

ABAC NEWS

July
August
2022

The Official Newsletter of the Auto Body Association of Connecticut

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“On The Minds of Members”

***Read what these ABAC Shop Owners have to say
on a few daily challenges of the business.***

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ABAC President's Message

Bob Amendola

As Autumn Approaches



I hope all of our members had an enjoy-
able summer.

It is so important to take time off and
recharge your batteries. As students get
back into the school routine and fall is
just around the corner, we too will be
reconvening for our regularly scheduled
quarterly meetings. It is my hope that
our entire membership joins us at these
events. Our association does a great job of
creating opportunities for networking and
education for you, but you have to show
up to reap the benefits.

I understand that there are members that may be uncomfortable gather-
ing with a large group still. I completely understand. If that is the case,
please reach out and keep the lines of communication open. However
you feel comfortable, I encourage each and every one of our members to
stay connected. If you do feel comfortable attending the meetings again,
make it a priority. The content we have planned will be beneficial to you
and your business.

The September meeting will be sponsored by Gates Automotive Group
featuring three GM representatives. Two of the representatives are spe-
cialized in electric vehicles. You won't want to miss this one!

The importance of attending meetings and staying connected with your
colleagues is more important now than ever before. Our industry is
changing right in front of us. If you do not stay current in the latest is-
sues, technology and advancements you will be left behind. Take ad-
vantage of the unity our association has built for us. As collision repair
professionals, remember that we are a specialized minority. The days of
playing the price is right and accepting losses are over. We simply cannot
afford to continue that way nor do we need to.

I hope to see you at the meeting and as always, please feel free to call or
email me.

Sincerely,

Bob Amendola

Autoworks of Westville - New Haven

President - Auto Body Association of Connecticut

“On The Minds of Members”

Dealing with Staffing Issues; Delays; Technology Advancement; Getting the Customer Involved!



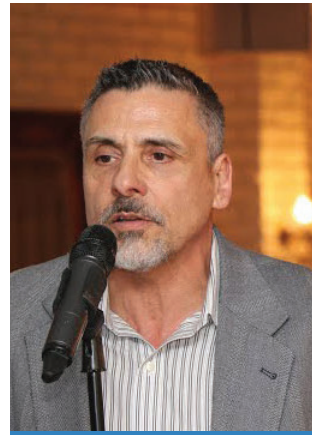
Ashley Burzenski
Autoworks of Westville



Joe Cavallaro
Airport Road Auto Body



Randy Serkey
A&R Auto Body



Tony Ferraiolo
A&R Body Specialty

ABAC Member Shop Owners Share their Views on How They're Getting it Done!

Continuing our series of “On The Minds of Members”, we interviewed 4 members of the Auto Body Association of Connecticut for their views pertaining to their businesses and how the increase in their customer business is affecting their day-to-day operations and how they cope with the challenges of today's collision business. Here are their candid comments.

What's the single biggest challenge that your shop is facing today?

Ferraiolo: I think that question could have several answers for shop owners. Obviously, parts availability is quite the challenge but, I think, for my business, the single biggest challenge is getting fairly reimbursed for the work that we do. We, and our industry, are still far behind where we need to be to continue to do business in a safe and profitable manner with what the insurance companies have been doing to us. How we try and fight this battle is the big question. Getting the customer involved is key. At times, the customer has to pay for some of the work that the insurance company refuses to pay for. It's not a very welcoming scenario for the customer but properly educated, your customer will be the best advocate to challenge the insurance company so that they (the customer) can get reimbursed. We also use our OEM certifications to let the insurance company know that we are doing the best job, with qualified technicians that follow OEM Repair Procedures to repair vehicles in the safest possible manner for our customers and that the job being performed is done correctly, without shortcuts. These things are very important if you want to be reimbursed correctly and fairly.

Burzenski: It's a tossup between supply chain issues and staffing. Right now, we have no issues with our staff but it's the long-range forecast with not enough candidates that are coming into our industry, and that concerns me. It could be a big challenge and we see it happening right now. It's a mix of skilled technicians and entry-level candidates.

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The tech schools have seen a decline and what we try to do is work with our Connecticut Technical School system to bring in a couple of these students every year, every semester. We currently have a student for the summer, and they've been working out very well. We are happy to have the students here to train and give them a real-world experience in our shop as well as to try and encourage more students to get involved in the collision repair industry and offer them a future career path.

Cavallaro Jr: Everyone is talking about the supply chain issues with parts, which has merit. However, our biggest concern is inflation and the labor rates. With skyrocketing costs, we simply can't survive off of the "market rate". Our only option is to charge the customer the difference or go to court on their behalf. This presents tough conversations with long-term customers who, sometimes, decide to go elsewhere. The insurance companies don't care if we lose a long-time customer, but to business owners it's the worst feeling there is. The problem is our own. There are enough shops out there who simply accept the "market rate", but that brings us all down with them.

Serkey: The future of employment. The future of staffing your business. There is plenty of work right now and the question is, who's going to work on these vehicles? The pool of employee candidates is near zero in the collision business.

