

31
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MORE THAN
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SHEETING

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Faced with a technician shortage,
repairers roll out training programs

10 **BECOMING TACTICALLY LEAN TO BOOST EFFICIENCY**

Stop wondering if there is a better way to do business — find it on your own through continual process improvements and evolving business requirements.

23 **PRIVATE EQUITY DEALS LOOM**

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OPERATIONS



10 BECOMING TACTICALLY LEAN

Stop wondering if there is a better way to do business — find it on your own.

STEVEN J. FELTOVICH // Contributing Editor



16 THE STATE OF PAINT DISTRIBUTION

As industries consolidate, often their suppliers consolidate alongside them.

BRAD MEWES // Contributing Editor



18 APPRENTICE PROGRAMS INVEST IN THE FUTURE

Faced with a technician shortage, repairers roll out training programs.

BRIAN ALBRIGHT // Contributing Editor



23 PRIVATE EQUITY DEALS LOOM

Service King, Caliber and CCC make news with private equity deals.

BRAD MEWES // Contributing Editor



27 SURPRISING ROAD TO SUCCESS

Core values guide growth at Paceline Collision Centers.

BRIAN ALBRIGHT // Contributing Editor

TECHNICAL

31 MASKING: MORE THAN JUST TAPING AND SHEETING

Proper techniques for every application deliver excellent results.

REESE WEBER // Contributing Editor

34 COLLISION PRODUCTS GUIDE

TO COME IN 2017



CREATING CONSISTENCY BETWEEN LOCATIONS

A key benefit for both management and the consumer when it comes to an MSO is having a consistent experience, regardless of the location. Getting these set systems in place can be more challenging than you may realize.

DAVID LUEHR // Contributing Editor

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Telematics can provide new ways to improve customer service, enhance customer education about their vehicles and repair options and create broader customer reach.

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EMPLOYING THE RIGHT TRAINING

Check out these tips to find the right training for your collision repair facilities and learn better ways to care for matte or low-gloss finishes.

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LEFLER COLLISION & GLASS teaches its attendees automotive maintenance at its biannual Ladies' Night Out events.

BREAKING NEWS

MSO EXPANSION

CARSTAR PASSES THE 500-LOCATION MARK

➔ CARSTAR North America, the continent's largest MSO network of independently owned collision repair facilities, opened its 500th location in North America. CARSTAR West Chester, just north of Cincinnati, Ohio, became the 500th collision shop under the CARSTAR banner, the first MSO to pass the 500-location mark.

As part of the celebration, CARSTAR West Chester refurbished a family sedan to donate to a deserving local family – the Workmans. Theresa Workman is a hard-working woman, mother and wife. Her husband lost his job following two different injuries, and she became the sole financial provider for their family of six. When the family car broke down, they couldn't afford the repairs. Her boss at the used car dealership let her borrow one to drive to work, but she will now have reliable transportation for her and her entire family.

SHOP PROGRAMS

LADIES' NIGHT EVENT SEES SUCCESS FOR TWO SHOPS

CHELSEA FREY //
Senior Associate Editor

➔ Collision repair shops across the country are empowering the majority of decision makers for automotive repair: women. Two businesses in particular — Glaser's Collision Center, which has three locations and is headquartered in Jefferson, Ky., and Lefler Collision & Glass, with four shops in the Evansville, Ind., area — have each been hosting Ladies' Night events for more than five years to give women in their

communities an opportunity to learn about automotive maintenance and collision-related information in an un intimidating environment.

Glaser's Collision Center hosted its 6th annual Ladies' Night last fall, and Lefler Collision & Glass has been hosting its event for the past eight years, twice a year. Both shops have seen a significant increase in attendance as word in their communities spreads about the entertaining and informative event. Megan

>> **LADIES CONTINUES ON PAGE 8**

>> **500 CONTINUES ON PAGE 9**

TRENDING

MSO SYMPOSIUM ANNOUNCES ADVISORY BOARD FOR 2017

The MSO Symposium, to take place during NACE Automechanika Chicago on July 26, announced its Advisory Board. The symposium will focus on trends and industry topics.

