



CCIF Toronto Meeting Report

**Canadian Collision Industry Forum
Sheraton Toronto Airport Hotel, Toronto
Saturday, January 29, 2011**

CCIF Chairman, Tony Canade hands over to Tom Bissonnette

At the end of his three-year term as CCIF Chairman, Tony Canade reflected on the continuing strength of CCIF as a forum for sharing ideas and finding inspiration. "With the tough market conditions experienced in recent times, it's important that stakeholders can come together at CCIF to get a perspective on what's happening around them and learn what they can do to be successful", said Tony. He was pleased to have been at the helm when CCIF took the decision to instigate action on the staff shortage issue by creating the CCIF Skills Program. He knew that this and other initiatives would receive strong guidance and support from incoming CCIF Chairman, Tom Bissonnette, an independent collision repairer running Parr Auto Body in Saskatoon. In thanking Tony for his contribution as Chairman, Tom promised to keep CCIF strong by listening to its participants, encouraging them to get involved and to take action on the issues that really matter to them. Tom recalled the early days when he was involved in stakeholder discussions that led to the formation of CCIF. "I'm proud that we managed to not only get CCIF off the ground, but sustain it over 12 years. The need for debate and constant attention to key industry issues is ever more important, with the rapid and continuous changes being caused by external factors. It seems to me that we need more people to step up to the plate and get involved, so that the industry can chart its own destiny and not just be reactive. CCIF will be there to help and support you, but you must have the vision, the passion and belief that change is possible", concluded Tom.

I-CAR Canada Plans New Recognition for Individuals (Andrew Shepherd, Automotive Industries Association)

Since the new I-CAR Canada organization took over in May last year, it has stabilized the training delivery system, increased market coverage and begun a program of innovation. In the remaining seven months of 2010 I-CAR Canada's team of 40 active trainers delivered 45 courses to over 2,600 trainees. This was just the start, said Andrew Shepherd, Director of Collision Training. "We will be adding instructors in Atlantic Canada, Alberta and Quebec and we will ramp up our program of innovation." Other priorities for 2011 will be to improve connections to shops and insurance staff, establish

process/performance standards, develop on-line training and launch a new Professional Development Program.

The Professional Development Program will focus on training for seven specific roles, including Aluminum Structural Technician, Estimator, Non-Structural Technician. The training will provide an opportunity to develop specific knowledge areas, enabling trainees to progress through I-CAR ProLevel™ skill levels 1, 2 and 3. A person attaining level 3 will receive I-CAR Platinum Individual™ recognition in their I-CAR ProLevel™ declared role. Shops with one I-CAR Platinum Individual™ in each representative role will be recognized as Gold Class Professionals™. The goal will be to provide a flexible, accessible, independent training system with processes for recognition, accreditation and perhaps one day, if the industry wants it, certification, said Andrew.

Dealer and Independent Opportunities

(Jerome Flanagan, Renewit Inc.)

The Toronto Auto Dealers Association is launching a program for its dealer members and affiliated collision repairers. Essentially, this is a customer retention program, explained Jerome Flanagan. The vehicle owner is encouraged by their new car dealer to download a web application to their smartphone. This enables the dealer to maintain contact with the vehicle owner with promotional messages, information and help on topics including collision repair. In the event of a collision, the vehicle owner would be able to contact the 24/7 Renewit hotline. This would prompt the dealer or its affiliated collision repairer to send a tow truck and deliver the vehicle to their facility. Thus the vehicle repair is captured and directed to the dealer or its affiliate.

Jerome pointed out that only about a third of the 340 dealers in the GTA run their own collision repair facilities, so there is an opportunity for independent collision repairers to become affiliates of the other dealers who adopt the Renewit program.

Marketing Beyond Tomorrow

(Norm Angrove, PPG Canada Inc.)

“Hope is not a marketing strategy”, began Norm Angrove. In a Canadian market with an \$8bn capacity, but demand for only \$2.8bn, competition is fierce. As long as there are too many collision repairers, distributors and insurers relative to market size, it is unrealistic to expect that they can all be successful and profitable. Whatever, the market size or the market conditions, though, there will be winners and losers. The winners will be those who understand the changing needs of their customers and are willing to market in a more focused way to different types of customer. Customers can be segmented in many ways, but there is an increasingly clear distinction between the different age groups – mature, baby boomer, Gen X and Gen Y.