What are you doing to deal with the challenge of shortages of qualified employees?

Ferraiolo: While this is another tough question, I'm very fortunate to have a great crew so it hasn't been as much of an issue as other shops. I can tell you that we are looking for entry level help and it's a big challenge. It seems that entry level help in the collision repair industry is difficult because other industries like Amazon use their marketing skills to hire kids right out of high school and offer them competitive pay and benefits that we can't due to years of the insurance industry suppressing our labor rates. We look to the Technical Schools to try and find students that we can offer an opportunity to get involved with our industry and I have been extremely fortunate to have been successful hiring potential technicians.

Serkey: It's kind of complicated because in the last 10 years I've been campaigning to get people to come to school and the schools are having their own challenges generating any candidates. The resource pool of candidates, as I've said, is near zero. I've seen where most of these kids say 'I'll try it; if I don't like it, I'll do something else' which is extremely frustrating after we have invested a lot of time to train them, in some cases 2 years! It's so much different than when we were coming up in the business. We wanted to work on cars, many people worked on their own cars, it was easy to get them interested in the business. Today, not so much. And keeping them is the big challenge. My last 3 employees were like that. Spending all sorts of resources for training and development and they just leave! It's disturbing. We still campaign to fill our needs even though we know what a challenge it will be. Candidates that are still looking for jobs, have been looking for jobs for a while. You need a certain level of employees to understand today's technology. Some candidates are just not trainable.

How do you handle parts shortages/delays?

Ferraiolo: Some manufacturers are worse than others but what has happened is now we are forced to shop on a national level. We're not just shopping our local vendors; we have had to expand our search across the country to locate parts; we've shopped E-Bay sometimes for used parts when nothing else is available that we normally wouldn't do. You're forced into making this decision.

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I will say that the vendors we deal with, especially the ABAC News Supporting Advertisers, will go above and beyond to try and locate a part for us but there is only so much that they can do too. It's a challenge for everyone in this industry, right now.

Burzenski: For any drivable vehicle, we get everything set up ahead of time. Establish the claim (if there is one), the initial inspection, payment, liability, etc. Then I blueprint and prepare a parts order and then place the order and confirm availability before the car comes in and, if everything is available, I will schedule the car as we normally would. If there are parts on back-order, we inform the customer and delay scheduling until we have all of the parts. Most of the vendors we deal with are really good about trying to locate parts for us or they'll put it on the locator for us which helps if we are in a dire situation. Most often, our customers have a general understanding with supply chain issues and are pretty patient with the process. By doing our homework ahead of time we tend to avoid critical situations. The only time we have an issue is if the vehicle is not drivable and is tying up room in our facility. You just need to have a plan.

Serkey: I feel this is a temporary problem to a permanent solution. I don't feel that the parts issue of today is going to be a permanent part of our landscape. It's part of the historical banner we're going to look at that will be a very small snapshot of where we are today. It's not the big picture. The issue is not about parts shortages, it's about better planning. The insurance companies are at the point where they're interfering with our ability to run our shop especially when you're an independent and you depend on the communication from the insurance company. We're not getting that. We are getting stonewalled like you cannot imagine. They don't want to cooperate. They want you to do everyone else's job and that's impossible. As far as trying to find parts, you're on your own. Vendors do what they can, but they're worn out too. Everybody is looking for the same part if it's not available. We're a small business. We must focus our own resources to try and locate the parts. That's extra time. And time costs money.

How are you keeping up with technological advancements?

Ferraiolo: Well, we are investing all the time in new equipment and training due to the advancement of technology that seems to happen at a faster rate than ever. Every time a new piece of technology is offered on a new vehicle, our techs need to know and understand so that they can work on these vehicles. This all falls back on not being fairly compensated. Our overhead keeps going up. The cost of business keeps going up. My techs are always training on the new advancements in technology which is a non-stop process with all the new tech that the OEM's add to their vehicles.

Burzenski: We use All Data heavily for OEM Procedures, print them out for our techs when repairing vehicles and include them in the customer's file so they can use them to correctly repair the vehicle. If our tech's need more info, they are equipped with computers to access the information they need. We also rely heavily on the manufacturer to provide us information when we need training. We regularly send our techs for training; we recently had a training session in our paint department. It's an ongoing process that you really need to focus on. There is a large amount of new technology that is happening with all of these new vehicles, and you have to be well prepared to repair them correctly and safely.

Cavallaro Jr: We've joined groups in the industry through our paint supplier and went to 20 group meetings around the country. It's refreshing to sit with likeminded business owners and hear everyone's ideas. There is always something or someone to learn from at these events and we've been able to make successful tweaks to our own business by doing so.

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Serkey: I'm not going to say that's a no-brainer but if you have people who have good skills with comprehension, we are able to get information on how to fix these cars. The information is online, you can purchase it, you can go on the certified program network where all of that information is available. The research on these vehicles is costing us an estimated 1-2 hours per collision repair. So, that's adding another dimension to where we are either going to need to add people or we add more cost to our overhead to get this information. More overhead, a higher labor rate is needed.

