ABAC NEWS

July August 2021



ABAC Returns to Live Meetings
Members Take Part in Hands-On Training

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ABAC President's Message Bob Amendola Approaching Normalcy?



We recently held our first in person membership meeting in Hartford at Airport Road Auto Body and what a great meeting it was to welcome everyone back! A special thank you to the Cavallaro's for hosting us at their incredible facility, Kemperle for sponsoring the meeting and for their continued support, and Gene Fetty of Keco for a phenomenal demonstration.

We've been using the Keco system for a few years now and have been loving it. It truly is a great skill to have in our back pocket to help save time and be more efficient throughout repairs. I highly recommend that you reach out to Gene about implementing the

system in your own shop, I'm sure you will love it too.

It was so great to be able to meet in person again after such a long time. The sense of camaraderie was as present as ever before, confirming that when we stick together, there is strength in unity. I mentioned something in the meeting that I'd like to mention again for those who were unable to attend. Being in the association means we have a network of colleagues, not competitors. I feel as though I can call my neighbors and fellow members to ask a question, bounce ideas around or offer information or advice and I hope you feel the same. Insurance companies would love for us all to have that competitive mindset; divide and conquer. We must remember that when we stick together and work together, great things happen. Lean into the network we have built and work hard to maintain. Lend a helping hand to your fellow members and don't hesitate to call on them when you have a question etc. After all, that is one of the best aspects of our association.

We're hoping that we can host another meeting again very soon. Regardless, rest assured that your board of directors have not skipped a beat Continued on Page 3

Continued from Page 2 throughout the entire pandemic. Between meeting remotely or socially distanced in person, we've remained hard at work for our membership and the motoring public.

If you are not at the point where you feel comfortable attending meetings, you can still remain up to speed with the latest information. We now have a private section of our website dedicated to you where you can find resources, helpful information and updates directly from the board. We also have a private Facebook group where you can find the same information, communicate directly with the board and fellow members. If you haven't yet accessed both of these platforms, I highly recommend that you do so. We have a few big projects coming down the pike and it's important that you are in the know.

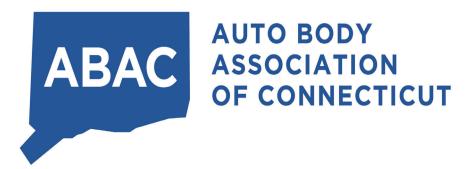
Looking ahead, it is our hope that we can resume membership meetings in person going forward. However, we will remain in adherence to local and government guidelines and regulations and do our absolute best to maintain the safety and health of our membership at the forefront. Be sure to check your email regularly for more information regarding future meetings.

Thank you for your continued partnership and I look forward to meeting with you very soon.

All the best,

Bob

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



Unity is Strength
Knowledge is Power
Attitude is Everything

Auto Body Association of Connecticut Returns Post Pandemic

The last time we checked in with a live Auto Body Association of Connecticut Meeting it was March of 2020. So much and so many changes have occurred in our world, but one thing has remained constant: the ABAC has continued to focus on the automotive collision industry and the members of this great organization. The ABAC gathered recently at Airport Road Auto Body in Hartford, owned by the Cavallaro family.

This venue would hold the first ABAC Meeting and Vendor Presentation in almost 18 months! There were 75 attendees representing over 20 Connecticut Collision Repair Shops ready for hands-on training that would be presented this evening.



"March 2020. That was our last in-person ABAC Membership meeting. That was far too long ago. I'm happy to see so many here in attendance tonight," said ABAC President Bob Amendola. "I'd like to just to bring you all up to speed a little. Your ABAC Board of Directors has not been idly standing by. We have continued to meet via Zoom conferences every month to discuss ongoing issues and concerns. We will go through those things shortly," he continued.

"The first thing I'd like to do this evening is thank the Cavallaro's for hosting tonight's event. As you can see, they have a fantastic facility here and it's obvious that, just like their work, they put everything they have into their business. Thank you to Tony Sr, Tony Jr and Joe Cavallaro. I also want to thank our sponsor Albert Kemperle Paint & Supply represented by their Territory Sales Manager Dave Esposito and his team, for their involvement in making tonight possible. As

you will see soon enough, anyone who hasn't experienced the Keco Products System will be very impressed with tonight's presentation," continued Amendola.

"I'd like to give you all a quick overview on what's been going on with your association. I talk with many people. I feel their frustration. Some of the things discussed in the last edition of the ABAC News (May-June 2021) were very eye-opening. Do yourself a favor, get your copy of that May-June newsletter and take it home and read the article by Tony Lombardozzi. And read it 3 times! Many of the answers to what we are trying to accomplish is right in that article. I commend everyone for their efforts and for all your support of our association even during these challenging times. Dave Fogarty has helped in his efforts by recruiting 8+ new ABAC members. That's quite an addition to our membership base," said Amendola.

