "ground floor" — that convincing shops to at least follow structural repair procedures would be a victory. "That would be a quantum leap forward," he said.

Once an audience had been attracted, they could be told, "'This is a wake-up call for you," according to Tagliapietra.

A 2017 "Who Pays for What?" survey by Collision Advice and CRASH Network found the percentage of responding shops who looked up OEM repair procedures "most of the time" or always grew to 48.8 percent. That's up from 48.2 percent in 2016 and much better than the 42.7 percent in 2015. But that's still the majority of the 494 respondents who weren't consistently doing it.

Shops persist with what Tagliapietra calls "genetically impaired excuses" for avoiding the wealth of information available, such as "'I have I-CAR information'" — which is funny, as I-CAR directs shops to follow OEM procedures — or that the refusenik has been working in the industry a long time.

Tagliapietra even recounted a scenario in which the body shop had licensed ALLDATA "'but I don't use it.' ... 'I just don't have time for it.'"

Perhaps there'd be more time after the shop owner was "run out of business," Tagliapietra said Tuesday.

Tagliapietra said that contrary to reports by some technicians of desiring to use OEM procedures and being told not to do so by an owner, that hasn't been the case for the wider industry. The typical technician won't pull that information themselves.

Failing to retain the information can be just as costly from a litigation perspective, for the shop would have no physical proof it did the job correctly (assuming the vehicle is too mangled), he said. He encouraged shops to do their research and find out a means of storing their repair procedure documentation.

More efficient ways of collating, organizing and storing that information exist on the market. But there's always the DIY option as well: Dump all your files on cloud storage and organize it yourself.

Google, for example, will sell you 2 TB (2,000 GB) a month of cloud storage for about \$120 a year. For context, the Repairer Driven News image database has more than 30,000 largely high-res images, and it only weighs in around 145 GB. PDFs like an estimate or other documentation are much smaller,

Tagliapietra said shops needed to be educated that there was a "paradigm shift" in collision repair. Because of vehicle technology, a shop had to keep "both eyes above suspicion," he said.

There's also too much information available for others to see what you should be doing, according to Tagliapietra. "You can't keep that repair process quiet anymore," he said.

Attend Tagliapietra and other speakers' sessions by taking advantage of early registration for the Repairer Driven Education series and OEM Collision Repair Technology Summit at SEMA.

Source: www.RepairerDrivenNews.com

### SCRS: Structural repair OEM Summit session includes Audi, Auto/Steel, FCA, Porsche

Experts from Audi, the Auto/Steel Partnership, FCA and Porsche will headline the first of the three OEM Collision Repair Technology Summits this year at SEMA, the Society of Collision Repair Specialists announced Monday.

"The Rules – and Challenges – of Structural Repair on Modern Architecture" from 9-10:30 a.m. Nov. 1 will feature Dan Black, FCA advanced body development service engineer and collision repair manager; Robert Hiser, Auto/Steel Partnership advanced high-strength steel repairability lead and General Motors body structure service engineer; Shawn Hart, Audi curriculum designer and collision instructor; and Mike Kukavica, Porsche aftersales techical training collision repair technology instructor.

"During the open and interactive session, panelists will explore how modern vehicle architecture and design specifically influence repair facility processes," SCRS wrote in a news release. "From research of advanced substrates and mixed-material designs to joining processes and equipment necessities, the program will fully explore the range of considerations necessary to perform structural collision repair.

"With automakers intentionally designing flows of energy through structural components and away from occupants, understanding how to anticipate and identify signs of energy travel through the vehicle and the possible impact upon the repair process is also critical for technicians and owners alike."

The Thursday panel will be moderated by Ron Reichen, a former SCRS chairman and the owner of luxury-certified Precision Body and Paint, and Database Enhancement Gateway Administrator Danny Gredinberg, who has held Mercedes and Porsche structural credentials,

SCRS plans to soon announce more details about the other two OEM Summit sessions mentioned in Monday's release: "The Evolution of OEM Network and Expectations" from 11 a.m.-12:30 p.m. and "The Future Impact of Telematics, Technology, Transportation and the Collision Industry" from 3-5 p.m.

SCRS also on Monday acknowledged 2018 OEM Summit sponsors AkzoNobel, BASF, CCC, General Motors, PPG, Sherwin-Williams and Spanesi.

Register for the structural course here, sign up for all three parts of the OEM Summit here, or, for the best deal, buy the Full-Series Pass for unlimited Repairer Driven Education access. Classes are \$75 now, \$85 after the Oct. 12 early bird deadline. The full-series pass, which costs \$375 now and \$400 after the deadline, grants the repairer access to every RDE class, all three sessions of the OEM Summit, the Sky Villa afterparty, and the brand new IDEAS Collide TED-style event Friday, Nov. 2.

Source: www.RepairerSrivenNews.com



## Research: New Car Camera Could Provide Safety Breakthrough

Inspired by the visual system of the mantis shrimp—among the most complex found in nature--researchers have <u>created a new type of camera</u> that could greatly improve the ability of cars to spot hazards in challenging conditions.

The new camera accomplishes this feat by detecting a property of light known as polarization and featuring a dynamic range about 10,000 times higher than today's commercial cameras. Dynamic range is a measure of the brightest and darkest areas a camera can capture simultaneously. With these, the camera can see better in driving conditions such as the transition from a dark tunnel into bright sunlight or during hazy or foggy conditions.

According to a research journal, Optica, the camera could be mass-produced for \$10 per piece.

The camera would enable cars to detect hazards, other cars and people three times farther away than color cameras used on cars today.

Source: www.FenderBender.com



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### Name That Car Contest!

What Classic Car Is This??

Tell us the Year, Make and Model
Send Your Answer to
abacnews13@gmail.com
On September 30th, we will choose a
winner from all of the correct answers
Winner will receive a \$200.00 Visa Gift Card
One Entry per person, please!

Congrats to last issue's "Name That Car Contest" Winner: Ron Sheehy from Derby Auto Body

We had plenty of entries and Ron was chosen from with the correct answer: 1947 Cadillac 62 Coupe Yoga Mat

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