How do you cope with the increased cost of doing business?

Ferraiolo: That's a tough question because the increased cost of doing business affects your business all around. It's very challenging to try and offer your employees more benefits/wages if you're not profiting enough on your services. There are 3 things; you must run your business lean, that's first; be efficient, that's second and third, document and itemize your charges and be aggressive to collect what you are owed. It's the only way to cope with constantly increasing costs of doing business. Stop agreeing to what the insurance company offers in negotiating. The insurance companies only concern is saving their company money. Again, the insurance companies DO NOT repair cars, the collision shops do!

Burzenski: We are diligent on changing our labor rate as often as needed (quarterly, usually) to reflect the changes in our cost of doing business. We also try and hold our bottom line when it comes to negotiating claims, we won't accept what may be lower than our number. That may mean placing several supplements, charging the customer the difference, going to small claims court and whatever it takes at this point since we have repaired the customer's vehicle to OEM specs, and we need to get paid for the work we performed. You can't work for free. We have been selective of the insurance companies that we deal with. We are just going on 2 ½ years since we have accepted any work from Allstate with zero regrets. As far as Allstate customers, we don't want to turn them away without having an honest conversation with them. It all depends on the situation with each customer. Honestly, it gives us the opportunity to educate these customers. It all begins with the phone call from our customers. We do not want our customers to feel alienated.

Serkey: There's only one way to cope with the increased cost; raise your labor rates. We should constantly change our labor rates to reflect the cost of doing business, but we haven't in a while. With the added costs of doing business, we need to do two things; either add more people to the administrative part of our business or we need to be able to justify the additional cost of our employees getting increases in their income to pay for all the added responsibilities. They're worth more; they're doing more and you're going to have to reward them for the extra efforts. There's only so much time in a day which means you add more people which adds to your overhead which adds to your labor rate. We are chasing our tail!

When you get the customer involved, is it a big challenge? Once explained to them, do they understand that many of the insurance companies only care about getting their vehicle fixed at the least amount of cost to the insurance company?

Ferraiolo: Some customers understand when explained to them. They understand if they want their car repaired safely and correctly that they may have to pay the difference. Some customers do choose to go after the insurance company through litigation to get reimbursed for what they've had to pay out of pocket. Let's face it; my customer doesn't want to pay for anything more than they are responsible for, and rightly so, but the fact of the matter is that this is becoming the way of your business that you must charge your customers for what the insurance company is not fairly paying for. We assist our customers as best we can. What other options do you have?

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Serkey: Here's the problem. The insurance companies have spent billions of dollars to create a "warm fuzzy feeling" for their customers so that when you call them and complain, its going to get taken care of. That couldn't be any further from what actually happens because once you put in a claim, that's when the customer must get engaged and the customer is thinking, 'I'll pay my deductible and all my problems are going to go away'. In reality that just doesn't occur. We have trained ourselves to get the customer involved in the repair process. It's not a "one size fits all" either. You must educate that consumer and I'm starting to say no to some customers who want to hand me their deductible and tell me to "fix my car" and they don't want to hear anything else about the challenges of their repair with the insurance company. Without the customers involvement, I can't fix the car right, I can't get paid right and I can't get it out the door right.

After dealing with the day-to-day business challenges, what do you do to re-energize yourself?

Ferraiolo: I do, on a regular basis find time to enjoy myself. I think this is one of the most important keys out there is to find a hobby; something that takes you away from your industry; something that you enjoy and embrace it. I mountain bike, I ski, I work out at the gym and I enjoy martial arts. These are things that give me ability to take the stress away. My feeling is all shop owners and managers, actually everyone should find something they enjoy outside of the shop and focus your energies on the enjoyment of what you do as a hobby. You will be amazed what a reward that is for yourself. Obviously, family vacations are very important also. Don't take your work home with you!

Burzenski: Fortunately, being involved in a family business, we have the luxury of a relatively flexible schedule when it comes to taking time off. Bob pushes us to take time off to re-energize. I just went to Newport; we took a trip to Maine; it just helps you to recharge and keep your focus. Even just taking a Friday or a Monday off really helps a lot. We have such a great team here it really does allow us to take time off and not be concerned about the day-to-day issues knowing we will be supported.

Cavallaro Jr: We do take a few vacations a year, but those have turned into "work-remotely when possible" trips over the last few years. We like to organize company events to break up the day to day though. Hartford Yard Goat baseball games, casino bowling night, holiday parties, breakfast catered every Friday, etc. are all examples of what we do to bring our team together and take our mind off of the business.

Serkey: If you ask my wife, I don't relax. Honestly, I do relax by mowing and growing my lawn and dealing in real estate. I love to read about the industry and I am constantly looking for answers. My thoughts are always around my business. These things are what I do for enjoyment. I do have some solutions that I want to implement by retraining our staff in the office, which is a key component to my business. I have 2 people plus myself. I have 3 A techs so there's a one-to-one ratio. What we're trying to do is change some policies in the office where we can unify the three of us to sell and support what we need to do every day. I like finding solutions.