"The big push right now is getting people to put in DOI complaints. As much as you think it may be futile, we have had a lot of good results. Learning to say "NO" is one of the most valuable tools that we have. Look, we all know the insurance companies don't want to send out appraisers. In our shop, we will not do a photo estimate. Absolutely not. On a supplement, we will send them the documentation and the photos because if they don't agree to our number, then we give them this number, CT. Regulation 38a-790-5, which says they have to send out an appraiser.

We've seen numerous times that they will agree with our number or even within a few dollars because they don't want to send out an appraiser. This method works," continued Amendola.

Speaking from the floor, ABAC Past President Tony Ferraiolo said, "Another take on that is what's happening right now; many times these photo estimates are being handled in Illinois or Arizona or elsewhere in the United States and the insurance company will not give credit to a supplement unless they have settled that claim. If you push them (insurance company) and they're in some other area that's not local then you tell them, 'This is what it is; if you don't like it, send a local appraiser.' Or if you tell them NO but here's my dollar amount and I don't care how you determine that, they will come around. And again, if they don't, send out an appraiser! The one thing the DOI has done for us is to defend us on that 38a-790-5 Regulation and the DOI has said, if the consumer requests an inspection in person, the consumer has that right to that request. It's one of the very few things the DOI has remained on our side. And this is huge because the insurance company can't use the out of state company to settle that claim and must send out a physical person. Insurance companies WANT photo estimating, let's face it. That's where they want this industry to be. It makes their job easier even though we all know they are short-changing the consumer. The more you demand, by law, an appraiser, the less photo estimating there is and there will be less of a chance of the consumer and you, the shop owner, of getting underpaid on every job and not having to go to your customer for the difference.

Back at the podium, President Bob said, "Whatever your rate needs to be, wherever you are, if you're not writing your estimates at that rate, you're already defeating yourself. Take a good look, contact your accountant so he does what he needs to do to figure out what your rate should be. If you're not writing at the correct rate, how do you even know where you need to be? In 2006, we had over 1100 licensed repair shops in Connecticut. The count today is closing in on 380. It's time to evaluate your business for the value that it is. But you must do it properly. Your customers will stand by you."

Returning to some of his opening thoughts, Bob reiterated, "The Board hasn't slowed down at all. We continue to look for ways to help make our member shops better. We look for potential training and education to help you run your business. Those are a few things we can offer at our meetings. I implore you again to read the article by Tony Lombardozzi. I can't stress this enough. For us to think that we can do just one or two things legislatively to help our industry and make all our problems go away.....well, that is NOT going to happen. It (legislation) can be a tool to help us but YOU, the shop owner, must demand where you want to be. We are now at the level where we don't have competition anymore. We are all colleagues. The "competition" moniker is fading away. You should be able to call your neighbor, your colleague, the shop down the street, to reach out and help one another. The insurance companies want us to divide. We need to be together and have unity. That's basically what the ABAC has always been about."



At this point, Bob introduced our guest speakers for the evening; *Gene Fetty, Head Trainer, KECO Products, who was joined by Brock Birky, the Director of Business Development for KecoTabs.*

Innovation is critical to all industries. In the automotive body world, the introduction of techniques like Glue Pull Repair (GPR) has changed the game. GPR utilizes a variety of constantly evolving tools and tabs to make quick, less-invasive repairs that preserve a vehicle's original paint. Said Amendola, "For anyone who isn't currently using KECO Products, let me tell you, they are fantastic. We use them and our techs really are very happy using them and enjoy working with them. Great tool."



Taking over, Fetty began his presentation. "Throughout the night, if you have any questions, raise your hand up or grab me and pull me aside. I'm more than happy to walk you all through any process." Gene then gave us some history of KECO Products. "KECO is a plastics manufacturing company based out of Oklahoma City. They were founded in 1964. The current owner, Chris White, is just the third owner of the company and about 12 years ago they decided that they wanted to also be a products company more than just a manufacturer and they started off that project with our KECO Pull Tabs."



The Keco System is not just for Paintless dent repair, but for use in Collision Centers to pull to paint repair which is a key system for aluminum repair since it doesn't damage the underside of the panel. Keco supplies the Professional PDR Technician with the performance, the innovation, the quality, and the service necessary to successfully execute every Paintless Dent Repair project. Keco leverages the fifty plus years of experience in plastic to design, develop and bring to market the highest quality and most innovative tabs, tools, and accessories. They pride themselves on being an innovative, agile, and service oriented manufacturer that professionals can rely on to supply products that make repair easier and faster.

Attendees then broke off in separate groups for demonstrations and hands-on training of these products.

GPR is similar to PDR in that one of the main objectives is to save as much of the original finish as possible so, at the end of the repair, there's little or no filling, priming, and painting.

