



CCIF St-Hyacinthe Meeting Report

Canadian Collision Industry Forum

Hotel des Seigneurs, St-Hyacinthe, QC

Friday, September 28th, 2012

Next stop - CCIF Toronto, Saturday January 26th, 2013

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The Industry's Lifeblood - People

Roger Goudreau (Automotive Parity Committee -CPA)

Roger presented an overview of major trends and evolution of the collision industry in Quebec over the next five years. He sketched a portrait of the Greater Montreal market by comparing data from September 2006 and September 2011. The number of collision repair facilities had declined by over 13%, while the number of skilled staff employed had dropped by only 5%. Although the journeyman total had declined, there was an 8% increase in the number of apprentices. In terms of worker age groups, there were significant losses in the 16-25s, down 12% and in the 36-45 age group, which was down by over 41%.

Although average wages had risen by over 13% for journeymen and over 12% for apprentices, these increases were below the 16.7% rise in CPI during the five year period. A positive aspect of the analysis presented by Roger was that the industry is attracting young people, but needs to ensure they are encouraged and trained to achieve the higher skill levels. The huge loss of skilled staff in the 36-45 age group means that shop owners are losing out on their investment in staff who should be at their peak competence and productivity. As the industry shrinks, progressive repairers should be seeking new sources of profit by diversifying into services such as professional car washing, detailing, PDR, wheel polishing and glass, suggested Roger.

To Attract Staff, You Have To Be Attractive

Pierre Bernier (Groupe Ambition)

"Are you a remarkable employer that deserves its employees?" asked Pierre. These days workers are looking for a clean and safe workplace where they see high quality business practices and values in which they can identify. Since a shortage of skilled staff seems to have become the norm, companies must adapt to this new era of scarcity in which staff are more demanding, more culturally diverse and more inclined to switch employers. Among their expectations are an organized workplace, opportunities for personal growth, continuous training, recognition and being involved and informed. Of course, employers should communicate their expectations, too, such as employees buying into the company's mission and values, willingness to contribute as team players, the desire to develop new skills and the ability to produce results.

A key step towards becoming a remarkable employer is through development of the company brand. Traditionally, a brand is associated most with the customer experience as a promise to deliver a consistent set of characteristics, services and benefits. However, the brand is a reflection of the employee experience, too. Think about your company brand and how to articulate it to current and potential staff, said Pierre. How does your company stand out and qualify as a place they would want to spend their time and energy? A remarkable employer operates a workplace driven by organized and structured business practices and provides a distinct competitive advantage. The behaviours and actions of management and staff are completely in sync. In order to truly deserve its employees and become an employer of choice, a company should invest time in understanding how to do this. Some practical steps would be:

1. Conduct an employee survey regarding your internal business practices.
2. Highlight both favourable and 'most need-to-improve' results.
3. Refine or re-visit your business philosophy.
4. Measure your employees' desire to be proactive.
5. Discover key employee motivation factors that will increase their sense of belonging.
6. Train your staff and develop management / team leadership in line with your organizational philosophy.
7. Develop marketing strategies in order to promote your business to job-seekers.
8. Innovate in order to strengthen your position as an employer.

Once You've Attracted Them....How to Keep Them

Jean Lapointe (Fix Auto, Blainville)

Every day we face the challenges of changing technology and equipment, environmental compliance, business development and productivity, stated Jean, a Fix Auto franchisee. Our staff play a key role in meeting these challenges through their creativity, flexibility and willingness to learn and develop new skills. Jean explained that in 2011 he had increased employee involvement by surveying their views on organizational efficiency in his facility. They gave the company a score of 73%. This score provided a benchmark against which improvements could be measured and he then embarked on a series of actions, such as clarification of the organizational philosophy, training in leadership, collaboration and customer service, and the revision of roles and responsibilities for every position. He also developed an employee appreciation program, a process for highlighting and resolving irritants and set up a continuous improvement committee. Not only did all this benefit the business directly, but a repeat of the survey in 2012 showed recognition of the improvements by his employees, who now scored organizational efficiency at almost 83%. We take a proactive approach, concluded Jean. We strive to stand out from the crowd in our business practices and the way we involve our employees. That's how we aim to keep attracting the top talent in the industry.