ABRN.COM/MSOBOARD

SERVICE KING WELCOMES 32 APPRENTICE TECHS

32 apprentice techs joined the Service King family as part of its Apprentice Development Program, which provides a 52-week hands-on training program in Service King shops.

ABRN.COM/APPRENTICE

CALIBER COLLISION NAMED EMPLOYER OF THE YEAR

Lincoln College of Technology in Denver has named Caliber Collision Employer of the Year for their ongoing commitment to help provide students with career choices.

ABRN.COM/EMPLOYER

H&V COLLISION CENTER INTRODUCES MOBILE ESTIMATING TOOL

H&V Collision Center has introduced a mobile estimating device that allows customers to get free and confidential estimates on vehicle damage within minutes.

ABRN.COM/TOOL

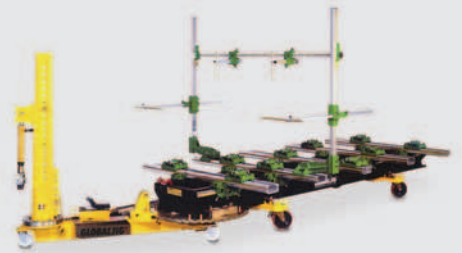
NEW GERBER COLLISION LOCATIONS IN ARIZONA, NORTH CAROLINA

The Boyd Group opened new locations under the Gerber Collision & Glass name in North Carolina and Arizona and now has more than 400 locations in North America.

ABRN.COM/400STORES



Quick Pull



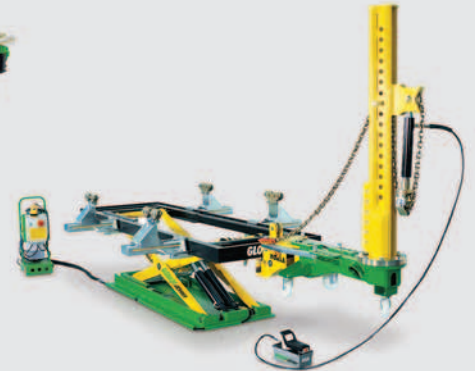
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>> LADIES CONTINUED FROM PAGE 6

Williams, marketing director of Lefler Collision & Glass, explains, "Until about a year ago, we had around 100-120 women in attendance at our Evansville Ladies' Night Out. With the implementation of social media, radio ads and a designated effort to grow our reach for this event, our most recent Ladies' Night Out event hosted 190 women at our Evansville location and 45 women at our Henderson location."

Glaser's Collision Center's Ladies' Night event has also risen in popularity. Aaron Glaser, the Chief Operating Officer of Glaser's, notes, "We started out with maybe 40 or so women six years ago, and since then the number in attendance rises every year — our most recent event was attended by 104 women. We focus on bringing value to them, not on selling them anything. I feel it is important for the ladies to be able to come through the doors and see the actual facility, not just the front office. The whole event, from the content, shopping, food and drinks and valet parking is all to make them feel comfortable and to give them a fun and educational evening."

The two businesses structure their Ladies' Nights similarly — the event kicks off with food and drinks and an opportunity for attendees to peruse a variety of vendors and local businesses selling jewelry, clothing, kitchen items and more. The first educational session then commences and is followed by an intermission for attendees to revisit the refreshments and vendors. The women then rejoin for the final educational session. While some attendees will leave with a raffle prize in hand — anything from a gift basket to a free oil change to a flat-screen TV — no one goes home empty handed. All attendees receive goody bags filled with various items and information.

Glaser's and Lefler educate attendees about both general care for their vehicles and collision-related information to offer them a comprehensive experience. Glaser explains, "At our most recent event

we discussed general maintenance, such as how to change a tire and how to check and change your oil. During a break, we have stations so that they can practice what we just discussed. We have plenty of our technicians on-hand to answer any questions they may have during this time. After the break, we finish up with our next 45-minute seminar where we discuss something collision-related. This year we showed the ladies what to look for when purchasing a used vehicle — tell-tale signs that reveal if it has been in a collision or not. We also cover what to do and what to expect if you get into a collision. We feel it is important to talk them through what to do — and not do — to remain safe."