Like PDR, there's no stud welding when you use GPR. After cleaning the surface to prep it, you pull the dent out from the front using a pulling tool or device and an adhered "tab" that you attach to the panel with high-strength adhesives. After you're done with the pull you may have to knock down some high spots in the same manner as you work today. But aside from

some minor filling, priming and painting, in most cases, you're done! Gene demonstrated the glue pull with various different tools on a few different panels, one of them being a Tesla deck lid. He also showed us how to properly apply the glue and ensure it is at the right the right

> If you are interested in purchasing Keco products and/or equipment or if you just want more information so you can decide, please contact your Albert Kemperle Representative.

Amendola once again thanked event sponsors, ABAC Corporate Sponsors, and ABAC News Supporting Advertisers. "Please consider them when making your decisions to purchase anything that they offer. **Remember to support those who support you,"** he said.

The Auto Body Association of Connecticut is dedicated to educating Connecticut motorists, enhancing the abilities and knowledge of its members, and promoting in all ways safe and dependable auto repairs.

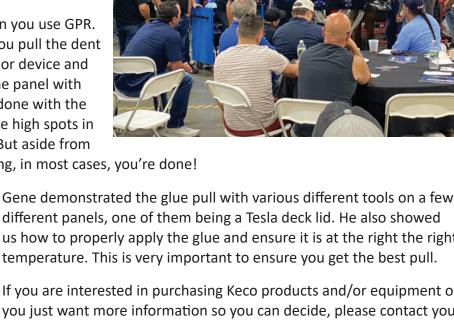
The ABAC endeavors to protect the best interests of consumers, its members and the collision repair industry.

For more information about ABAC and its future events, visit abaconn.com

Submitted by Don Cushing







On the Minds of Members

This is another in a series of interviews that will be appearing in the ABAC News going forward. We will be contacting ABAC Members and Directors each edition for their input on many topics that can assist and help ABAC Members in their businesses.

What does insurance steering mean?

"Steering" when applied to car insurance, is when an insurance provider directs their policy holders or 3rd party claimants to get their vehicles repaired at a specific body shop. Insurance companies have also been known to steer policyholders away from specific collision providers.

Can an insurance company force you to use their body shop?

It is illegal for an insurance company to steer, force, require or pressure you into using a particular shop. You should never take your vehicle to a body shop based solely on the recommendation of an insurance company. Not even if it is your own insurance company.

Do you have to use the body shop the insurance company recommends?

No, you don't have to use the body shop the insurance company recommends. Your car accident repair rights allow you to choose a body shop of your choice to repair collision damage.

Now we hear from ABAC Past President Tony Ferraiolo and ABAC Vice President Ashley Bruzenski for thier thoughts on these questions and more. These are the experts in their field.

How do you combat steering?

Tony: I think you would combat steering by educating your customers first. If they know their rights and are reminded of those rights, then your customers will be loyal to you. Steering will go on whether you know it or not because the insurance companies are pretty good at doing the steering. They have a ton of money, training and time invested in steering. Their people steer especially to their direct repair programs to who the insurance company would rather deal with rather than an independent shop. The insurance companies claim handlers are trained to steer customers to the insurance company's preferred shops. We have seen this in the past through emails shared by customers with us. Insurance companies supply the scripts to these handlers as to how to legally steer the customers to their direct repair programs. The only way to combat this practice (because you, as a shop owner, are not there for first notice of loss) is to educate your customers that this practice could happen, will happen, and they need to know their rights as to the State of Connecticut statutes and laws and to contact anyone at the ABAC right away if they are involved in an accident and the ABAC will assist you with the claims handling process.

Ashley: It actually starts before the customer even contacts us with our website and our social media platform. We have a lot of information on there that I'm hoping customers find when searching for a collision repair center. We have it right there at the beginning that you have the right to choose the shop of your choice and it would be in your best interest to stop by a repair shop you can trust to help them go through the entire claims process even before you report the claim. This is our first chance to educate our customer. Once the customer calls or comes to our office it gives me an opportunity to explain to them the process, ease their anxiety, and let them know that we can take care of reporting their claim.

We let the customer know exactly what the insurance company will tell them and try and do to them, especially most of the excuses; "we don't have any appraisers", "this isn't our process", "We can't send anyone out", "your car is drivable", "we don't' send out an appraiser when the car is drivable, you have to send us photos", and all of the lies that we know the insurance company will use to intimidate the customer. The insurance company will also tell the customer, "We don't send out an appraiser if the vehicle is safe to drive." My response, "Well, that's not permissible given state laws," that's number one. And number two, many times I'll just take out the argument by telling them that the car is not safe to drive! By telling the customer all of this, up front, it goes a long way to win them over and earn a bit of trust and take away some of the anxiousness that they have after such an uncomfortable event such as an accident. At this point, as long as the customer is willing, I will call the insurance company with them there right in my office and report the claims for them or set up an inspection. This is how we try to combat the steering portion of our business, by taking control of what we feel is the proper way of handling a customer. By being proactive, we have a better chance of keeping a customer before the insurance company fill their head with propaganda. I think most customers would be surprised at how, even after all of this information, the insurance company will still make one last ditch effort to call the customer to try and convince them to take it to their (the insurance company's) preferred shop. That's why it is so important to educate your customer.

