APRIL 2013

MCRS

MONTANA COLLISION REPAIR SPECIALISTS | WWW.MTCOLLISIONREPAIR.COM

MONTANA COLLISION REPAIR SPECIALISTS BROKE RECORDS IN HELENA

The MCRS hosted 105 attendees at the association Spring meeting, March 3, at the the Best Western Great Northern in Helena MCRS welcomed guests from Idaho, Colorado, Utah, Wyoming and Florida. And of course- Mike Anderson!

It was a jam packed day starting with the MCRS Business Breakfast Meeting bringing members up to date about association business. Drew Geiger, MCRS lobbyist gave an update about the 2013 Montana legislative session. Geiger has been the MCRS lobbyist for several years and looks after the best interest of the collision repairer at the State Capital. Board members Todd Litton, American Auto Body, Billings, reported on the MCRS scholarship program and the Skills Competition in Billings and Gene Dzidza, Collision Craft, Kalispell reported about a communication plan for members that will be used when we need to contact our State legislators.

Mike Anderson once again brought Montana a wealth of information and good energy. Anderson started the class with a State of The Industry over view highlighting the

presentations with his 'Parts Procurement-Best Practices' seminar. Anderson presented an industry overview before beginning his seminar with what MCRS said was "an eye opening collection of data documenting the change and challenges in today's market place." This seminar, Parts Procurement -Best Practices, touched on everything parts. "Parts is 40% of your business," states Anderson, "We need to do it better". He proceeded to give people the tools to do that throughout the day. Anderson recommends building relationships with your parts vendors quoting this from principal #11 of The Toyota Way: Respect your extended network of partners and suppliers by challenging them and helping them to improve; Have respect for your partners and suppliers and treat them as an extension of your business: Challenge your outside business partners to grow and develop. It shows that you value them. Set challenging targets and assist your partners in achieving them.

This set the stage to move into the process of keeping parts efficient and profitable. From building relationships, estimating, and ordering parts is all addressed in this all day seminar. A process new to many in this industry is called 'mirror matching'.

"After another great meeting in Helena, MCRS should be recognized for their commitment to the industry and for providing another passionate training experience from Mike Anderson. Everyone at BSCC Bozeman is excited to see what you have in store for us at the August meeting!"

Tara Neville from Big Sky

Collision Center in Bozeman had this

to say about the meeting in Helena,

It is a system being adopted by many shops to create a more accurate parts system and help their cycle time. Nancy Lewis, Parts Manager at Rick's Auto Body in Missoula already does mirror matching in her department. She thought the class brought great value, "The seminar was very good and I brought a lot of information back with me, I think the information was very good for estimators and parts managers." Lewis has a good handle on parts," We have an excellent relationship with our current vendors, they really go above and beyond to make sure we have what we need." Regarding Parts Trader, "I will try anything new if it will help the business."

The luncheon this meeting featured an Industry Round Table Discussion facilitate by Mike Anderson . This brought more insight from

collision repairer to collision repairer in Montana. Idaho visitor Matt Thornton, Parks Royal Body Works, Boise, Idaho had this to say, "We felt very lucky to be received so well by our peers in Montana, and look forward to learning from their past success and working together in the future for the betterment of our industry"

MCRS thanks Dupont Performance Coatings and NCS for bringing Mike to Montana. He is a great tribute to the collision industry.

One thing learned in this Mike Anderson seminar – There Is A Lot Of Moving Parts In The Parts Process!

MCRS Summer Meeting in Bozeman, August 17th at the Best Western Grantree

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- Green Meadow Auto Salvage
- Ken Garff Dealerships
 - Enterprise Rent-A-Car

Montana Collision Repair Specialists graciously Thanks these sponsors for their support of Montana's collision repair industry!

PARTS TRADER UPDATE -

Although there has been no official news of the Parts Trader status, a lot of activity is going on throughout the country to address the issue. Parts Trader was a addressed by George Avery, State Farm and Dale Sailer, V-P of Parts Trader at the Indiana Auto Body Convention in February. AASPIllinois is having a Parts Trader meeting March 27 and the Iowa Collision Repair Association is having an Industry Issues luncheon March 28, with Parts Trader's Dale Sailer and an Indiana MSO Parts Trader user sharing the podium.