Lefler's approach is similar. Williams notes, "We discuss topics such as what different vehicle fluids look like, insurance coverage and information, what to do if you get into a wreck and tire pressure safety. We also deploy a live airbag demonstration to show the speed and sound that they deploy at. We believe that empowering women of all ages is such an important role that we can help provide to make Evansville a strong city. Women are the majority of the decision makers when it comes to vehicle repair and maintenance, so we feel that empowering them when they walk into a repair facility — or just to get a routine oil change — is a very important step."

Both businesses stress that their events are not about selling services but are rather about providing value and education to women in their communities. Inevitably, these memorable and engaging events help build trust and familiarity for the shops. Williams explains, "We



ATTENDEES at the October 2016 Ladies' Night event at Glaser's Collision Center learn about what to look for when purchasing used vehicles.

have had many women mention to us afterwards or on our surveys that being able to come into our shop and meet our location managers and staff has influenced them to bring their vehicle to us to be repaired. We take gaining that trust very seriously, and all ladies leave with a business card of someone to directly call in case they find themselves in a wreck or just with a general question."

For Glaser's, Ladies' Night bolsters brand recognition as well. Glaser details, "The event drums up some great publicity. Every year, we get some kind of media coverage of the event. Our Facebook page gets a great boost leading up to and following Ladies' Night. Looking at our Facebook trends, the weeks of the event have the highest engagement of the entire year for our company."

With the overwhelming success of these Ladies' Night events, both businesses are working to expand education opportunities to other populations of their communities. Glaser's is looking into an event for teen drivers, and Lefler's plans to continue offering Little Ladies Day as they are approached by local Daisy and Girl Scout Troops. Williams notes, "We hope to help a troop gain their car care badge next spring. There is a definite need for this information, and we are happy to help." ■

2017 MSO SYMPOSIUM REGISTRATION OPEN, EVENT AGENDA RELEASED

The MSO Symposium announced that registration is open and the agenda has been released for the 2017 event. The sixth annual MSO Symposium, co-located with NACE Automechanika in Chicago, will take place Wednesday, July 26 at the Hyatt Regency McCormick Place.

The agenda, below, aims to provide vital business growth insight and strategy.

6th Annual MSO Symposium Agenda

12:00 - 1:00: Luncheon

1:00 - 1:30: Industry Update — presented by Vincent Romans and Brian Sullivan

1:30 - 2:15: Insurer Panel — moderated by Marcy Tieger, the panel will address the developing gap between car manufacturers and insurers as recommended repair procedures, vehicle scanning, onboard telematics and repairability take center stage.

2:15 - 3:00: OE Panel — moderated by Marcy Tieger, this panel will provide a perspective from the manufacturer's standpoint of recommended repair procedures, vehicle scanning and new technology.

3:00 - 3:30: Refreshment Break — sponsored by BASF

3:30 - 4:10: MSO Panel — moderated by John Walcher, this panel will address challenges facing MSOs, including technology, scan tools, equipment, supplier consolidation and staffing.

4:10 - 4:50: MSO Panel II — This panel will cover OE certification and training, with leadership representing small, mid-


size and large MSOs.

4:50 - 5:30: Legislation and Regulation — Bob Redding will discuss how the new administration will affect business for the collision repair industry and insurers, as well as which legislation will have the greatest impact on business.

5:30 - 7:00: Private MSO Symposium Reception — sponsored by PPG

“This is the only event that is exclusive to MSOs, insurance executives and the

strongest independent operators in the collision repair industry,” said Dan Risle, ASA president and executive director. “The Symposium will provide insight for these top companies and their respective leadership through the sharing of knowledge, experience and information essential to understanding market conditions and preparing for the future.”

For information, visit stonefortgroup.com/mso-2017/register. 

MSO PANEL ON OEM CERTIFICATION, TRAINING TACKLES CHALLENGES, OPPORTUNITIES

As vehicle technology change continues at a record pace, the collision repair industry has had to make record investments in technology, tools, equipment and training to assure they have the capabilities to fix the vehicles of today and tomorrow. These investments have challenged many repair facilities to achieve an adequate return given the scope of change coupled with limited standardization from OEMs on repair techniques, tools and equipment.

Many repair facility operators are turning to OEM certification programs as a means to get recognition of their capabilities and secure the marketing boost offered by both manufacturer branding and potential dealer referrals.