Submitted by Don Cushing

**Unity is Strength - Knowledge is Power
Attitude is Everything**

We Want to Hear From You!



ABAC Vice-President - Ashley Burzenski

I'm sure you've been enjoying reading a new section of our ABAC newsletter called "On the Minds of Members" which provides interviews from member shops on various industry related topics.

With special thanks to Don Cushing, participating in our newsletter has never been easier. I just recently spoke with Don for our current edition and from start to finish it was no more than a ten minute phone call.

After picking a convenient day/time for the call, Don will contact you with just a few questions on topics YOU are an expert in. The conversation is very informal which allows you to speak openly and casually to answer each question. No pressure at all.

The best part of this series is that it provides multiple approaches to each topic. There isn't a one-size-fits-all fix to any of the issues our industry faces so gaining different perspectives can be so beneficial. Sometimes you may introduce an idea directly into your business, other times you may take bits and pieces.

In an effort to provide further insight from our entire membership, please consider participating. The more people that share their ideas, opinions, and processes the better! You can reach Don at abacnews13@gmail.com or call him @ 401-578-6945

Until next time,
Ashley Burzenski



It is literally true that you can succeed best and quickest by helping others to succeed.

– Napoleon Hill

Colleges say reaching students before high school is key to future collision tech workforce



College collision repair department heads and a recent graduate say the industry as a whole needs to get behind pulling kids' interest to the skills it takes to become technicians at younger ages.

And that's just what Metropolitan Community College (MCC) in Omaha, Nebraska is doing through its summer camps focused on kids ages 10-12, called "College for Kids," and "College for Teens" for ages 14-17.

The first group of 10-12-year-olds spent a day last week learning about the uses of and differences between rigid and flexible foam with an I-CAR frame rail demonstration. They also learned about tools used in collision repair. The same topics will be covered with a second group this week.

"College for Teens" is also being held for four days this week. Students will learn body repair basics on 10×12 mini hoods with dents in them from body filler to hammer and dolly work, grinding, masking, priming, and painting.

"Hopefully, what that does is it gets them interested in the business," said MCC Instructor Pat McKibbin, who is teaching

College for Teens. "We also get the chance to tour them through the shop and show them what our advanced students are doing."

The camps show kids that college isn't just about sitting at a desk and learning math and English — a college education can be hands-on, he added. He said the kids "have a blast" and the camps "get them excited about the business." McKibbin said he hopes students that participate will spread the word to other kids to get them interested in attending.

"There are kids that, like when I was a child, I couldn't sit behind a desk," McKibbin "There's kids out there that don't want to sit behind a desk and they want a hands-on job."

MCC's nursing, construction, robotics, welding, and automotive programs are also highlighted during the camps.

Auto collision repair wasn't on MCC lab technician Cheyenne Purchase's radar before she found out about the college's high school program and enrolled. "I ended up being good at it," she said.

She was successful in the national SkillsUSA competition, placing 12th in her first year and in the top 10 in her second year. She now holds a two-year collision repair degree from MCC and is part of her work at the college this year is helping teach College for Kids.

"I want the industry to keep growing," Purchase said. "I want them [students] to be successful."

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You can make a lot of money in this industry so you don't need a four-year degree. A lot of people don't realize that. I think it helps to do camps like this. It gets them more involved earlier and it gives them, maybe, a clear path of what they might want to do when they grow up."

MCC Auto Collision Department Director and instructor Joe Baker said kids are pretty excited by the end to join the college's program when they're old enough. This year is the first time the camps have been held since 2019 because of the pandemic.

"[We're] trying to think outside the box — something to get them engaged — rather than just watching a PowerPoint on what collision repair is," he said. "Back in 2019, we had one of our students that was going to a local middle school. He talked about how his dad likes cars and he's interested in cars and he wants to restore a car when he gets older. He actually [in 2021] joined our Career Academy.

That's the best part of it — is seeing some of those really young kids come back."

MCC's Career Academy is a 37-credit-hour program for local high school juniors and seniors that can be enrolled in to explore a career field or work toward a college degree and/or job.

Baker said the summer camps are an important first step "because a lot of these kids haven't been around it before."

"Cars aren't what they were before. The days of working in the garage with Mom or Dad and changing the oil or even changing an air filter — some of these cars you can't even do that on your own now. So, we've had to kind of reinvent the wheel to get younger people involved in stuff like this."

Similar to what was pointed out during the Collision Industry Conference (CIC)'s April meeting, Baker noted it's important for shops to be on college advisory boards and to come out and talk to students in collision repair programs at high schools and colleges about job opportunities and their experiences in the industry.

"If you don't have that as a collision repair program, you're not going to be doing very well because that's who's employing your students," he said.

In fact, Fayetteville Technical Community College (FTCC) Collision Repair and Refinish Technology Department Chair Doug Irish told RDN the industry's focus should be on getting students into certificate and degree programs — not on finding jobs for those already in programs.