Below are comments from the Parts Trader session at the NE Leaders Meeting in New York, earlier this month.

REVIEW OF PARTSTRADER: Almost a year into using PartsTrader at his Tucson, Ariz., shop, Dan Hunsaker of Dan's Paint and Body isn't impressed. "We now have PartsTrader technically functional, where initially it was just a nightmare to use," Hunsaker said during a panel discussion during the NORTHEAST Automotive Services Show in Secaucus, N.J., earlier this month. "Was it a good addition to my business? No. Did it improve my processes? No, it did not. In my particular case, there has been no benefit, no efficiencies. It just keeps me agitated is what it does." Hunsaker, whose shop purchases about \$1.65 million in parts each year, is concerned about the stream of data going back to State Farm through PartsTrader about parts the shop chose not to select. "I can make notes (about those decisions) all I want, but they're not going to say, 'We read the notes so we know why you didn't order that," Hunsaker said. "There's a reason I didn't order those parts. It's beneficial to both sides. It's not just beneficial to me. But at the end of a year, they could say, 'Dan,

you spent an extra \$44,000 you didn't need to spend.' Well, I may have saved them \$60,000 in car rental by ordering those parts. Who knows?" Hunsaker said a couple of larger dealer groups in his market have dropped the PartsTrader program. As concerned as he is about the impact the program could have on his own company's bottom line, he's just as worried about good suppliers being squeezed out as well. "I'm concerned about my vendors being eroded with outside competition from basically incompetent vendors who have a truck and who deliver only once a day, but who offer the cheapest price," Hunsaker said. "There aren't any points left on our suppliers' net, any more than there is on ours. I might start losing my really high-quality vendors if this thing really takes off and they start driving prices down."

DUPONT COMPLETES SALE OF ITS PERFORMANCE COATINGS BUSINESS

Axalta Coating Systems to be New Company Name

DuPont (DD) announced on Friday that it has completed the sale of DuPont Performance Coatings (DPC) for \$4.9 billion in cash and the assumption of certain liabilities to global alternative asset manager The Carlyle Group.

The Carlyle Group announced today that the company is being renamed Axalta Coating Systems. The investment was funded primarily with equity from Carlyle Partners V and Carlyle Europe Partners III.

"We are excited to invest in Axalta Coating Systems and believe its strong market position and global footprint will enable the company to capitalize on opportunities in rapidly emerging markets such as China and Brazil. As experienced investors in the industrial and transportation sectors, the One Carlyle global network can help Axalta Coating Systems grow and create value," said Martin Sumner, Principal of The Carlyle Group. Charlie Shaver, the company's Chairman and CEO added, "We look forward to this exciting next chapter for Axalta Coating Systems. Our global scale with 35 plants and seven technology centers around the world, combined with Carlyle's industrial focus and global network, position us well for the future."

As an independent company, Axalta Coating Systems serves more than 120,000 customers in 130 countries.

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Industry News

COLLISION PRO

Helena, Montana

Barry Reddick is the strong silent type! He participates in the Montana Collision Repair Specialist's meetings and may not always say too much, however he is listening and learning. He is well educated in the collision repair industry and his two shops are the successful result of his journey.

Reddick has earned some significant industry benchmarks. He is the longest user of the popular Summit Management System and one of the first collision repairers to participate in Scott Biggs Business Development Group in the 1990's. This has laid a solid foundation to build his business to what it is today.

Barry Reddick is a Montana native from Glasgow, a second generation collision repairer. While in school, he worked with his father at Roy's Body Shop. Barry was trained to do combination work-fixing the car from start to finish. In 1979, Roy Reddick sold his shop to Lanny Hansen, who was one of the original Montana Collision Repair Specialists. Barry then moved to Worland, Wyoming and managed a dealership body shop for some years. Ultimately, Reddick moved to Helena and worked for Helena Auto Body until he moved into his own business.

