

MCRS

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MCRS Ends The Summer With A Great Industry Gathering

The MCRS meeting in Whitefish August 25th brought great speakers, great networking opportunities and great family fun. Over 60 people from all over Montana attended this meeting. It is always a good experience to see the industry come together at an MCRS meeting. Members look forward to seeing each other, the conversation does not stop once everyone arrives. It is what an association should be, "a group of people or organizations joined together for a purpose- a collection of ideas." That is what the dictionary has to say about MCRS.

Saturday morning, the meeting opened with the MCRS Business Breakfast Meeting. Senator Jon Sonju, a longtime champion to the collision repair industry, spoke to the group about the State of Montana from Senator's eyes, and asked for support for his campaign as Montana's Lt. Governor. Representative Derek Skees, a newcomer to this group, is running for Montana State Auditor. Skees is a vibrant personality and lit everyone up with his view on how the Auditor's office should work for Montana.

Election of officers was held at this Saturday morning meeting. The new slate of MCRS Officers of 2012-2013; Bruce Halcro, Capital Collision, Helena is President, Mike Mitchell, Mitchell's Crash Repair is Vice-President and Pam Cayer, North Star Auto Body is Treasurer.

Donna Gabel, Hank's Body Shop, Billings stepped down from the MCRS Board this year. Gabel has been the Treasurer and focal point of the MCRS for many years. We thank Donna for all her very hard work and look forward to her return.

President Bruce Halcro discussed Montana legislative activities and handed out a working packet with copies of all MCRS legislation that has been made into law and copies of all Advisory Memorandums from the State Auditor's office.

The morning education program was Collision Billing Services. This company is developing a national claims database from shops to track data of procedures, materials and practices. In addition to the database, Collision Billing Services offers full service billing to assist repairers receive full payment for all charges relating to a customer's vehicle. Chuck Gosney from Illinois and Dave Johnson from Michigan represented Collision Billing Services in Whitefish.

Jim Dickens, Vice President of CCC Information Services brought current Montana repair data. Dickens reported that overall Montana was looking better than many States around the country.

"It is all about understanding Consumer Choice," was the opening statement from Kristen Felder, Collision Hub. Felder's presentation was about understanding today's customer and how to navigate through the new way of doing business. Her presentation was a game changing thought process. "You are a BRAND – not a service," speaks Felder, "You cannot use the trigger event (accident) to sell your product, it is too late." Social Media is the ONLY way for shops to connect with consumers and compete with insurers in the marketplace. Felder reported that insurance companies have studied the consumer and determined that streamlining decision-making and focusing on building relationships over pushing products/services fostered brand loyalty. Shops may be missing the boat, focusing on fighting the insurer instead of fighting FOR the customer. Her presentation was very well received and a big eye opener for everyone in the room.

The meeting wound down at 3:00. Those that did not attend the MCRS golf outing, or spend time with their families attended the MCRS Round Table Industry Issues Forum. Parts Trader was a big talking point at the Round Table. Kristen Felder brought a national scope to this Round Table and to the meeting.

Saturday evening the MCRS Western Barbecue at Grouse Mountain Lodge was a great family affair. Thank You Montana for being a great industry leader!

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Pam Cayer, Northstar Auto Body from Sydney, introduces the new MCRS Website. Pam took on this project and has created an inter-active website. Please go to www.mtcollisionrepair.com

This is going to be an interactive 'blog' with current industry information.

Thank You!

Pam



SCRS Calendars



Get your business name out in the marketplace earlier – *before your competitors* – and for a longer period of time

with the 2013 SCRS custom calendar. It's not too early to start thinking about 2013! Each month features a beautiful scenic roadway to remind customers that no matter where they are driving across America, they will find an SCRS repair facility to keep their travels safe.

Your logo and contact information are showcased in the center of the open calendar, keeping your business name in front of customers every day of the year. With the SCRS branding behind you, your customers will know that you're a trusted repair facility that has their best interests in mind. Helpful tips throughout the calendar are appreciated by car owners and keep them returning to you for the best service and advice.

Ordering your personalized SCRS calendars now has many advantages:

- **Early shipping** – receive your calendars and take care of your marketing for 2013. before the hectic winter rush;
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Get your business name out in the marketplace earlier – *before your competitors* – and for a longer period of time with the 2013 SCRS custom calendar. Call toll-free **1-877-544-4575** or email promotions@teldon.com to order today!

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Industry News

T & C Collision Builds A Legacy of Success

Montana native, Troy Schindler says, “I was born with a piece of sandpaper in my hand.”

He grew up in Lewistown and spent many hours with his father in their family body shop learning all aspects of the trade. Schindler is now the owner of T&C Collision Center in Great Falls, Montana. Troy

learned some very basic principals working with his father such as, “if you are going to do it- do it right or don’t do it all.” That seems to be working well for this shop owner as he stays busy from repeat customers and their friends.