"If you have a kid that's good with a computer, likes to build things with their hands, they're artistic — they like to paint — any of those things that they don't really know they can have a lucrative career in the collision repair industry by tapping into that skillset," he said. "It doesn't do us any good to try to capture them when they're 17, 18, 19 years old. It's harder because they, at that point, have found something else that interests them."

The industry also needs to inform school counselors and parents about what the collision repair industry is — that it's highly technical and skilled versus the stigma a lot of people still believe that it's dirty, low-paying, and low-skilled work, he added. It's also good to let them know a degree can be obtained in two years and will likely lead to making \$40,000-\$60,000 a year in three to five years post-graduation. And it doesn't just start with high schoolers, he said. The conversation should start with middle schoolers.

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FTCC offers the High School Connections (HSC) dual enrollment program, which is part of a North Carolina statewide program called Career and College Promise. In the 16-week collision repair HSC, students will complete their first-year introductory courses that cover the basics of fender and door straightening, filler work, metal work, refinishing, R&I parts, and plastic repair. And it's all tuition-free, I-CAR curriculum.

Irish also encourages shops in or near Fayetteville to send their employees and technicians to the college for needed certifications. If he can get enough interest from school-age children, he would like to put together "Summerscapes" classes, or summer camp, in collision repair but participation hasn't previously been high enough.

McKibbin sees drawing interest going even younger to elementary school students to "plant that seed."

Baker added that schools are doing what they can to engage younger people in the collision repair industry to find future technicians but he encourages anyone in the industry to think of ways to also run camps for kids and to think of ways to garner interest.

Source: www.RepairerDrivenNews.com



Liability Waivers: Knowing how they do and don't work could save your business.



John M. Parese is a partner at the New Haven-based firm of Buckley Wynne & Parese

The following is a republication of an article I was asked to write for the New Haven Register. My apologies in advance for the lack of humor and altogether boringness of the piece. With that said, I hope you will find this somewhat interesting and worthy of reading.

Just about every business or individual selling a service that involves some risk of patron injury utilizes a liability waiver. Mandating a signed waiver before one may participate in something alerts participants to risks inherent in the activity, protects hosts from being sued, and garners exculpatory evidence in the event of a lawsuit. Liability waivers generally include broad language releasing from liability essentially everyone associated with the business from essentially anything that could go wrong. They also usually include broadly worded covenants not to sue and indemnification provisions (requiring participants to pay for any losses that may befall the business). Some waivers even include protections from misconduct arising out of a business's own negligence. If you are a business owner, this all sounds pretty good.

But do these fancy all-encompassing waiver forms actually make businesses as bullet proof as they purport? The answer is not really. While waivers are beneficial and should be employed, they do not insulate

against all claims or give businesses license to haphazardly operate. With or without a waiver, businesses must still act with reasonable care.

There are several reasons to use a waiver. One is that it establishes and/or enhances transparency by alerting patrons that they are about to embark on a potentially dangerous endeavor. Waivers call attention to risks inherent in the activity at issue, thus giving participants an opportunity to make an informed decision to participate or not. In the event of a claim, a waiver can also serve as an important defense exhibit establishing that the patron knew what he was getting into and knowingly and voluntarily accepted the same.

At the same time, courts carefully scrutinize waivers to determine whether the terms are unambiguous and understandable to a reasonable consumer. This is in part because waivers are considered contracts of adhesion. That is, patrons only have one option: take it or leave it. Accordingly, courts will look to these considerations in the context of determining whether and to what extent a waiver should be upheld.

Further, protections set forth in a waiver will only be enforced to the extent the subject protections do not violate public policy (i.e. the public's interest or established law). A waiver may be held to violate public policy if the activity in question is one that a consumer would expect to do safely – for example, attending a gym or amusement park. Our legal system expects businesses to maintain their premises and equipment with reasonable care to avoid injuries, regardless of whatever language to the contrary may be in one's waiver.

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Several years ago, I was involved in litigating a case in which my client was injured while snow tubing at Powder Ridge. The business sought to dismiss the lawsuit on the grounds that my client signed a waiver of all claims including those due to the defendant's own negligence. This was a big deal, because if businesses could insulate themselves from their own negligence, that would turn the tort law system on its head. The Connecticut Supreme Court ultimately resolved that this was a bridge too far, holding that an exculpatory agreement attempting to release the snowtube operator from prospective liability for personal injuries sustained as a result of the operator's negligent conduct violates public policy. Hanks v. Powder Ridge Rest. Corp., 276 Conn. 314, 326, (2005). The court went on to reason that "[v]oluntary recreational activities, such as snowtubing, skiing, basketball, soccer, football, racquetball, karate, ice skating, swimming, volleyball or yoga, are pursued by the vast majority of the population and constitute an important and healthy part of everyday life."

Thus, while well drafted waiver, release and hold harmless agreements can and should be used to help minimize legal exposure, they are not as infallible as their terms might suggest.

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.

Ford launches optional certification for ADAS

Ford has begun offering an optional advanced driver assistance system (ADAS) certification for members of its Ford Certified Collision Network (FCCN).