In 1993 he opened Collision Pro starting as a one man operation. As his business grew, he evolved until he built his brand new 12,000 foot facility. Reddick now has two facilities, Collision Pro and Collision Pro Express. Barry Reddick is a student of the collision industry and is always working on 'continuous improvement' and developing 'lean' principals in his business. He has attended many seminars, read books, visited with other shops and adapting the right methodology for Collision Pro. He has studied, PPG Green Belt Training, 6 Sigma, the Theory of Constraint and more. "To make things better," speaks Reddick," when you have a constraint in front of you-you figure it out." "It is a continuing process, "he continues, "it changes and you change with it."

The main shop Collision Pro does heavy collision repair. Collision Pro Express works on minor damaged vehicles. "Express Repair is a linear flow," says Reddick, in one door and out the other." This is his design and is working well. Both shops have 2 Spray Bake heated down draft paint booths. There are 2 Kar Grabbers with a Genesis Electronic Measuring System in the main shop and a Hunter 4 wheel alignment system. The Express Repair also has a full blown glass shop. Three years ago, they changed to PPG Waterborne and are very happy with the results.

The 'lean' processing in these shops works for Reddick. "Our staff is trained to work together when needed," Reddick says, "the old mentality doesn't work real well." "We are keeping cars busy instead of keeping people busy." Reddick has a younger crew that embraces this new production philosophy. "We all look at things upstream and down stream," finishes Reddick.



Barry Reddick having a great day at Collision Pro in Helena

There are two estimators in the Express shop and 3 estimators in the main shop. Although Collision Pro does have some insurance relationships, every estimator writes for every company. "I have a few DRP's,"says Reddick, "I don't aggressively recruit them. It is somewhat of an ethical thing for me, I don't believe that some of them are fair with the consumer,"

They use CC1 and the Audatex cloud estimating systems. Collision Pro takes advantage of new technology,"We have 11 company cell phones, anybody can connect to anybody." Collision Pro has paperless production meetings. Technicians all have laptops on their stalls. They use technology to communicate with each other in this shop.

In addition to the PPG, MCRS, NACE. SEMA etc. training, Barry Reddick is a graduate of the AMI, Automotive Management Institute. Jake Reddick. Barry's son is also a graduate of AMI.

Collision Pro is active in the community. They participate in the Festival of Trees and the give away a car to a family in need through the Recycled Rides Program Collision Pro stays in front of the public with consistent marketing. He has used radio and television ads successfully. They sponsor local baseball and hockey. They have a very good website. It beings with a live video of Barry gently informing visitors about the Montana Steering Law.

Barry Reddick married his childhood sweetheart, Pat, in Glasgow. They have 4 children. "All of my children have worked at the shop at one time or another," smiles Barry. Their three daughters are all teachers and artists. Some of their work is on the Collision Pro website Photo Gallery. They are very good. Son Jake is managing paint production at Collision Pro.

When Barry Reddick isn't working, he and his wife are very busy enjoying 9 grandchildren and riding motorcycles. They go to Sturgis every year. Barry is also a member of the Iron Butt Association. To qualify for this organization you have to do a ride of 1000 miles in less than 24 hours. Reddick combined work with pleasure. He rode his BMW Motorcycle to a Summit Management Meeting in San Diego. He rode across the border and got a gas receipt in Tijuana and crossed the northern border at Milk River, BC, for another gas receipt. He earned the Iron Butt Award!







MCR5 Spring Meeting Helena...





MCRS



Montana Laws for Montana Collision Repairers

As you know, MCRS is working very hard for the collision industry in Helena. You met our lobbyist Drew Geiger at the Business Breakfast Meeting in Helena, March 3. Drew represents our best interest in Helena during the legislative session and in his work throughout the year. He reminds us how difficult and challenging this process is and how important that we work together and properly use the laws in place. At the MCRS meeting, we handed out a Legislative Manual. This booklet has all the Montana laws relating to collision repairers, and a copy of the Advisory Memorandum's that have been sent to the insurance industry by Montana State Auditor's.

We recommend you use this booklet. Be educated. Read the information and keep it on your desk to use when you need to.