Thinking into Results and Maximising Your Most Valuable Resource

Denis Barrette (Elevation Quanta)

Have you ever experienced working harder and harder, to find you keep getting more of the same – the true results you seek keep eluding you? It's not your fault, you are normal, your Paradigms are keeping you from getting all you want. Paradigms, aka the belief system that motivates people to behave in the manner that produces their results was the subject of Denis Barrette's presentation. As explained by Denis, when we focus on what is broken, we tend to continually recreate more of the same, and we do this without being aware; on the other hand,

it doesn't have to be this way: we can learn and shift our behaviour permanently and produce what is important for the growth of our businesses, our industry, our entire life.

Insurer Co-Operation. The Role of Quebec's Automobile Insurers Group (GAA)

Johanne Lamanque (Automobile Insurers Group) (GAA)

All auto insurers in Quebec are members of GAA, an agency funded by Quebec insurers to ensure straightforward and fair regulations, provide helpful and pertinent information and to work with all stakeholders. With regard to the subject of appraisals, Johanne explained that GAA was responsible for drawing up standards and procedures, for training and qualifying appraisers, for producing appraiser guidelines and for overseeing the profession. Through a committee comprising insurers and collision repairers, GAA continues to study all issues regarding appraisal and auto repair, making recommendations on changes and new practices. Through accessibility, teamwork and transparency, GAA succeeds in providing a service valued by industry stakeholders and consumers alike, added Johanne.

Quebec Industry Action

Michel Bourbeau (CCPQ)

As the trade association representing Quebec's collision repairers, CCPQ maintains four lobbyists and a lawyer to support its members and protect their interests. An example of the association's agenda was the replacement vehicle cost issue, said Michel. A committee has been established to find a solution acceptable to all parties. Another key issue demanding ongoing attention was the attraction and retention of staff. Michel provided some statistics showing that 6,644 people were engaged in collision repair in Quebec and that 68% of them worked in facilities with less than five employees. Studies showed that the industry would need to recruit about 1800 skilled staff over the next few years to maintain capacity.

A Look at Intact's Latest Program

Wendy Hillier (Intact Financial Corporation)

In the "private insurance" provinces the insurance industry is as competitive as any other. Like any other business, insurers seek ways to improve efficiencies, increase customer satisfaction and increase profitability. Sometimes changes are incremental or relatively minor, but occasionally there are innovations that merit the attention of the whole industry and require it to consider the implications. The Intact Rely® program is one such example, since it involves the procurement of parts by the insurer and there was interest in the impact of this on different stakeholders. In this session, Remy Rousseau moderated a conversation between Wendy Hillier of Intact and CCIF Chairman, Tom Bissonnette. The purpose was to clarify the key points of the Intact Rely® program and to address concerns and gather feedback. Concerning the selections of shops to participate in the program, Wendy advised that the total number of shops was determined based on Intact's projected volume of claims to assure of a steady volume of work. The network size would be a function of the number and location of shops necessary to handle the volume of claims processed by Intact. Currently 60-70% of Intact claims are handled by Rely® program shops. Tom was concerned that Intact might select shops from the 80% of repairers that had not invested in their business, but Wendy suggested the objective was to select from the best - which would likely come from the 20% of shops that had invested.

When asked about the potential impact on shop profitability, Wendy replied that with the combined buying power of Intact Rely® on parts, the margin it allowed to shops and the reduction in their parts procurement administration, there should be no adverse effect on profitability. Indeed, some shops would enjoy higher margins for less effort. The choice to select one aftermarket parts supplier out of two would simplify and reduce administrative costs for all involved, claimed Wendy.