Although the certification is optional, Ford said, "having dedicated, in-house ADAS calibration technicians to maintain the highest level of certification available is recommended."

Collision repairers who are not ADAS-certified must work with FCCN-certified third-party providers who have completed the Ford ADAS requirements for their calibration and diagnostic needs, Ford said.

The certification "supports our customer-first philosophy of providing Ford and Lincoln vehicle owners with quality, safe collision repairs utilizing original equipment repair procedures and parts," the OEM said. "Ford is dedicated to delivering collision repair solutions that meet the complex needs of current vehicles through certification of proper equipment, trained professionals and necessary facility requirements."

To be ADAS-certified, Ford said, the following items are required:

- A dedicated, in-house calibration technician
- Completion of all 11 I-CAR training courses related to ADAS
- Completion of all five Ford Motor Company training courses on ADAS and the Ford Diagnostic and Repair System (FDRS)

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- Completion of Ford's two-day, hands-on ADAS service and diagnosis training workshop
- Access to Ford's official Workshop Manual (included in FCCN)
- Proper tools and equipment, including Ford diagnostic hardware and software, and 360-degree camera calibration mats.

"Driver assistance systems will continue to grow and expand," said Ford Collision Network Manager Dean Bruce. "ADAS technology features highly-sensitive equipment and components integrated into many vehicle systems. Ford's new ADAS certification option helps to ensure technicians are able to recognize, diagnose and calibrate all ADAS features to ensure proper functionality of every vehicle system."

Successful completion of the 11 I-CAR and five Ford training courses is a prerequisite for the new, optional ADAS learning and certification path developed in collaboration with I-CAR. Included is a unique, Ford-specific, two-day ADAS hands-on skills development (HOSD) course at I-CAR's Chicago Technical Center, which features a state-of-the-art lab with all the proper Ford tools and equipment.

The new, 16-hour Ford ADAS HOSD course is focused on diagnostics and repairs specific to Ford ADAS. In a real-world shop environment, technicians will use Ford Service Information (PTS) and the Ford Diagnostic and Repair System (FDRS) to identify, investigate, diagnose, and repair various ADAS components on Ford vehicles. Technicians will apply a diagnostic process to understand ADAS operation, architecture, and features, and will learn about the relationships these systems have to one another and other vehicle systems.

In April, I-CAR announced that it had created an optional technician role for repairing ADAS technologies. The new role will create a new career path for repair professionals and help body shops create a new revenue stream by keeping their ADAS repair work in-house, I-CAR officials said in announcing the addition.

ADAS technician is the ninth role included in I-CAR's Automotive Collision Repair Industry Knowledge and Skills Protocol, along with such established industry roles as auto physical damage appraiser, estimator, refinish technician, and structural technician. The terminal and enabling objectives are detailed at the I-CAR website.

An article about the Ford ADAS certification is included in the most recent issue of On Target magazine. The issue also contains an in-depth walk-through of Ford's job aid on ADAS, including information on the new I-CAR training course; body construction updates on the Ford Bronco and Bronco Sport; detailed looks at the Ford BLIS system and proper diagnostic methods; a look Inside the Industry; and more.

This volume is available on both FordCrashParts.com and OEM1Stop.com, as well as RTS.i-car.com. Previous issues are currently up on all sites as well.

Source: www.RepairerDrivenNews.com

2022 predictions: more ADAS & collision center consolidations, less independent shops



Auto Techcelerators founder and CEO Frank Terlep has made 10 predictions for the collision repair industry in the new year, including continued advanced driver assistance system (ADAS) technology popularity and the closure of thousands of independent collision repair centers.

Terlep, who has a history of analyzing the industry and offering his thoughts on its future as evidenced by his book "Auto Industry Disruption: Who and What is Being Disrupted and What to Do About It!", caught

up with Repairer Driven News at the close of 2021. Terlep's predictions are based on his more than 35 years in the collision industry, publicly-available data and discussions with folks in the industry, he said.

"Collision repair consolidation will continue at the same and maybe even greater pace than 2021"

Terlep wrote in his blog post that the "Big 3" – Caliber Collision Repair Services, The Boyd Group Services/Gerber Collision & Glass and Service King – will grow as repair complexity and costs for training, equipment and OE certifications increase and the technician shortage continues.

"High valuations will make it hard for 'independent' repairers to say no to acquisition offers," Terlep wrote. He told RDN he predicts a couple mid-level private equity-backed organizations such as Classic Collision, Crash Champions and Joe Hudson's Collision Centers will consolidate to create a fourth national organization.

"It's the cost of doing business, not just in terms of the parts and labor, but everything is going up," Terlep said. "A lot of these guys or girls who own the businesses, they're at a stage in their life they're like, 'I'm done.'"

Terlep predicts 2,000-4,000 shops will close in 2022 due to vehicle technologies, training, equipment, OEM and insurance requirements along with the technician shortage increasing costs and decreasing profit margins. He also predicts the technician shortage will get worse.