What has the ABAC been doing to fight steering and educate the customer?

Ashley: Utilizing all of our social media platforms, Facebook, Instagram, Twitter, etc. that we've created ourselves to keep customers informed and engaged and spread awareness. Posts that we create ourselves, videos that we share, posting the Connecticut Statutes and laws, informing consumers of their specific rights that they have in the state of Connecticut, creating flyers that we distribute to the shops where they can post them for customers to see are just a few of the many things we do as an association to combat insurance steering, which, by the way, is illegal. Our biggest campaign so far in 2021 has been our Billboard and Gas Station Videos that we spoke of in our last edition of the ABAC News – May-June 2021, which is available to view on our website, www.abaconn.org

What is the best way to get this information out to your customers?

Tony: That's a really good question. We use our Facebook Business Page to reach out to our customers, past, present and hopefully future, we send out letters and postcard updates to our customer base. We send out thank you letters to our customers. We send out Christmas Cards. We are continually trying to market our brand but also staying in constant contact with customers that have used us in the past. We do our best to make sure that our customers recommend our company to family members and those they know. All these things that we do give us the opportunity to insert information educating our customers on their rights as a consumer so that their insurance company doesn't try to steer them to another shop. We have the ABAC motto in the state of Connecticut which is, Your Car, Your Choice. If any consumer needs assistance with their claims settlement or feels as though they are being steered, all they have to do is contact any ABAC board member and that member will help the consumer file a complaint with the Department of Insurance.

Do you use a questionnaire to find out how customers heard about your shop?

Tony: We don't have a set of questions that we ask our first-time customers but that may be a good question to ask. Most of my customers have been referrals from other customers or a dealership referral. Over 90% of our customer base is a referral. COVID made it challenging last year as far as keeping very busy. But since the mandates have eased, our business has returned. Fortunately, there is a very big pool of potential customers out there so the need for advertising is currently not an avenue that we need to follow.

Are you finding that current business conditions have had an effect on ABAC membership and/or business ownership?

Tony: As of today, we have a count of 380 licensed collision centers in the State of Connecticut. That is down from 410 two years ago. So yes, COVID has had an effect on collision repair centers as well as many other businesses in Connecticut. And it's not just the past 2 years that have seen change. If we go back to 2001, just 20 years ago, the State of Connecticut had close to 1,000 licensed collision repair facilities. That's over a 60% decrease! It's not getting any easier to operate a collision center. And this is not just a problem in Connecticut. We are seeing this problem nationwide. This trend is caused by many reasons, consolidators are purchasing body shops, older shop owners are retiring, others choose to not keep up with the training, equipment and technology that is needed to keep your facility current and competitive in this market. As far as new shops opening up, it takes a major investment to even think about opening up a new facility.

Paint and Materials

What are you using to accurately document your cost of Paint & Materials?

Tony: Some people are using Mitchell. Some shops use other databases. At my shop, we use pour sheets, which are generated by our Axalta paint mixing computer that tells us exactly what we used. That has been successful for us when we are negotiating rates on pain and materials. Our system also generates an invoice that adds a profit margin, that we control, that we present to the appraiser.

Ashley: We use the Mitchell Refinishing Materials Calculator (RMC) Guide. It's one of the most accurate databases in the industry. Some companies will push back on this so we will use the pour sheets. This allows us to invoice the job accurately.

How successful are you, as far as getting paid by the insurance company and using this system to track your paint and materials?

Tony: Very successful. Because you are producing a document that is the exact proof of what you are using. You have it documented. Sometimes you get it all, sometimes there is some negotiating but there is no arguing when you have it documented on an invoice of your actual usage. And IF you end up negotiating, the shop has an idea of where they need to be knowing their actual cost. This is a far better way of doing business than before where you had to add up what you spent on paint and materials monthly to see what it cost you, then try to figure out how much you actually collected in paint and materials, then you found out where you needed to be so that you could determine how many labor hours you needed to be charging for paint and materials. So, as you can see, many steps were needed and it was very challenging to be profitable, if you were profitable at all. Now, you know exactly where you are and where you need to be as far as getting paid a proper amount. The old way is the way insurance companies have always figured our paint and materials. That means the advantage was ALWAYS to the insurance company because they controlled what you got paid. It was always an industry accepted formula because we, the shops, accepted it! While the new systems have not eliminated this process, they have greatly reduced it. Shops are now realizing how much they were losing in paint and materials the past. Remember, there are only 4 avenues of profit for a collision center: Labor, Parts, Sublet and Paint & Materials.

Ashely: There is always push back from many companies. Some will accept Mitchell with no questions. Others will only take the invoice from the pour sheets. It's a negotiation.