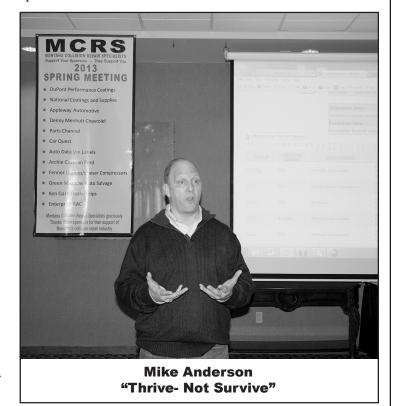
If you would like to receive a copy of the MCRS Legislative Manual, please send an email to

<u>Jchaney.cavecreek@gmail.com</u>. We will mail you a copy. You can get a copy of the Montana statute at the MCRS website. www.Mtcollisionrepair.com Click Legislation

Spring Cleaning

It is time for Spring Cleaning. This tradition steeped in ancient history still begs our attention today. tradition is the Scottish "New Year's cleaning" on **HogmanayGreece**, and other **Orthodox** nations, it is traditional to clean the house thoroughly either right before or during the first week of **Great Lent**, which is referred to as **Clean Week**. This also often corresponds with the Julian New Year, or April 1.

- Clean Paint Booth
- Change Paint Filters
- Paint interior of paint booth???
- Paint your bathrooms
- Clean A/C Heat Ducts
- Clean Shop Floor
- Get rid of those piles of parts you do not use
- Lunch room need painting?
- How is your curbside appeal?
 - Building paint fresh and sharp
 - o Flower Beds weed free
 - Signage updated and looking good
- Office
 - o Is your office updated.
 - Furniture clean and cmfortable
 - New magazines for your customer
 - Customer bathroom immaculate
- Make visiting your shop a memorable experience.



DEG DATABASE ENHANCEMENT GATEWAY

The DEG Works!

We keep bringing this up and we will continue to bring it up. If you have a question about a database procedure, PLEASE submit an inquiry to the DEG. An inquiry was submitted by a Montana shop and the result ended in changing the time on this procedure in CCC from 1.2 to 2.0. Spend a little time to help yourself and your industry.

Go to: www.degweb.org

Are you using the Database Enhancement Gateway? If you are not it is time to start. We have talked about this for a few years and know that some of our MCRS members are using it successfully. If you have a question regarding any procedure listed, or maybe not listed, on any database, you can Submit An Inquiry to the DEG. It is a very simple process.

- Go To www.degweb.org
- Go To Submit An Inquiry
 - o They have an easy form to fill out. When this is submitted to the DEG, it then goes directly to the named Information Provider.
 - Once this is reviewed, you will get a notification from DEG that a resolution has been made to the database as a result of your inquiry.
 - This means that changes will be made in the database many times soon enough for you to get paid on that particular job.
- Review and study the DEG website.
 - o DEG Database lists all inquiries and date of resolution
 - o Get Educated
 - Procedure Page Links to Audatex-Mitchell-CCC

WHAT IS THE DEG? The Database Enhancement Gateway (DEG) is an initiative that was developed to help improve the quality and accuracy of <u>collision repair</u> estimates, through proactive feedback from the collision repair industry and other "end users" to the Information Providers (IPs) that supply the databases for the various estimating products. The DEG is created, equally funded and maintained by the Automotive Service Association (ASA), the Alliance of Automotive Service Providers (AASP) and the Society of Collision Repair Specialists (SCRS).

DOES YOUR SHOP HAVE A BLACK BOX?

Probably not, if you were not at the MCRS Spring meeting and saw this presentation. Mike Anderson invited Jake Rodenroth from Jacksonville, Florida to Helena. Rodenroth represents AsTech, Automotive Electronic Solution Providers, a revolutionary tool diagnostic tool for the collision repair industry.

The group moved out to the parking lot to watch this demonstration and watched as Jake hooked up the 'black box' to the cars computer which then was being virtually diagnosed by a technician in Jacksonville, Florida. The demonstration started when Jake asked the technician in Jacksonville to honk the horn on the car. This on-demand service appears to be a real time save, profitability tool for the shop. Since the meeting in Helena, 5 shops have purchased the system.