The MSO panel on OEM certification and training will delve into the mechanics of how large, medium and smaller MSOs have invested in OEM certifications, the best practices for marketing the certification program to build volume, as well as how they measure and improve their success.


The panel will examine the evolving world of MSO workforce recruitment, retention and development. MSOs have access to a wider selection of training than ever before, covering all of the vehicle, tools, equipment and technology advancements arriving almost daily in the collision repair industry. The demands of both new vehicle materials and techniques, coupled with an ever-expanding array of embedded technologies, has placed demands on modern collision repair operations to become true learning organizations.

>> 500 CONTINUED FROM PAGE 6

“I’m just so thankful,” said Workman. “It’s unbelievable to know that there are programs like this and companies like CARSTAR willing to help out when families are in need. I’m

still in shock right now.”

The donation is part of the National Auto Body Council's (NABC) Recycled Rides[®] program. Owner Kevin Raines and his staff at CARSTAR West Chester meticulously restored

the vehicle, donated by Nationwide Insurance, with additional support from 3M and LKQ/Keystone. Raines and Nationwide presented the car to Ohio-resident Workman, her husband and her four children. 



Stop wondering if there is a better way to do business — find it on your own.

STEVEN J. FELTOVICH // Contributing Editor

The term ‘tactically lean’ just sounds good, doesn’t it? Who doesn’t want to operate their business, their department or day-to-day work faster, easier and more efficiently?

The truth is that most organizations, large and small, follow business/operational processes or workflows that are

disorganized, disconnected and chaotic. Critical tasks are skipped, overlooked or delayed. The coordination and collaboration between teams or people is disjointed. Add this to the fact that people generally accept the operational shortcomings of the status quo, because they have become habit or simply “the way we’ve always done it.”

The reality is that processes need to be continually tweaked in order to evolve with business requirements. Consider why the processes you originally implemented do not work well today: The world has changed, your business has changed, the tools and technology your people use have changed. In fact, when you think about it, just about everything

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has changed, except the process itself.

You can't help but wonder, "Isn't there a better way to conduct business?"

The current state of collision repair

For the past 30 years, advancements in the collision repair industry have primarily evolved from innovative tools and technology. But the game has not really changed that much in most cases; we still bring in most of the work on Mondays and scramble over the speed bumps in order to deliver completed vehicles by Friday. And then we carry over a few vehicles to the following week that did not get finished, while we pile on another batch of customers' cars that were scheduled — not to mention any additional drop offs or tow-ins that show up. None of this weekly chaos has really challenged enough shops to look at the deficient processes and systems in these key business areas: scheduling, estimating, parts procurement, body, paint and final assembly. These are not connected by very well-defined processes that are executed daily. Simply put: "We have become very comfortable with dysfunctional business systems."

The average repair still consists of 16 to 18 labor hours, 9 to 11 days of car rental, and the average technician touch time on the job per day is 2.5 hours. These averages represent the same numbers that have been posted for the industry for well over 15 years. This clearly indicates that there is tremendous waste in collision repair processes, if it takes more than twice as long to get a customer's vehicle repaired and back to them as it took the technician to actually do the work. No wonder customers and insurers question all of the time in between the vehicle drop off date and the actual delivery/completion date. The collision repair industry is spending its energy in the wrong places and continually avoiding the fixing of broken processes.

TRAINING OPPORTUNITIES TO HELP BOOST BUSINESS EFFICIENCY IN THE SHOP

If you need more formal instruction, there are places to turn



Multiple training organizations in the collision repair industry offer formal training courses to help shops improve efficiency across a myriad of platforms.

I-CAR's Professional Development Program trains collision repair professionals in essential role-relevant knowledge and skills, and the track for collision repair professionals includes education on improved shop performance, production management and streamlined repair training.

The Automotive Management

Institute offers training, including "People are wasting time online;" "Management basics;" "Leading a high-performance team;" "Goal setting in the workplace;" and more.

Sherwin-Williams hosts EcoLean workshops that are designed to educate attendees about maximizing profitability by improving productivity and eliminating waste throughout their facilities. The next course will be held June 20-21 in Charlotte, NC. For the complete schedule, visit ABRN.com/EcoLeanTraining.