Submitted by Don Cushing

Maintaining and Furnishing Paperwork: The Sexy Truth the Kardashians Don't Want you to Know!



As you probably suspected by the gratuitously misleading title of this article, what you are about to read is super lame. Hey, listen, if you think it's so easy making articles about invoicing and record retention more interesting, I certainly welcome the challenge. Here's the point, over the years shop owners have asked me about the need to furnish invoices to insurance adjusters. This can be a divisive issue. I get it. When this topic comes up, I am reminded of Attorney General Blumenthal's advice on the matter from correspondence on July 27, 2004:

"After reviewing the relevant statutes, and consulting both the Department of Motor Vehicles and the Department of Insurance, my staff has concluded that no state law or regulation requires a repairer to furnish an insurance company or its adjuster with copies of invoices or other documentation concerning an automobile repaired at their body shop.

Although Connecticut State Regulation §14-63-40 (e) requires repairers to maintain for two years, among other things, estimates for repairs, appraisals, and the final bill for such repair, I am unaware of any law requiring a repairer to provide these records to an insurance company."

The law Mr. Blumenthal referenced, CT Regulations § 14-63-40, sets forth the records that are to be maintained. It's worth noting, so I will. The law provides:

Each new or used car dealer and repairer, including limited repairers, licensed pursuant to section 14-52 of the General Statutes shall maintain at his licensed place of business for a period of two years after the repair of a motor vehicle the following records:

- (a) Any estimate prepared in regard to a repair done;
- (b) The repair order specifying the repairs to be made and authorizing the same;
- (c) The final bill for such repair;
- (d) All bills, statements or reports received from other dealers, repairers or subcontractors in the course of or as a result of repairs to the vehicle or to major component parts thereof;
- (e) All bills or statements of charges relative to purchase by the dealer or repairer of major component parts for use in the repair of such vehicle or in connection with such repair;
- (f) Any appraisal received or made by the dealer or repairer relative to damage or repairs required to the vehicle.

Are you super fired up about this topic yet? I know Kim Kardashian is. Hang in there because things are about to get way hotter.

We have Mr. Blumenthal's guidance. It's strong. Still this issue remains contentious. I wanted to know more about how shop owners are handling this invoicing issue, so I sought guidance from some experienced shops. One shop advised that if it's a manufacturer's invoice, it gives the insurance company the list price only, removing the price that was paid. This is done to honor the relationship the shop built with the vendor and in recognition of the thought that such information is confidential and privileged.

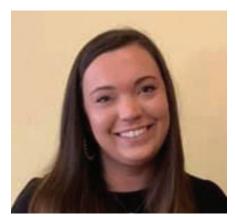
Another shop told me that it emails its parts lists to give the insurance company a true list price. That shop holds confidential whatever discounts it may receive. As far as sublets, the shop creates an invoice with a competitive markup. Yet another shop advised me that it has no problem giving invoices to an insurance company if the insurer is trying to verify that the part or parts were put on the car. The shop sends photos along with the invoices, which do not reveal the shop's cost. That information, the shop maintained, was confidential business records and not something that it was willing to share with the insurer. Another shop advised me that the only information it gives to the insurer, when necessary, is the retail price. The shop does this in the interest of time management.

How you choose to handle your claims management process remains up to you. Either way, I hope you found this content helpful and as exhilarating as the title suggested.

John M. Parese, Esq. is a Partner with the law firm of Buckley Wynne & Parese and serves as General Counsel to the ABAC. Buckley Wynne & Parese maintains offices in New Haven, Hartford and Stamford, and services clients throughout all of Connecticut. The opinions set forth in Attorney Parese's articles are for education and entertainment purposes only, and should not be construed as legal advice or legally binding. If you have any questions or concerns about the content of this or any of Attorney Parese's articles, you are encouraged to contact Attorney Parese directly.



Simple & Effective SOPs



ABAC Vice-President - Ashley Burzenski

As I have mentioned before, I am very focused on organization and efficiency within our business. Because many of us wear so many hats within the business, it has been very helpful to focus on creating simple and effective standard operating procedures (SOP). Doing so has helped streamline certain daily tasks to make sure we are time efficient, organized and productive. While every shop is different, here are a few recent SOP's we've implemented that you may draw some ideas from to use within your own shop to help save time while improving efficiency and communication.