Jake Rodenroth shows MCRS attendees in Helena how the Astech 'Black Box' operates. Note; The black box on top of the drivers door.

For more information, please call Jake Rodenroth 904-886-9991 Ext. 5414

Shop Benefits:

- Vehicle and employees stay at the shop
- No need to buy expensive scan tools or hire techs to operate
- Eliminate one of the largest "cycle time bandits" in a collision center
- Increase shop revenue by keeping diagnostic work in house
- Reduce the number of supplements and potential delays due to insurance approvals
- Easy, quick connection and setup for body shop employees
- Eliminates towing costs to and from the dealership

- Convenience of On-Demand Service (No downtime at the dealer)
- Increase CSI by delivering vehicles ahead of schedule and properly repaired
- Liability protection
- Fraud protection
- Tool of measurement for inspecting and repairing a vehicle's diagnostic network
- Faster insurance payment for supplements
- Reduce the number of comebacks



Montana is Represented at the I-CAR Conference in California

Brenda Berger, office manager at Big Sky Collision in Billings. Montana attended the I-CAR Volunteer Instructors Conference in Anaheim, California at the March 1 and 2nd. This two day Disneyland Hotel, meeting was about the changes taking place in I-CAR now and in the future. The group participated in networking events, presentations and open forum discussions throughout the conference. Saturday evening, there was an awards banquet to honor instructors and volunteers.

Brenda became the I-CAR Chairman for Billings in January 2013. We are proud that she represented Montana for us at the I-CAR Convention.



Second Generation Collision Repairer Mariah Litton attends the MCRS Spring Meeting in Helena wih her father, Todd Litton from, American Auto Body, Billings.

"I thoroughly enjoyed my time spent at MCRS" Helena meeting, I was happy to network with my associates within the Collision Repair Industry. Mike Anderson's presentation was thoughtprovoking, and I look forward to implementing some of the suggestions he presented. I am eager to see what knowledge I will be able to gain from future involvement with MCRS."

-Mariah Litton

* NEW STATE FARM AGREEMENT:

State Farm "Select Service" shops are being given a new agreement to sign with the insurer (CRASH 1/19/09). State Farm has not yet responded to CRASH Network's request for information, but a new clause in the agreement indicates that State Farm can enter into agreements with tow companies for negotiated discounts for towing to be paid directly by State Farm (something Select Service shops say the insurer is already doing). Another new clause requires shops to charge for glass replacement based on the lowest amount it charges other insurers or consumers directly, or (if lower) the pricing charged "as a participant in the State Farm National Glass Program." Another new clause gives State Farm the right to require the shop to have "vehicle repair status notification capability" for customers and State Farm.

Core Charges

* INSURER SAYS NO CORE CHARGES: As automakers including GM and Ford increase the number of parts carrying a core charge, State Farm's new "Select Service" agreement (CRASH 3/11/18) now requires participating shops to avoid including these charges on final bills to the insurer. If the charges "are deemed unavoidable," the new agreement states, the shop must get approval from State Farm before requesting reimbursement. (Click for 2-page flyers from GM and Ford explaining their core charge refund requirements.) "Too much added work and much more space needed for parts," one Indiana shop owner commented.

SOCIAL BRANDING 5S

From Kristen Felder

- **Substance**: Creating Value-Adds
- **Synergy**: Creating a unified voice across all platforms
- **Socialization**: Listening to the conversation and engaging
- Support: Allowing for audience co-creation and collaboration 4.
- **Shine**: Being Yourself



Useful Web Sites:

WWW.MTCOLLISIONREPAIR.COM

Society of Collision Repair Specialists www.scrs.com

Gateway www.degweb.org

Database Enhancement Collision Industry Conference OE Repair Information Access www.ciclink.com

www.oem1stop.com



Memhershin Inquiru Form

MCRS

Join the Montana Collision Repair Spe	cialists ! Full Member Dues are \$300.00 per year and affiliate [effective 1/1/2013]. Please fill out the following form and mail ontana, 59270.
Business Name:	
Address:	
	Fax:()
Email Address:	
Type of Business:	

Newsletter Published by Montana Collision Repair Specialists

For information call Janet Chaney at 480.720.2565

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