David Roberts and Chris Lane with Focus Advisors Automotive wrote in a December 2021 industry update that the collision repair industry is experiencing "headwinds and tailwinds," using Boyd Services Group as an example. Third quarter 2021 results showed net margins were down significantly due to technician shortages, parts cost increases and delayed availability as well as a higher proportion of parts over labor decreasing gross profits, according to the report.

But the group also reported "robust acquisition activity with more than 85 additions year-to-date versus only 30 in the same period of 2020."

Roberts and Lane also noted "the pandemic's reduction in repair volume along with declining margins" forced smaller shops to close or sell their businesses.

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“ADAS service and calibrations companies will be the fastest growing business segment”

As more ADAS equipped cars hit the road amid the technician shortage, Terlep predicts the need for companies that specialize in ADAS services and calibrations will increase dramatically. Most consolidators have figured this out and acquired companies like Protech, Mobile Automotive Services and others, Terlep wrote.

Terlep believes the collision repair industry is going to have to find a way to educate and recruit technicians. “If the industry starts to present itself as a technology-based industry, not as much as a – for lack of a better term – a guy with a hammer and a screwdriver [type of] industry, I think you’re going to get more people.”

“Insurance driven technologies will permeate a large percentage of collision centers”

Larger organizations based their business models on insurance relationships, according to Terlep.

“They’re going to be, in my opinion, the first ones to uptake this technology and they’re going to take advantage of it whereas a lot of the independents ... are fighting image-based estimating,” Terlep said. “They’re going to struggle because the consumer wants it and the insurers know it’s going to help their bottom line.”

Much of the industry may disagree with Terlep’s assertion that image-based estimating will get to the point of being “pretty good.”

As RDN previously reported, multiple collision industry voices have found discrepancies between photo-based estimates and what the shops actually detect. The overall point many shops agree on is the inaccuracy of relying on photos for estimates because damage detectable by an in-person human appraiser is overlooked.

A November Reuters article makes the argument that digital claims are decreasing, which was then attributed to the ease of the COVID-19 pandemic that is now on the rise again. Zurich Insurance Group Chief Claims Officer Ian Thompson told Reuters the pre-pandemic era was overly-focused on building an app through which customers would have to engage. Now, insurers are creating multiple channels for customers to access services.

Terlep predicts 50-70% of the estimate will be based on photos, but noted “an image can’t tell the whole story.”

“OEM certifications will become more important”

“The combination of ADAS technologies and an increase of EV launches will make OEM certifications much more important than in previous years,” Terlep wrote. This is a market trend that shops should be prepping for if they’re not already experiencing it.

General Motors, Lucid and Rivian executives agreed during the OEM Collision Repair Technology Summit session at the 2021 SEMA Show that training and step-by-step instructions from OEMs will be key in carrying out EV repairs.

As Terlep mentioned in his predictions, there are parts restrictions due to OEM certification requirements which is covered during the summit. Find videos from it at rde.scrs.com.

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Also coming soon to the Society for Collision Repair Specialists Repairer Driven Education site is a session called “2035: Looking Ahead at What the Collision Industry Might Look Like” during which Terlep will discuss 20 trends and technologies that are disrupting the industry, and provide ideas and suggestions on what to consider to operate a successful business between now and 2035.

“Parts pricing and availability will continue to affect severity and cycle times”

Terlep said the parts and labor ratio is typically 40% parts and 60% labor but he predicts it will even out to 50/50 or parts will become the larger percentage of the ratio in 2022.

“Because those parts are being built to be replaced, the number of parts is going to increase on the estimate and, in my opinion, it’s going to pass 50%,” he said.

The caveat being current supply chain challenges has led to repair of parts versus replacing them, Terlep added. However, many OEMs don’t allow replacement of some parts, including bumpers because of sensor placement.

“Business technologies that use vehicle build data, AI, AR, VR, smart phones and more to improve repair procedure access and usage will be launched by multiple companies”

This trend will make things easier for everyone – consumer, insurer and repairers – because the insurers and repairers will be “on the same page,” Terlep wrote.

Terlep predicts one or two companies to launch “build data solutions” with data from 15-20 manufacturers in the coming year.

“OEC will begin to ‘flex’ its muscles after its 2021 acquisition spree”

Terlep expects that in 2022 OEConnection will assimilate its recent acquisitions to “increase revenues and eliminate duplicate costs, expenses and management personnel.”

The most recent merger was of OEC with Overall Parts Solutions (OPS) and its OPSTrax parts management and delivery system, which OPS announced in a letter emailed to shops on Dec. 22.

Terlep predicts one of the four major remote diagnostic providers will be acquired.

“We believe it’s time for one or two of these companies to join forces to benefit from user count and technology platforms,” Terlep wrote.

Source: www.RepairerDrivenNews.com

What you can do to boost technician recruitment & retention

What does it take to recruit and retain automotive technicians including those specialized in collision repair? Industry experts told Repairer Driven News pay and benefits packages that are competitive with other industries, a positive team dynamic, mentorships, and a “fair and equitable” labor rate for shops.