- 1. Vehicle Check-In Sheets When a customer drops off their vehicle, our front desk checks in the vehicle, documenting it inside and out with photos through our estimating software app. We make sure to make notes of any unrelated prior damage, documenting everything with the photos. We have a sheet that is in a clear protective sleeve that is applied to a rear window. We have a picture of a generic vehicle, a checklist of SOPs and a space for team notes. We use a dry erase marker, making these sheets reusable. Throughout the pandemic, we have been applying a sanitizing solution to each vehicle pre and post repair so we also check off that the vehicle has been sanitized on the sheet before the tech brings it around. The tech can then make notes for team members right on the sheet where it is visible and make reminders for themselves about the job. Doing so has helped us to really stay organized even when a team member is out one day. This first step helps to keep us organized and categorize the job, also creating clear communication throughout the repair process. We consider this the first step in our blueprinting process.
- 2. Customer Files Every customer has a manila file that has prongs on either side to keep the paperwork within the file organized and easy to flip through. On the left side of every file is what we call a File Notes/Communications Log. On the log, we have 2 sections. The first section is a checklist which tracks the repair including initial check-in, liability status, payment confirmation, parts order, etc. The second section is a log of any and all communications regarding the file between the customer, insurance company and parts department. Each phone call, email etc. is logged. We all wear many hats so if it isn't written down it can be easily forgotten.
- 3. Email > Phone Whenever possible, our preferred method of communication is through email. Each office team member always has the email account open as a tab on the computer so it is continuously monitored. Utilizing emails has helped reduce wasted time waiting on hold etc. We also prefer to have a paper trail of correspondence, especially with insurance companies. Of course, we don't use this to replace the personal connection emails can often take away, especially when it comes to customers, but overall, it has helped us so much to make that shift.

While these ideas aren't all encompassing, they have certainly helped. We are constantly trying to find ways to help make things run more smoothly. I hope this helps you to implement your own SOPs and create the opportunity for you to find a way to carve out more time for yourself.

Pictures & Sanitized

The biggest benefit of time efficiency is the opportunity it affords to spend some time on what is most important; time with our loved ones and doing things that we enjoy.



ABAC Vice-President - Ashley Burzenski

Ashley Burzenski can be reached at autoworksofwestville@gmail.com

Customer File Status	File Notes/Communications Log		
(Check off as completed)			
	Message	Date	Name
Check-In (Photos/Sanitize)			
Estimate			
Insurance Authorization/Liability			
Original RO			
Payment Confirmation			
Parts Order			
Supplement Submitted			
Supplement RO			
Supplement Payment			

Vehicle Information

	Pre-Repair Scan	Year:
	Parts List	Make:
	Post-Repair Scan	
	Post-Repair Checklist	Model:
	Road Test	
Damag	e Location:	
Team		
Team N	otes:	

Communications Log
&
Vehicle Check-In

These two forms can be found and downloaded on the ABAC Website, www.abaconn.org

'Who Pays?' data finds auto body shops scan frequently, mix methodology



2020 "Who Pays for What?" scanning data found collision repairers frequently conducting preand post-repair scanning vehicles and using a variety of tools to do so.

Collision Advice CEO Mike Anderson presented statistics Tuesday to a Dave Luehr's Elite Body Shop Academy webinar indicating that 37 percent of shops ran a diagnostic check before every repair, and 41 percent did so "most" of the time. Post-repair scans were more common, with 47 percent of respondents telling survey authors CRASH Network and Collision Advice that their shop ran the checks on every vehicle. Another 43 percent said they conducted post-repair scans "most" of the time.

The most common reason collision repairers gave for opting against either scan was the vehicle's age.

Anderson said that when a shop says it doesn't scan a vehicle due to its age, it's stating "'I'm smarter than an engineer.'"

"... I love you all, but ladies and gentlemen, you've got to get educated."

DOCUMENTATION: REIMBURSEMENT AND LIABILITY

Who Pays for What Survey

Of all the vehicles that come in to this location, approximately how many receive a:

PRE-repair vehicle scan?

POST-repair vehicle scan?

All

Most

More than half
Half
Less than half
Less than half
A few
None

79% of shops pre-scan "all" or "most" vehicles
90% conduct a post-repair scan on "all" or "most" vehicles

The OBD-II port itself dates back to the 1990s, and other diagnostic technology predates it. In fact, asTech OEM and industry technical relations director Jake Rodenroth told the webinar audience he owns a 1977 Volkswagen Rabbit with a diagnostic port.

Or look at it this way: Multiple OEMs mention ranges of model years in their scanning position statements. Ford mentions the narrowest span of years out of all of them.

But even Ford demands shops scan everything going back to model year 2010, and the OEM doesn't rule out the possibility that repair procedures on pre-2010 Fords and Lincolns will demand scans.

Model year 2010 represents an 11-year-old vehicle today. The latest CCC data on insurance claims indicates the average vehicle would already have been declared a total loss before its 10th birthday (9.68 years). The average repairable vehicle in 2020 was only 6.17 years old.

Meanwhile, the average vehicle on the road last year was 11.9 years old, according to IHS Markit. Next year, even that would be a 2010 model.

Other common reasons not to scan cited by "Who Pays?" respondents included the sentiment that the damage didn't warrant one and the sense that the vehicle lacked "any high-tech systems." The study also found more than 10 percent of shops declined to pre- or post-scan vehicles on the grounds that insurers wouldn't cover the operation.

