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Strategies and Inspiration
for Collision Repair Success

AARON MARSHALL
ON DRIVING CHANGE
PAGE 35

HOW TO PROFIT
FROM COSMETIC REPAIRS
PAGE 57

5 WAYS TO
SLASH YOUR TAX BILL
PAGE 65

**FENDERBENDER
MANAGEMENT
CONFERENCE**
EARLY BIRD REGISTRATION NOW OPEN
Details on page 76

TURNING POINT

A WAVE OF
LITIGATION AGAINST
INSURERS HAS
IGNITED CONSUMER
INVOLVEMENT THAT
COULD MEAN DRASTIC
INDUSTRY CHANGES PAGE 40

BUILDING THE FUTURE
Inside an industry educator's efforts
to train tomorrow's techs PAGE 48

Teacher and Boss
Barry Roopnarine, a
high school collision
instructor in New York,
prepares students
for the real world by
treating class
like a job.



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Breaking Convention

We need to start seeing change as improvement, as the very thing we as shop leaders are paid to produce

FenderBender asked me to contribute some insight with regard to the automotive collision repair industry and what we at Marshall Auto Body in Waukesha, Wis., have learned since we replaced our traditional value delivery model with the “teaching production system,” predicated upon the principles of Toyota, and tools adapted from lean manufacturing.

It’s probably worth noting that the longer we practice this method of servant leadership and *learning* from the work, derived from what the customer wants, the more distant and obsolete the *traditional* collision industry management methods, hot-button issues, and functional language have become for us. So, if some of the stuff I share with you this year contradicts what we have traditionally known and accepted, or sounds too theoretical to actually “work,” or overtly challenges conventional collision industry wisdom to the point that it sounds weird, this is why.

So, let’s start with retasking a popular word in collision repair industry articles and op-eds: change. Change is traditionally synonymous with unease, something that happens to us, something we have to brace for or react to. The lack of appreciable movement in collision industry metrics over many years actually indicates to me that there has been too little change (crisis) happening to us, rather than too much. Where there is very little outside change force, there is also somewhat of an *improvement vacuum* (change either begets improvement, or obsolescence). Experimentation, or the lack of it, tells us that if we don’t change how we do the work, the outcomes (cycle time, profit, CSI,) will not appreciably change either. Let’s instead consider change (improvement), to be the very thing we as managers and owners are paid to produce—it’s our product, the thing we make for our employees, who make the value (car repairs) we sell to our customers.

For the past 30 years, advancements in the collision repair industry have largely come in the form of tools and technology. Things like unibodies, urethane paint, computers and the accompanying estimating software and management systems, waterborne paint, nitrogen welders, and now aluminum—all of which required a fairly modest monetary and training investment.

None of this really challenged us to look at the systemic functions of our value delivery system, how the different components like estimating, parts procurement, repair, paint, etc. are designed and how they fit together. While these advancements forced us to modify the tools we use to fix the car, none of them *really* changed the game. Cars still come in, mostly on Monday, Tuesday, and Wednesday; we order *some* parts; we award jobs to our on-site, semi-independent contractors (flat-rate technicians); they do their very best to fix multiple cars at once, while simultaneously managing problems that arise, negotiating with peers for equipment, space, or to get cars painted. Our administrative people work as hard as they can to *keep up* with the ongoing discovery (supplements), and push work through queues, while also being expected to insulate the customer from this highly variable, unpredictable process.

Then came DRPs, CSI mandates, parts procurement mandates, dashboard scorecards, reinspectors, reinspectors reinspecting reinspectors, etc. These are really manifestations of the customer attempting to drive improvement in what matters to them: function, cost, and time. These conditions are directly targeted, not at physically fixing the car, but at the much more abstract *process* of fixing the car; the interdependent steps that must happen—in spite of how dysfunctional or how

poorly they are connected—to get the car from the sale to paid in full.

The average repair is still approximately 16–18 labor hours, average rental duration is still nine to 11 days, and average hours, per repair order per day, are still around two to two-and-a-half, counting weekends. Incidentally, I found industry averages almost identical to these from a class I took in 1996.

Two conclusions immediately come to mind. One is that there is a tremendous amount of waste (waiting) in our collision repair process if it takes more than twice as long to get your car in and out of the shop as it took the employees to actually do the fixing. Second, not much has been done to address this waste. How is it that our technicians are 150 percent efficient, but our process is 31 percent efficient?

What have we as an industry spent our energy on over the last 20 years? The customer is asking for improvement, and we have responded in many cases with outrage that they should be so bold.

The lack of improvement in these industry-wide metrics over the years obviates the fact that the traditional philosophy, and the work system it drives, has reached its limit to produce the results these evolving customer/insurer (same thing) requirements are asking for.

If we were able to remove sitting and waiting, and repair every car in half the time it takes today (five days instead of 11, including weekends without multiple shifts), we could fix twice as many cars in the same building, with nearly the same number of employees, frame machines, spray booths, lights, heat, A/C, etc. The customer would get their car back faster, for the same price, and we would realize more profit, with no greater costs. From that perspective, are we not paid enough for what we do? Or are we not effectively targeting the root causes that drive that outcome?

Improving quality by removing obstacles (waste) requires a work system that at its essence operates like a science lab, working purposefully toward ever-evolving objectives, by teaching itself, via experimentation, how to conquer obstacles no one else has yet figured out.

Do you have a scientist? This is what interesting work for the business leader looks like. No more monotonous grind of putting out the same old fires every day, just to find the same ones flaring up again tomorrow. The winners of a work system that delivers correctly on the first try, from one step to the other, crash to cash, are the staff, the customer, and the bottom line. **FB**

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