The starting point

It all begins when more vehicles are scheduled than can actually be completed/delivered on the promised date. This creates uneven work flow and imbalance in the workshop that stresses the employees. Hence, the work production pace is slower than it could optimally be because all the vehicles are loaded in the workshop in large batches. The problem is compounded by having technicians producing wasted labor hours on vehicles that never get completed and delivered on time. Why is that? Because the labor they produced is just sitting in inventory queues — in body (waiting for a supplement or parts correction), in paint (because there are too many vehicles in paint), in final assembly (too many coming back from paint all at once to reassemble).

Controlled scheduling, even workflow

We must begin to understand that it is not about getting more cars in, but rather all about getting more cars out. The shop must be scheduling to its current output

capacity; the number of cars brought in daily should equal the number of cars delivered daily. This is a basic math problem; and it can be solved by your shop's historical data on the cars you already average per day, per week, per month. Yes, you will have to build in the time for the shop's average tow-ins and drop offs, but remember you have the data on these averages to get it leveled out as quickly as possible. Once this is implemented, you will be able to modify the scheduling process as new learning takes place. Scheduling is a critical component to being tactically lean. As the saying goes, "The only constant is change." Your new process is not going to be perfect out of the gate. And as we learned earlier, the world around you is constantly changing, so revisit your processes again and again and again. When you get the scheduling area right, many of the problems downstream disappear, and the work will be produced in a much less chaotic manner with less stress on all of the employees as well. The right processes deliver the right results!

Regardless of size or complexity of the business, the basic lean principles apply. If you have a process or workflow from which you want to gain control, visibility and efficiency, consider applying the following six steps to tactically lean.

Step 1: Drive customer value

Jeff Bezos, founder and CEO of Amazon.com, the world's No. 1 online retailer with the highest customer rating, says to "obsess over the customer."

"The best customer service means the customer doesn't need to call you," Bezos says, noting the most common complaint from Amazon shoppers is, "Where's my stuff?" To that end, Amazon measures success in customer contacts per units sold. "We endeavor to drive that down every year, and the way we're driving that down is by delivering [people's] stuff." Why am I using Amazon examples and business strategies for application to the collision repair industry? The answer is a question to you: Who do you think has conditioned your customer in terms of a flawless, consistent and satisfying buying experience? Amazon has! Does your current business model protect you from becoming outdated, irrelevant and eventually obsolete?

Step 2: Empower people

Generally speaking, the person best positioned to improve a process is the one actually doing the work. So get out there and talk to your people who are actually doing the work. In addition to gathering their feedback and new ideas, this is also a great way to find out if individual people can be doing more — or perhaps different, more valuable things — than they are currently doing. Let your team participate in helping you build a better business model.

Step 3: Implement new processes

A robust process eliminates problems upstream before they occur. The right

processes deliver the right results! Amazon has identified the three things customers hate: defects, delays and out-of-stock items. Amazon has provided you with the answers to the customer satisfaction test; the criteria are not any different for the collision repair customer, except in our minds. Amazon raised the bar for an extraordinary customer experience in the 21st century. Today's customers are armed with knowledge and are therefore empowered and impatient. Traditional shop processes are antiquated, painfully slow and will never be capable of driving the value that today's customers are demanding. Every business today is under the customer's microscope. Therefore, businesses are being tasked with building in quality processes from end to end to ensure that defects do not go down the line and ultimately get passed on to the customer.

Step 4: Remove waste

Did you know that many manufacturers (Toyota – Toyota Production System, TPS) literally count the physical steps that their production workers take between job stations? They know that eliminating a few simple feet of walking can have a significant impact on productivity. Apply the same scrutiny to your own shop's process or workflow. What step or steps in the process can be removed, shortened or improved? Look for where the errors are occurring that produce waste or require rework.

Step 5: Continually improve

As we learned earlier, the world around us is constantly changing, so revisit your process again and again and again. We recommend that the entire team or team leaders conduct short meetings and review the processes and workflows (what's working and what's not). How often? Of course, the answer depends on many variables. However, as a general rule, we recommend reviewing business-critical workflows daily in order to create an en-

vironment for continuous improvement.