DOCUMENTATION: REIMBURSEMENT AND LIABILITY

Who Pays for What Survey

When you have NOT performed a pre- or post-repair scan, which factors most lead to this decision?

Reasons for not scanning vehicle PRE-repair	2020	2019	2018	2017	2016
Age of the vehicle	75%	78%			
The level of damage doesn't warrant a pre-repair scan	43%	44%	52%	53%	51%
The vehicle doesn't have any high-tech systems to be concerned about	26%	29%	39%	35%	28%
We don't get paid for vehicle pre-repair scans by the insurer	14%	14%	20%	29%	37%
No cause for a pre-repair scan because no dash lights are lit	8%	11%	13%	13%	34%
We don't have enough staffing, training, scan tool or other equipment*	4%	2%	8%	16%	21%
Cycle time concerns - pre-repair scanning process takes too long	2%	1%	2%	3%	4%
We never considered performing a pre-repair scan	1%	1%	4%	4%	15%

^{*}Prior to 2019, this response option stated "We don't have the proper scan tools in-house"

Reasons for not scanning vehicle POST-repair	2020	2019	2018	2017	2016
Age of the vehicle	80%	80%			
The level of damage doesn't warrant a post-repair scan	38%	40%	53%	50%	50%
The vehicle doesn't have any high-tech systems to be concerned about	25%	28%	41%	35%	27%
We don't get paid for post-repair vehicle scans by the insurer	12%	12%	16%	23%	31%
No cause for post-repair scan because no dash lights are lit	8%	9%	12%	19%	44%
We don't have enough staffing, training, scan tool or other equipment*	3%	2%	8%	12%	18%
We never considered performing post-repair scans	1%	1%	3%	2%	10%
Cycle time concerns - the post-repair scanning process takes too long	1%	1%	1%	3%	3%

Scan tools

The "Who Pays for What?" study also asked shops to identify all of the scanning methods they used, and the data indicated at least some repairers were alternating between different tools.

67 percent of respondents said they used aftermarket scanning equipment in-house at least some of the time. This represented an increase over 2018 but was lower than a few years ago. (The survey didn't ask the question in 2019.)

However, the proportions of auto body shops also relying on dealers, using OEM scan tools and remote diagnostics providers also grew between 2018 and 2020, though the proportion of shops using dealers was higher back in 2016.

Fifty-three percent of shops relied on remote scanning providers, compared to 42 percent in 2018. Forty percent sent vehicles to dealerships in 2020, while just 25 percent did two years prior. The percentage of shops using OEM scan tools in-house rose 11 percentage points to 28 percent of the industry.

As noted above, shops could — and did — select multiple scanning methodologies. A separate question asked which method represented their most common way of scanning a vehicle.

Aftermarket scan tools in-house were the most popular here as well, with 48 percent of respondents calling it their most prevalent scan technique. Remote scanning services proved the second most common practice, and operating OEM factory scan tools in house ranked third.

DOCUMENTATION: REIMBURSEMENT AND LIABILITY

Who Pays for What Survey

Select all the methods you currently use to scan vehicles.

Vehicle scanning is done with:	2020	2018	2017	2016
Aftermarket scanning equipment (Matco, Snap-On, etc.) in-house	67%	62%	61%	69%
Remote scanning service (asTech, AirPro Diagnostics, etc.)	53%	42%	33%	22%
Transport the vehicles to dealerships or other vendors for scanning	40%	25%	37%	48%
OEM scan tools in-house	28%	17%	13%	14%
Mobile scanning service that comes to shop location	23%	18%	15%	18%
Never do vehicle scans	<1%	<1%	1%	2%

The above question was not asked in 2019.

What is the most COMMON method you use to scan vehicles.

2020	2019
48%	47%
33%	36%
12%	10%
4%	4%
4%	3%
	48% 33% 12% 4%

The Society of Collision Repair Specialists, Automotive Service Association and Alliance of Automotive Service Providers recently issued a position statement related to repairers' choice of scanning methodology.

"On behalf of the combined efforts from Industry Associations, collision repair professionals, scan tool providers and various subject matter experts, the Automotive Service Associated (ASA), the Society of Collision Repair Specialist (SCRS) and the Alliance of Automotive Service Providers (AASP) acknowledges the act of scanning a vehicle using a qualified scan tool as a necessary and not-included operation that is legitimately expressed on a repair order with either a fixed cost, in labor hours and/or set dollar amount," the organizations wrote.

The trade groups defined qualified scan tools as "OEM approved" devices.

In presenting the position statement to the April Collision Industry Conference, SCRS Executive Director Aaron Schulenburg explained that the document doesn't tell repairers which tools to use. "This is not a technical document," he said.

Rather, the position recognizes that if a repairer chooses to use a "qualified tool ... an alternative solution to that should not be a reason that you don't get recognized for the appropriate costs of using the right tool," Schulenburg said.