TechForce’s “2021 Transportation Technician Supply & Demand Report” states demand for collision, automotive, and diesel technicians is strong with 797,530 needed through 2025 and the shortage continues to worsen.

Ducker Carlisle Principal Eliza Johnson said while she hasn’t done much research specifically on non-dealer owned and independent collision repair shop trends, the industry as a whole is suffering from decreased interest by young people, low pay considering high skillset as well as a lack of benefits and defined career paths.

“I think there’s become less interest in the field overall for people at a young age and people aren’t really getting funneled into the career like they used to be,” Johnson said. “There’s a lot of encouragement on high schoolers to go to four-year universities and much less focus on trades such as automotive.”

Ducker Carlisle’s research has also shown “a lack of strong workplace culture that I think leaves a lot of technicians feeling a little bit like they’re run ragged, working long hours, and that they’re not getting much else out of their work [through] contributing to a culture that’s engaging or appreciative of them or values what they’re doing and good relationship dynamics within the dealership,” she said.

Johnson added that the recruiting and retention issues have to be tackled in separate pieces. To recruit, the industry as a whole and all manufacturers should “reshape” to the public what an automotive career could look like long-term and talk about how the industry is evolving through work on electric vehicles by “reinvigorating” interest at the middle school and high school levels, she said. Creating pay and benefits packages that are competitive, not with other shops, but with other industries should also be considered.

And shops struggling with retention can try building a better team dynamic to ensure a positive work culture, Johnson said. She also said it’s important to provide one-on-one mentorships and to help techs establish career paths.

In a recent CNBC report, Kevin Massie, the owner and president of Napa Ford Lincoln in California, said despite in-house training and competitive pay, he’s struggling to find service technicians to hire. He has also noticed younger people aren’t working in skilled trades.

“We have the demand but we don’t have enough supply of service staff to be able to do it whether it be service technicians or service advisors. Every dealership that I know of has similar challenges that we have. There are just not enough technicians.”

J.D. Power Automotive Retail Vice President Chris Sutton told CNBC technicians that are paid based on the amount of work they complete may incentivize them to work “quickly or efficiently” but might not account for time spent on other tasks, like diagnosing the problem.

According to Carlisle’s annual North American Service Benchmark, labor rates for customer-paid mechanical work are, on average, roughly \$155 for premium brand dealerships and roughly \$125 for non-premium brand dealerships.

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"We see that labor rates have generally increased about 5% every year for the past five years or so – this past year, that is pretty consistent with overall inflation, but in years past is well above CPI [Consumer Price Index] increases. Labor rates have generally been rising fast, and faster than other prices/services," Johnson said.

While automakers' legal challenge of a Massachusetts "right-to-repair" law is "a very important issue," Alliance of Automotive Service Providers Massachusetts Executive Director Evangelos "Lucky" Papageorg told RDN "even if you're given all the information that you need in order to properly repair a vehicle, if you can't get the technicians to do the work because they're not coming into the industry, it does you no good."

"The main reason why technicians are not coming into the collision repair industry is that they are not being compensated for their knowledge and expertise," he said. "The reason they are not is the insurers are not reimbursing at a fair and equitable rate and they have been able to artificially suppress the labor rate here in Massachusetts to an average that has climbed slightly, but is around \$40 an hour.

"When you compare the rate on the mechanical side of automotive repair and you see what independent dealerships' mechanical shops collect on an hourly basis from their customers, it's dramatically different. And of course, they're able to then pay their technicians better. The fact of the matter is technicians in our industry can do better in any other industry. As an example, if you can weld in our industry, you can make five times as much welding in another industry. You're just compensated better because the limitation isn't on what that industry is charging or being reimbursed."

Papageorg added that since 1990, carriers have used the Insurance Reform Act of 1988 to control the industry and "pit the collision industry against itself" through referral and, more recently, program shop contracts.

"If the rate had only kept pace with inflation since 1990, the labor rate in Massachusetts would be approximately \$74, a rate which would be more equitable in this day and age and allow for better compensation to the technician working on today's technologically advanced vehicles," he said. "There are people in this industry right now that have chosen to start acting just like the medical profession and start to charge co-pays because it's the only way they can entice technicians to their particular business — to be able to pay them better."

The issue has been taken up in the state's General Assembly. HB 4868 was introduced this session "to establish a minimum reimbursement rate to insurance claimants," according to the bill text.

A video by AASP-MA in support of HB 4868 states the bill should be passed "because you can't hire, train, and retain qualified technicians without a fair and reasonable labor rate." It's also impossible to safely and properly repair today's vehicles without being able to pay for the equipment and technology that is required, according to the video.

"No plumber, electrician, or carpenter will work for \$40 an hour and mechanical work on your car will cost anywhere from \$100 to \$200 an hour, depending on the make and model. How can the insurers possibly believe that \$40 an hour is sufficient to repair today's high-tech vehicles? ...The insurance industry's continued egregious intent to suppress the labor rate has crippled the collision repair industry and leaves the consumer at risk."

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