After high school graduation, the grass looked greener on the other side of the fence, and Troy left Lewistown and the body shop business. He worked in the oil fields and in the roofing business based out of Colorado for 10 years. Schindler then realized that his roots in the collision business were deep and he moved back to Great Falls, Montana, working as a technician for three years and then opening his own shop, T & C Collision Center.

When asked who the ‘C’ is in T & C Collision Center, Schindler laughed, “it is my son Camryn.” Camryn is six years old right now, and is spending time with his Dad at the shop already. Another Schindler born ‘with a piece of sandpaper in his hand’. However, the real story of the ‘C’ in T and C is Chevy, Troy’s first partner, his dog of many years. “When my son was born, we had to make sure his name began with a C” laughs Troy.

This 5000 square foot shop, based 5 miles out of Great Falls has a real ‘get the job done right’ attitude. Recognizing the changes in cars and repairs, Schindler opened a mechanical division. “It is working very well right along with the body shop,” says Schindler. This shop does all their own mechanical work, suspension, A/C, etc. Schindler’s body technician has been with T & C since it opened and Troy himself does the paint work. “I enjoy doing the painting, I can make sure that our work goes out like it should.” The mechanical technician also has some background in collision repair, helping the team keep the work going through the shop.

T & C has a Chassis Liner full frame machine and sprays Sherwin-Williams in their Future Cure downdraft booth. Troy uses the Mitchell estimating system and has a part-time bookkeeper who keeps the office paperwork in line. This shop has only one direct repair program and that works well for them. Schindler writes all the estimates. He tries to write his own estimate on every job. “We don’t trust the adjuster, they are not the ones

fixing the car.” Schindler says being 5 miles out of town can be a good thing, “If someone is coming out here, they are coming out to get their cars fixed-not shopping”

This shop does a lot of custom work. T & C is well known for their work on motorcycles, muscle cars and classic automobiles. Troy himself collects classic Impala’s and belongs to the National Impala Association. His passion is shown by his private collection, in part, 1966, 1968 and 1969 SS 427’s and a 1962 SS Impala. His Impala’s are award winning throughout the state and region.

When asked about the future of the collision industry Troy recognizes the changes coming down the pike. Troy stays updated on industry education through MCRS, ICAR, SEMA and industry journals. “It is tough to find young people to bring into this industry,” Schindler states, “there is not a lot of young body shop owners.” Troy travels to the MCRS bi-annual meetings, most recently Whitefish. MCRS President Bruce Halcro, a friend and colleague of Schindler’s is glad to see him be part of the association, “Troy is a good example of a smaller shop who has become an active member of MCRS and is seeing the benefits of belonging to a strong association, learning to use the MCRS Legislative successes to help T&C Collision become more successful. Troy also takes advantage of the networking opportunities available through the MCRS to help him in the daily operation of his business.”

When not working in the shop or on his muscle cars, Troy and wife Lynn take their six year old son Camryn to their cabin on Seeley Lake. Lynn Schindler manages IT at Columbia Grain in Great Falls, she is their ‘go to guy’. Troy is upholding the legacy from his father about quality work and taking care of the customer. “If I am not happy with it (the job), my customer is not going to be happy with it,” states Troy. That is the philosophy from T & C Collision Center in Great Falls.

Montana Collision Repair Specialist's Scholarship Fund Moves Forward

MCRS Board Member, Todd Litton, American Auto Body Billings has long been a proponent of education in Montana. Litton has attended many 'education fairs' in Billings representing American Auto Body and the collision industry. As an Advisory Board member of the Automobile Collision Repair And Refinishing program, MSU- Billings, and a huge proponent of helping students move ahead, Todd worked with Program Director, Ed Becker to put together a scholarship fund for students that want to enter the program.



Todd Litton,
American Auto Body Billings

Becker, who manages the collision repair and refinish at the college is very excited about this program. "We have about 18 students and are looking at 10 new students this year," states Becker, "this is a great help for our young students wanting to get into the program." A student may exit this program after completing two semesters and receive an Automobile Collision Repair Technician or Automobile Refinishing Technician Certificate of Applied Science. For those wanting to attend four semesters, the college offers both an Associate of Applied Science degree and a Certificate of Applied Science in Automobile Collision Repair and Refinishing. Students planning to earn a certificate will replace required math credits with MATH 085 and English credits with ENGL 102.



The Montana Collision Repair Specialists started the program with a check for \$1000.00. At this time, the scholarship fund has already grown to \$5000.00. "I am pretty excited about this," says Todd Litton, "it is something I truly believe in and think we can make a difference beginning with our young people."

