



COLLISION REPAIR NEWS

Are Fast Lanes Really Faster?

Large jobs hurt cycle time more than small jobs help

by Aaron Marshall

It's common to hear people talk about "fast lanes," in which certain jobs whisk through the repair and paint process without sitting in queues. The jobs get done in less time than when they are used as "fill-in work" for techs waiting for myriad defects to be resolved on the bigger jobs (supplements, insurance approval, etc.). In other operations, they might get a priority "hat" that basically says they go ahead of the other jobs (bigger jobs). Since the bigger jobs have usually blown their chance at a good hours-per-day metric, what does another day or two matter?

From the customer's perspective (car owner and insurance company) the operation is not faster unless the entire value delivery system for all repairs is faster. The real problem plaguing cycle time is not small and medium jobs, it's the larger, more complex jobs. Large jobs are richest in labor and parts, so doing more of them in the same space, in the same shift, with the same amount of expensive equipment and skills, is a much better pursuit than worrying about jobs that, for most shops, already meet the insurer-required hours per day. The industry average is still 2.5 hours per day. The more complex repairs are as low as 1 hour per day and are 30 percent of the cars we fix. Taking the easier jobs from 3 hours per day to 4, while noble, is not going to be as effective as getting the 1-hour-per-day job to 3.

I've collected some interesting data from my own organization as well as a number of others for whom I've consulted (all are greater than \$2 million per year in sales, fixing mostly insurance-paid collision repairs and no restorations, rust, or wholesale used car work), and the results were very consistent.

Fifteen percent of the cars we touch require no paint. They average one hour in billable labor and account for .07 percent of labor sales. Twenty-two percent of the cars we fix have one panel to paint (mostly bumper jobs), average 8 billable labor hours and are responsible for 9 percent of labor sales. Thirty-three percent of jobs have more than one panel to paint, average 22 hours of billable labor, and account for 37 percent of labor. Then there are the jobs that require structural and/or welding and/or mechanical work, which represent 30 percent of jobs, average 34 labor hours, and account for 53 percent of labor sales.



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The last category (large jobs) accounts for over half of all the labor we sell. These jobs suffer the most in quality and process time, but they also have the greatest potential profit due to high labor and parts count.

Do our value delivery systems (admin and production processes) treat the large jobs (30 percent) much differently than the other 70 percent? Should they?

Here's a Tale of two Hondas: A \$2,200 job needs a new rear cover, new tail lamp lens, a 6-hour dent repair in the quarter, and the rear door needs to be blended. A parking lot estimate is written, parts are ordered, the car is dropped off, it waits for a tech to be assigned, waits for the tech to pull it in, the tech removes the bumper, finds a broken attach bracket, (no problem as part will be here in time for reassembly), fixes the quarter, de-trims door, and sends the car to the paint queue. The car waits for paint, waits for the original body tech to free up time and space to reassemble, it gets put back together, waits in the cleanup queue, gets washed and delivered. This most likely happens in five days, so even with all the waiting in queues, it still returns a respectable 4.4 hours a day in touch time.

Now consider the \$6,200 Accord hit in the front. It needs numerous parts including a hood, bumper, radiator support, headlights, coolers, fans, etc. The car gets towed in and we write a parking lot estimate just like the other one. Knowing it "needs teardown," we ask a tech to remove certain assemblies to further expose broken stuff. The estimate is finalized, parts are ordered, the car is assigned to a tech and waits to be brought in. The tech starts repairs and finds more broken parts. The car waits for the estimator, waits for parts, waits for the tech to get back on the job when parts come in, etc. It's not uncommon for jobs this size (55 hours) to have three to five supplemental parts orders. The result is 1-1.5 hours a day (keys to keys).

The \$2,200 job and the \$6,200 job are fundamentally different and should not be treated to the same process for estimating, parts procurement, and repair processing. A technician most often discovers a parts supplement when they are just taking a vehicle apart. So instead of taking it apart a little at a time over a number of days, why not take it all apart at the beginning? With effective damage analysis it's very easy to get 3 hours a day or more (including weekends) out of a 55-hour job, even when four days were spent just working out the insurance approval at the beginning.

It takes an awful lot of effort to make small and medium jobs actually go fast enough to move the hours-per-day needle, when larger jobs with two to four times the labor hours are pulling it down. The "fast lane" thinking should be engineered for the bigger jobs first.