Step 6: Measure and keep score

We prefer to say "keeping score." The point is that you want to be able to tell whether something is working or not. All the analysis and estimating in the world cannot replace real-world testing. So get your new-and-improved process implemented and start keeping score. Are things taking less time or more to get done? Is the quality of the work being performed improving? Be patient. No one really knows the outcome of the game based on the score in the first minute. Let your new process run for enough time in order for you to make decisive decisions and changes with confidence.

The journey to tactically lean

The first step is to be honest with yourself and recognize that you have a business problem. Then you will need to size up your business based on the way it is truly operating; your current processes are costing money, wasting time and resources, and there must be a better way of doing things. Unfortunately, this is as far as most shops get, and they do not move on to the next stage. They decided to solve their problem, but then stopped short of taking any action. As a result, the process does not change, and their results do not change. Become a change agent! Don't just talk about it; get into action. Read articles and books — we always recommend starting with The Toyota Way book or audio. Attend seminars and training programs on the subject of TPS/Lean. Consider hiring a credible lean consultant to assist you on getting your tactically lean journey up and running and on the road to success. 📌



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THE STATE OF PAINT DISTRIBUTION

As industries consolidate, often their suppliers consolidate alongside them

BRAD MEWES // Contributing Editor

Mergers and acquisitions in automotive paint distribution are heating up. After years of aggressive consolidation in the collision repair customer base of paint distributors, it is logical to see consolidation take hold downstream. Paint is a small but critical component of the \$30 billion

North American collision repair market.

As industries consolidate, it is common to see suppliers consolidate alongside their customer base. An example not far from the automotive aftermarket segment is in the automotive OEM segment. As automotive OEMs consolidated, so too did Tier 1 suppliers, which created additional consolidation in Tier 2 suppliers. We also continue to see consolidation at the dealer level, albeit at a much

slower pace than other segments of the automotive aftermarket. This type of downstream consolidation makes sense — as customers grow, suppliers need to grow with their customers to continue to remain competitive, drive down costs and meet service level agreements.

Last year saw a number of mergers and acquisitions in automotive paint distribution. As in collision repair, there are four large distributors with regional footprints that have grown rapidly, primarily as a result of acquisitions over the past year.

Last year NCS merged with Single Source, effectively doubling in size in one transaction. FinishMaster added 46 new stores in seven acquisitions in 2016 and an additional 16 more stores in the first six weeks of 2017. LKQ, a company that has grown extensively through acquisitions, was largely quiet on the PBE front. Wesco did some small deals in 2016 as well.

FinishMaster: A brief history of mergers and acquisition in automotive paint distribution

FinishMaster's recent growth is noteworthy. FinishMaster has recently acquired a number of small and mid-sized jobbers in the U.S. and Canada after a significant shift in corporate strategy. In mid-2015, FinishMaster's parent company, Uni-Select, divested its U.S.-based automotive hard parts business to Icahn Enterprises, which is controlled by famed corporate raider Carl Icahn (for a great personal history and review of some of his highest profile deals, I highly recommend *King Icahn: The Biography of a Renegade Capitalist*). Uni-Select used the proceeds to immediately pay down all outstanding debt and redeployed the remaining capital to fund an acquisition-based growth strategy.

At the time Uni-Select divested its parts business, there was some criticism in the press that this was a poor deal for

Uni-Select. Uni-Select itself acknowledged that they sold the division at “net tangible book value of assets” — in layman’s terms, at cost. When the deal closed, Uni-Select received total cash proceeds of \$324 million. However, at the time Uni-Select acknowledged that by selling the U.S.-based parts business, it allowed the company to dispose of an asset-heavy low-margin business, strengthen the balance sheet (i.e. completely pay down all outstanding debt), and most importantly, reinvest in high potential markets and rapidly “seize acquisitions.”

At the end of June 2015, a month after the transaction with Icahn closed, Uni-Select reported half-year Paint and Related Products sales of \$308 million. By the end of 2015, Uni-Select completed seven acquisitions and added 10 new stores. Sales at FinishMaster increased to \$619 million in 2015, up 8 percent year over year. In 2016, FinishMaster completed another seven acquisitions adding 46 stores, and increased revenue 22 percent to \$753 million. This year FinishMaster has already added 16 locations, with a strong pipeline of additional deals on the table. Since January 2015, Uni-Select as a whole has completed 33 transactions and added 114 stores across the U.S. and Canada.