If you are interested in contributing to the scholarship fund, or have someone interested in a scholarship, please contact Janet Chaney. 480-720-2565 or email: jchaney.cavecreek@gmail.com



MCRS New Member, Mark Mortensen of Action Auto Body South, Hamilton, Montana hosted a Lord Fusor seminar sponsored by National Coatings and Supplies. Six shops from the Hamilton area participated in the class. Lord Fusor Regional Manager, Larry Johns from Gig Harbor, Washington presented the information.



Pete Carlson, Total Sales, represented the hands on portion of this clinic. All participants received a Lord Fusor Certificate and I-CAR points. 32 people attended the same class the next day in Missoula at Rick's Auto Body.

Thank you MCRS again for all your hard work. We appreciate all the un-accounted hours you put in and all the hard work it takes to make Montana such a strong collision repair state. We are so proud to be Montanans. We gain so much from the interaction of all the great shop owners and look forward to the presentations. We always gain useful information that is valuable to our operation.

Who knew facebook could help sell my business? Thank you Kristen.

It's always worth the drive!!!

Matthew McDonnell, Big Sky Collision Center

Montana Collision Repair Specialists Spring Meeting – April, 2013 Legislature Is In Session We are going to Helena

Watch For Details www.mtcollisionrepair.com



PARTS TRADER UPDATE

Well, Parts Trader is still going. We are passing out all the information we receive from SCRS regarding the Parts Trader issue. It appears that the 'pilot' program is moving forward according to George Avery. If there is a good thing about Parts Trader, the industry is waking up and people are coming to meetings and voicing their opinions. In July, the Iowa Collision Repair Association held six meetings throughout the State, AASP in Massachusetts is having a panel discussion on Parts Trader and Parts procurement in general; the Washington Metropolitan Auto Body Association is meeting September 19th to discuss Parts Trader, and George Avery from State Farm will address the Georgia Collision Industry Association September 20th and the Montana Collision Repair Specialists Industry Round Table in Whitefish, August 25th discussed Parts Trader. In addition to more activity in the existing associations, it looks like new state association's are being formed in Utah and Idaho.

Here is an opinion editorial from Tony Passwater, executive director of the Indiana Auto Body Association.

PartsTrader procurement program is a wolf in sheep's clothing

I am sure you've invested time looking at all the commentaries about the PartsTrader procurement program, and you probably have as many concerns now as when the news first hit the publications.

There seems to be a continuous comparison of the program being rolled out here in the United States to the original program implemented in New Zealand eight years ago, and a great deal of effort to convince U.S. repairers and suppliers as to how different they are.

Tony Passwater

In many ways, this reminds me of the movie scene near the end of the *Wizard of Oz* when the curtain was accidentally rolled back on the "Great Wizard." The famous phrase, "Don't pay attention to that man behind the curtain," certainly seems to fit today.

Reviewing a letter to our Industry from PartsTrader CEO Rob Cooper, it's becoming obvious that those involved in PartsTrader have little knowledge (outside what they were probably told) about our industry and the U.S. supply chain. Both State Farm and PartsTrader continue to refer to the inefficiencies of the parts procurement process as the key reason for this product, but take a look at what is actually behind the large curtain.

There is no doubt that North America has the best OE parts distribution model in the world.

Nowhere else can you order a part at 8:30 a.m. and in many areas have it before 11 a.m. You can place another order later in the morning and get it in the afternoon. If all else fails, you can just drop by and pick it up.

I don't see this in any other country. So how does this improve our inefficiencies? It does nothing for OEM parts procurement in this country, and has reduced other countries like New Zealand to a "cost plus markup" model, or even a "no margin" model.

In a letter to our Industry dated June 18, 2012, Cooper says, "Similarly, PartsTrader believes that all suppliers, small and large, no matter the type of part, should have a fair chance to win a repairer's business."

What leaves me shaking my head is that he may really believe this. However, we as a business have established our relationships long before this program was conceived, and we already determine who wins our business every day. We do not need another program

to assist us in doing so. Nor do we need State Farm (or other insurers) believing they have a right to do so.

This also has been promoted as a benefit to policyholders. Will this make a better or faster repair? Will it lower premiums?

Let's call a duck, a duck. The real purpose of this program is to reduce parts costs to insurers, which has not translated historically to lower premiums to consumers, just larger budgets for advertising (now up to \$5.7 billion in 2011), or great bonuses and CEO office remodeling, such as the recent \$4.3-million Liberty Mutual CEO office remodeling.

What was interesting about this program in New Zealand is that the repairers never saw the long-range strategy of this program, or the consequences it had on profits. Everyone just believed it was designed to improve the inefficiencies for parts sourcing that really existed in that country. What came into that industry appearing to be a small sheep actually was a wolf.