Schulenburg said body shops trying to fix vehicles correctly using the right tools face "a great deal of downward pressure" in the field. He said the trade groups' action represented a resource to show "they're not alone" in seeking a "proper repair" using the "proper tools."

"Repairs, or processes, or tools that don't meet those same specifications should not be a reason that those repairers should not bill for those operations appropriately," Schulenburg said.

In a similar vein, CCC and Mitchell have cited such a variety of scanning methodologies as a reason why no labor time exists for scanning. Audatex issues some scanning labor times but says they only apply to a narrowly defined process using only "an OEM or OEM equivalent scan tool utilizing the SAE J2534 interface."

Source: www.RepairerDrivenNews.com

Lia Honda - Enfield



I had a great conversation with Parts Manager Jay Doucette about his career with Lia Honda. Jay tells me that he went to work for Lia Honda right out of high school back in 1984 as a lot person in charge of general duties of shuffling cars around, making sure the lot was organized and looking good.

After about a year, a position opened in parts. At that time the parts department was looking for a delivery person. Jay transferred to that department and has never looked back. Jay worked and earned his way up through the ranks from driver to counter person and eventually to his current position, parts manager!

Obviously, hard work and dedication pays off.

Since taking over as Parts Manager in August of 1987, Jay has certainly seen a few changes, not only in the industry but also in his dealership. The dealership was originally at 10 Palomba Drive which was a very small footprint for the dealership. In 2004 Lia Honda moved to 20 Palomba Drive. Although only a short distance away, Jay tells us that this is a much larger location which helped tremendously in growing the business.

Having more room in his parts department, Jay was able to increase his parts inventory to about \$225K which is important when you're trying to do wholesale collision and mechanical while keeping your technicians satisfied. Speaking of which, Lia Honda has 12 technicians, so it's quite a busy shop.

Besides Jay as the Parts Manager, there is one primary retail/tech counterperson and one dedicated wholesale counterperson along with 3 delivery drivers to take care of the Connecticut area and a portion of Western Massachusetts with some New York deliveries.

The Lia Auto Group is quite large as they have 25 auto dealerships across New York, Connecticut and Massachusetts. For the moment, Lia's Road Salesperson covers Eastern New York and Western Massachusetts for Lia's other stores but will eventually be covering Northern and Eastern Connecticut for Jay.



Jay tell us, "Lia Honda is a great place to work for. I couldn't be happier with not only the career choice I chose working with Honda in a parts capacity, but especially for the Lia Family organization. They have been very supportive of my ideas and changes that I've made through the years and hopefully for the goals I've achieved."

As far as Collision Ordering Solutions, Jay tells me that Lia Honda was one of the first in the state to use the CCC Software for Honda.



"One of the things that really separates us from other dealers is we still, even though it's not supported by American Honda, we still use OEConnection. Many other Honda stores do not. The reason we still use it? Because our customers demand that we use it. If that's how our customers want to transmit their order to me, then I'm all for keeping our customers happy and satisfied," said Jay.

Asking Jay about the after-effects of the COVID pandemic, his response was, "Like everyone else, we struggled. There were furloughs and layoffs but here in the parts department, we were very fortu-

nate. I didn't have to lay anyone off. There were some cutbacks in hours and such due to only working with half our technicians, but we survived. I think we ended up coming out of this bigger, better, and stronger now than we were before the pandemic. While it's been a slow process, I think we have greatly improved on our day-to-day operations in the way that we do things. We are all about the positivity!"

When asked about the involvement of Lia Honda with the ABAC, Jay offered his reply, "I'd be remiss if I didn't mention the involvement of Dave Fogarty. Through years and years of selling wholesale parts to Connecticut shops it was just one of those common sense things to do by getting involved. I remember Dave from back in the days when he worked for Liberty Honda and obviously, he remembered me. So, when Dave eventually got involved with the ABAC and the ABAC News, Dave reached out to me explaining how getting involved could be a good move for my wholesale business. And he was right. We have been involved with the association for many years now."

My last question for Jay was where he thought the industry was heading in the future? "Well, it's really difficult to predict the future but I think, in the short term, we will see significant growth. The chip shortage has put a temporary dent in the car business but as the production of chips ramps back up, new cars will fill dealers' inventories and people are ready to buy. Until that time, people are having to hold on to their cars longer which means they need to take better care of them and have them serviced often which drives our parts sales in a positive direction. Our parts and service departments will be growing exponentially!" Jay continues, "One of our biggest challenges right now is parts availability. Everyone is facing this challenge. And it's a daily struggle. The advantage we have though is that I have access to 4 different inventories since we own 6 Honda stores. I'm very fortunate to have resources that others don't have. The great thing is that when it's all said and done, I have a much better opportunity to keep my customer satisfied."

The Auto Body Association would like to thank Jay and his Team at Lia Honda for their involvement with the ABAC and their loyalty for their advertising in the ABAC News and wish them the very best in the future!

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Submitted by Don Cushing

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