A key difference between the generations is in how they communicate. For example while mature and baby boomer generations appreciate receiving thank you letters in the mail, the younger generations prefer more instant and brief communications via social media such as Facebook and Twitter. Although business owners themselves may resist the use of social media in their personal lives, it is important for them to accept and learn how to use social

media in their business for marketing and communications purposes. Young staff will most likely be familiar with the advantages of social media and should be engaged in helping their company develop a Facebook presence and use it to market their services to today's new generation of drivers.

CCIF Skills Program Grows and Spreads Influence

(Leanne Blackborow, CCIF Skills Program)

The CCIF Skills Program is proving to be an outstandingly successful partnership between Skills Canada and CCIF, stated Shaun Thorson of Skills Canada. He congratulated the industry for having had the vision to support this initiative and for maintaining it through financial and volunteer commitments. "From obscurity among some 40 other skilled trades, the CCIF Skills Program has raised awareness and interest in collision repair to unprecedented heights", added Shaun.

Leanne Blackborow then explained how CCIF had recognised Skills Competitions as a huge marketing opportunity for the industry to interact with the thousands of young people who attend the competitions. The auditorium at each competition site provides space for display booths that each trade or industry uses to promote itself. The CCIF Skills Program has quickly learned how to take full advantage of this by having enthusiastic industry volunteers on hand to talk with young people, hand them brochures and guide them in trying their spray painting skill at the Virtual Painting System. A show of hands indicated that about 80% of CCIF participants had never attended a provincial or national Skills Competition. Leanne recommended the experience, partly to see how other industries are competing to make themselves visible and attractive to young people and also to see the level of interest that our industry is able to generate at these events. With car painting competitions now taking place alongside auto body in seven provinces and with this year's national competition taking place in Quebec City (June 1-4), volunteers would be needed to help. Based on comments from current volunteers, they would have fun and be guaranteed to get a lot out of the experience.

Steve Fletcher of the Ontario Automotive Recyclers Association then joined Leanne at the podium to present the CCIF Skills Program with a cheque for \$37,000 on behalf of his association. This was the largest ever single contribution to the CCIF Skills Program and all the more notable because it came from an industry partner. Steve commented that "As recyclers we recognize what the program is doing for the collision repair industry and want to show our support in a way that will strengthen it further. Our contribution will enable the CCIF Skills Program to acquire a Virtual Painting System of its own. I know it will be put to good use at Skills Competitions and other events where young people will line up again and again to try their hand at spraying with an electronic gun." Steve mentioned that this award came from a fund for supporting deserving causes, established by the recyclers' "Retire Your Ride" program, and to which OARA members contributed \$35 per "retired" vehicle. Leanne thanked Steve, telling him that the CCIF Skills Program was proud for the Ontario Automotive Recyclers Association to be among its generous sponsors. CCIF Chairman, Tony Canade, also thanked Steve on behalf of CCIF itself, adding that this was a wonderful example of partnership in action.

Compliance without Complexity

(Pete Tagliapetra, NuGen IT)

Incoming CCIF Chairman, Tom Bissonnette, introduced this topic, commenting on its relevance to his recent estimate survey that produced estimates for a particular repair varying by several hundred dollars. It appeared that some respondents had simply not included items for which they incurred cost and were entitled to charge. Pete Tagliapetra then began by explaining that artificial intelligence can be used to manage defined procedures to achieve correct outcomes through the claim and repair processes. Computer software is available to analyze and interpret information to make "intelligent" notifications that direct the user to take action. The software can be programmed with contractual, regulatory and technical procedures, so that users can easily manage the individual requirements of multiple DRP agreements. Independent appraisers are able to create uniform and consistent appraisals for several different insurance clients while insurers can measure performance and apply policies and procedures uniformly and with consistency, regardless of appraisal source and repair shop,

As he demonstrated use of the compliance software, Pete explained that it was easy to create and build new rules into the program without the need for any special skills. Compliance software can play a significant role in creating the most accurate and optimized repair estimates. It can also provide access to the correct OEM repair procedures whenever these are required. So instead of trying to remember, or be constantly looking up what is allowed or not allowed in each situation or for each insurer, compliance software makes it easy by highlighting exceptions and enabling collision repairers to produce consistent and accurate estimates that include everything for which they are permitted to claim.