In a second session on this topic, Vasco Rebuli of Toyota Canada, France Choinière of CARSTAR Arsenault and Frank Notte of the Trillium Auto Dealers Association, expressed their views on the program. Vasco was concerned that a Toyota dealer shop on the program might have to buy parts from another dealer, but Wendy explained that in such a case, there would be no interference in the current situation if a pre-existing ownership or contractual relationship was in place. France, a Carstar franchisee who had been on the program for some time, asked what future program developments might be expected from Intact. Wendy replied that Intact's Quebec team had set high standards and would be driving volume based on each shop's CSI levels. France felt it would help to have access to CSI survey results and learned that this would happen as soon as the surveys become electronic. Frank Notte, whose trade association represents 850 dealers in Ontario, stated dislike for the program and objected to the business model because it would limit the number of dealers from which Intact shops could buy parts. Wendy understood the view, but commented that to include all dealers in the program would reduce price competition. She did, however, acknowledge that the program was still going through its implementation phases and that these discussions at CCIF had opened up new dialogue and lines of communication. Intact would be pleased to continue discussions with a view to understanding the needs and concerns of interested parties.

Certified Collision Centres – Toyota's Formula for Excellence

Vasco Rebuli (Toyota Canada)

The reason for developing a certification program was to recognize and distinguish collision centres that meet Toyota standards for repair quality, processes, facilities, tools & equipment and customer service. The program includes both dealer shops as well as independents sponsored by dealers with no collision centre of their own. Vasco explained that the selection process begins with a detailed audit of 16 aspects of the candidate's business, including quality control, standard operating procedures, equipment and customer interaction. In addition to Toyota dealer certified collision centres, there are now nine certified independents and room for more to meet the demand in particular areas.

In return for meeting the high standards necessary to become a Toyota Certified Collision Centre, the program provides software to capture CSI data, marketing support, Lean training and access to Toyota's Infostream dealer portal. Experience shows that participants in the program continue to improve in the areas of image, safety, 5S's and CSI, added Vasco. Toyota's marketing support focuses on the use of OEM parts, the expertise of trained technicians, repair quality and safety, as well as directing customers to their dealers as one-stop shops for all services.

Crazy Idea Takes CCIF Skills Program to New Level

Leanne Jefferies (CCIF Skills Program)

After showing a video of the CCIF Skills Program activity at this year's National Skills Competition in Edmonton, Leanne asked CCIF participants to answer some questions through an interactive audience response pad. When asked how long it

would take to find a qualified technician, nearly 50% responded "two months or more". A follow-up question showed that 86% believed the situation would only get worse in the next few years.

While the Virtual Painting System continues to be a wildly successful tool for drawing crowds of young people to the CCIF Skills Program booth at Skills Competitions, the actual painting competitions have mostly been held in off-site collision repair centres, out of view of the thousands who watch the other trade skills competitions taking place on-site. RS Finishing Systems had built a special booth for the WorldSkills Competition and although that proved to be very successful, it was not a viable option for provincial and national competitions. Nevertheless, Leanne had never given up on the crazy idea of holding the painting competitions on-site. Success finally arrived in the form of Duroair's portable spray booth, a fully functional PVC booth that could be assembled almost anywhere in less than two hours. So for next year's competitions, the CCIF Skills Program will be attracting even more attention with both the Virtual Painting System and the actual painting competitions taking place alongside other trades with thousands of young people spectating and being motivated to take an interest in careers in collision repair.

I-CAR

Andrew Shepherd (Automotive Industries Association)

There's always that old line about a shop owner saying he can't afford to pay for training his staff and anyway, if he did, they would probably then leave for another shop. The answer is, "so if you don't train them, they might stay...". In case anyone is still doubting that training is an investment, Andrew quoted from some research showing the benefits of I-CAR training – 5% increase in CSI scores, touch-times reduced by 45% and increases in monthly revenue by 5-10%.

With the support of Patrice Marcil and his Quebec I-CAR committee, I-CAR is growing its slate of experienced instructors and developing wide support among banner groups and insurers. Several new courses had been added to the list of those available in French, with more to come in 2013. I-CAR Canada's Professional Development Program, with its role-based training and individual recognition levels, continues to gain industry support and will be ready for launch in 2014, reported Andrew.

CCIF would like to thank the following sponsors who made this meeting possible and whose support ensures the continuity of CCIF in bringing industry stakeholders together:

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