I'm also sure that this opportunity must have seemed like a pot of gold at the end of a rainbow to PartsTrader, when some executive at State Farm made their case. I'm sure their venture capitalists were told this program was a slam dunk.

So why would we dare to look at other examples where a parts procurement or tendering program was implemented? Why don't we just believe everything that this program is going to do for us, and rely on all the "square dealings" we have been blessed with over the years?

Maybe because if it looks like a duck, walks like a duck, and quacks like a duck – it's not a chicken. In this case, when the curtain is rolled back we see a wolf in sheep's clothing.

SNAPSHOTS

of the MCRS Summer Meeting



Join the Industry at SEMA - Las Vegas



SCRS RDE Repairer Driven Education is growing every year. Our Montana friends, Mike Anderson and Steve Trapp join a host of great speakers in Las Vegas, October 30 – November 2.

To get more information, go to: www.semashow.com/event/2012/10/30/scrs-repairer-driven-education-rde-series

Below is a preview of SEMA. This session introduces a gentlemen from Australia and New Zealand that have first hand information regarding the results of Parts Trader in their countries.

SCRS' RDE Session Presents International Perspective on Insurance Parts Procurement Programs at SEMA Show

For collision repairers concerned about the impact of insurance mandated parts procurement models and looking to gain more knowledge on the impact they have had in other global markets, the 2012 SEMA Show is a perfect venue to gather information.

David Newton-Ross, Australia

As part of the Society of Collision Repair Specialists' (SCRS) Repairer Driven Education (RDE) series, registrants will be able to participate in an interactive presentation with Rex Crowther, Editor of Panel Talk Magazine in New Zealand (NZ), and David Newton-Ross, Editor of The National Collision Repairer in Australia and The NZ Collision Repairer. The two hour session entitled, "Bidding Wars: A Global View on the Possible Economic Impact of Insurer Involvement in Parts Procurement" will begin at 12:30pm on Thursday, November 1st and is being held in the Upper North Hall of the Las Vegas Convention Center. To register for this RDE seminar or to find other seminars being offered, please visit www.semashow.com/scrs.



While online bidding requirements for parts procurement have only recently entered the U.S. market, other countries such as New Zealand have dealt with parts tendering mandates by carriers for many years. This session will provide attendees with a global perspective on the economic impact of NZ based bidding programs, procedural impacts the program has had on cycle times and estimating practices, and changes the program has had on repairer/supplier relationships. It will also include a historical overview of the national rollout, changes made to the program along the way, and market impact from inception to present day; including an oration of market response at various points throughout the past eight-plus years.

"Having seen firsthand the impact PartsTrader has had on the industry here in NZ and hearing how different both PartsTrader and State Farm are saying it is going to be in the U.S., I struggle to see any advantage for repairers, or much real advantage for State Farm," shared Crowther who has been involved in the NZ collision repair industry since 1967. "This makes me suspicious of the end game, as all repairers' margins are vulnerable through this program and surely any insurer is out to maximize their profits for their stakeholders."

Rex Crowther, New Zealand



Crowther is no stranger to repairer reaction to the launch of programs such as these, as former owner of two Auckland, NZ based repair facilities for 28 years, and before he sold the business following an unsolicited offer in 2008. Additionally, Crowther served as the Executive Chairman of the New Zealand Collision Repair Association from 1999 to 2004, representing a membership base that performed more than 80% of the insurance paid collision repair work in the country. He has also served on the board of I-CAR NZ for the last ten years and was chairman for two years prior to stepping down in April of this year; and since 2004 Rex has been on the board of the Motor Industry Training Organisation (MITO), which is responsible for all motor industry apprentice and advanced training.

Rex is passionate about the collision repair industry and keen to help people on their journey from collision repairer to successful business owner. "The real winners of this program are the shoddy suppliers and the disorganized repairers in NZ because from our experience, PartsTrader does not discriminate between the good and the average," he concluded. "While the program in itself can be a good tool for difficult to find parts etc., especially here in NZ with our huge recycled parts market, it certainly has a huge detrimental effect on relationships between suppliers and repairers when its use and parts margins are mandated. It is not unusual for a parts supply that previously would have taken 24 hours to receive, to now take three to four days; despite reports from the U.S. proponents that say it will improve the parts supply process and efficiency."

Membership Inquiry Form

Join the **Montana Collision Repair Specialists!** Full Member Dues are \$300.00 per year and affiliate Member Dues are Effective \$250.00 per year [effective 1/1/2013]. Please fill out the following form and mail to: **MCRS | 143 Middle Burnt Fork Road | Stevensville, Montana, 59870.**

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For information call Janet Chaney at 480.720.2565

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