Future Viability of the Industry

(Kathryn Graham, Meyers Norris Penney LLP)

Although industry stakeholders often comment on the state and direction of the industry, it is not always easy to quantify the issues and establish the hard facts needed by those planning for the future. Tom Bissonnette's CCIF Fact Finding Committee has been seeking the kind of information that shows trends and issues that need to be addressed if the industry is to continue meeting the needs of vehicle owners and insurers. Presentations on such topics have been made at previous CCIFs in the form of AIA and CARS industry study summaries. Introducing Kathryn Graham of Meyers Norris Penny to present the key findings of a third study, Tom cited this as a worthy example of co-operation between the Automotive Trades Association, the Manitoba Motor Dealers Association and Manitoba Public Insurance, who had jointly commissioned the study.

"The purpose of the study was to analyse the impact of recent industry trends, regulatory changes, and labour market pressures on the profitability of the industry", began Kathryn. "It was also to identify realistic and practical solutions to these issues, providing a base from which to work together in the common goal of ensuring a future profitable and healthy industry, to the benefit of all parties." Highlights from the survey include a decline in the number of collision repair shops, with comment on the still high proportion of

shops with sales of less than \$500,000. Since net profit must be marginal or non-existent at this level, this suggests that a majority of Manitoba's collision repairers are unable and unlikely to invest in equipment, tools and training at a time when the rate of technology change is increasing in speed and scope. For the same reason of low profitability, the industry is unable to offer competitive wages to attract the young people needed to replace the 34% of owners planning to exit the industry in the next 10 years. This information and other facts contained in the survey report may come as no surprise to regular CCIF participants, but the clarity and objectivity of the report which can be found at <http://www.mpipartners.ca/documents/Notices%20to%20trade/Agreements/MCRISFinalReport.pdf> bring home the critical nature of the issues and the need for multi-stakeholder action to shape the future of the industry, not just in Manitoba, but throughout Canada. The report makes clear recommendations for consideration, including the development of key performance indicators, performance related remuneration, increased door rates and programs to attract and keep young people with competitive wages. Following Kathryn's presentation, there were supportive comments from study partner representatives from MPI and ATA who were already using the study report as a guide and reference for their negotiations. This encouraged discussion among CCIF participants on the need and potential value of a national study along the same lines as the Manitoba survey. However, some felt that the differences in insurance models across the country made it more valuable for each province to address this individually. There was little reason to suspect much difference in the results, but there may be a stronger sense of relevance and ownership at provincial level. It may also generate a closer and more manageable working arrangement between the provincial partners with a vested interest in working together to implement recommendations.

Taking the People Pain out of LEAN *(Larry Miller, Fix Auto)*

Many collision repairers have taken interest in LEAN production principles, but like all business practices, it needs a high level of commitment to make it work and show positive results. Larry Miller began by pointing out that LEAN is not a single process or set of rules, but a culture and a way of thinking that cannot be legislated within the working environment. The development of a LEAN culture starts by listening to staff and tapping into their ideas. If they are involved in mapping current processes, they will most likely be the first to come up with suggestions for improvement. Of course, the manager needs to lead the cultural shift by finding ways to engage staff and show how changes in productivity will benefit them, the whole team and the business. The manager needs to understand where the most critical areas for performance improvement are to be found and focus the attention of staff on these. The generation of ideas should be part of everyone's job and the ideas must be treated with respect, due consideration and discussion within the team, so that staff are encouraged by seeing their ideas being taken seriously.

After analyzing current processes and gathering ideas, a plan and implementation strategy must be drawn up and communicated, so that every team member understands and takes accountability for implementation. Sometimes the key to getting a culture shift underway is to involve a professional facilitator, someone with experience of managing internal discussions, drawing out ideas and building action plans. The dispassionate

facilitator can prove to be a great asset in keeping discussions on track, steering away from irrelevant distractions and maintaining a neutral position without any historical differences or favouritism surfacing to derail the process. "As always", concluded Larry, "it's all about communication, respecting your staff and making them feel valued."

Over 350 industry stakeholders attended this meeting to gain new knowledge about their industry, pick up ideas and make the most of the best networking opportunity in the industry. All this was made possible by the generous sponsorship of the following companies, whose support makes it possible to maintain CCIF and keep the meeting attendance fee at a level that makes it possible for all to attend:-

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