Predictions: The future of mergers and acquisitions in automotive paint distribution

I predict we will see continued mergers and acquisitions in automotive paint distribution. Structurally, this is logical, as the collision segment of the industry continues to consolidate. Economically, this makes sense, as companies like Uni-Select can grow rapidly through M&A. Building economies of scale is strategically important in distribution, and well executed M&A allows companies to build scale.

Management at Uni-Select has indicated that they continue to pursue mergers and acquisitions in paint distribution as a growth strategy. They have developed an internal playbook to make M&A a core competency in the way they do business. At present, Uni-Select estimates



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An M&A advisor brings a value-add to a business, but only when it makes sense to bring on an outside advisor. Because to be frank, an M&A advisor is not right for everyone.

Market intel

One significant value-add advisors bring to the table is market intel, such as the operational metrics of your best competitors. An experienced attorney likely has insight into recent case law that may impact your specific situation. A tax advisor likely keeps abreast of changes to the tax code that may impact your business. An M&A advisor will know the major buyers in your market, pricing trends and what different buyers look for in a transaction.

Sophistication

In the majority of M&A transactions of privately held companies, there is substantial asymmetry between buyer and seller. Most buyers have acquired many privately held businesses in their respective industry. In collision repair, the largest buyers have completed hundreds upon hundreds of acquisitions.

In this environment, the seller is at a substantial disadvantage.

The buyer not only has the internal market intel, but also pre-existing relationships with professional advisors to get deals done.

Bringing on an outside M&A advisor with domain and industry expertise helps even the tables and ensures that the right deals get done at the right price and terms.

Insurance

One of the most overlooked benefits of an outside advisor is the Hawthorne Effect, which states that individuals modify their behavior when they are aware they are monitored. An outside M&A advisor signals to the other party they are being monitored, and this keeps the other party honest.

Growth

The more aggressive the growth plans, the more it makes sense to bring on an outside M&A advisor. Bringing on advisors makes more economic sense for companies that are in growth mode, as the company can spread the costs of the advisor over an increasing base of sales. And, as the enterprise grows, outsourced advisors allow the company to continue to grow like a consolidator and focus on the core competencies it has developed to date.

they have about 30 percent market share but aggressively want more.

As a result, Uni-Select’s share price has doubled since January 2015. Sales have increased steadily since the company divested its parts business. More importantly, profitability and cash flow has increased steadily. Despite having divested 40 percent of top line sales in the Icahn transaction, Uni-Select’s 2016 cash flow and net earnings are, on an absolute basis, greater now than at the end of 2014 and roughly doubled on a relative basis.

The economics of a growth strategy focused on M&A and inorganic growth are compelling. Uni-Select is simply one example of many in the automotive aftermarket. ☞



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APPRENTICE PROGRAMS INVEST IN THE FUTURE

Faced with a technician shortage, repairers roll out training programs



BRIAN ALBRIGHT // Contributing Editor

As in other highly specialized mechanical fields, there is a shortage of auto body technicians across the country. The existing workforce is aging and retiring, and not enough new body techs are entering the field. A number of auto body repair companies have launched both recruitment and training/apprenticeship programs to help bolster their workforce.

Two years ago, Service King launched its Apprentice Development Program, a year-long mentoring and training program that has been introduced at locations across the U.S. The program kicked

off by adding apprentices to locations in Houston, Dallas-Fort Worth, Los Angeles, Chicago and other markets.

“There continues to be a decline in the population of auto technicians across the entire U.S.,” says Tyra Bremer, vice president of talent development at Service King. “We wanted to take finding a solution to that shortage into our own hands.”

In July 2016, ABRA Auto Body & Glass opened its new Career Development Academy in Eagan, Minn., to provide hands-on training to new auto body technicians. The academy serves as the campus for the company’s paid, five-week ABRA SpringBoard Apprentice

Technician program and as a test-bed for training design and development.

Other companies have instituted their own programs as well. Three-C Body Shop, an MSO based in Columbus, Ohio, even crafted a program specifically designed to bring more female technicians into the industry. There are multiple levels of paid apprenticeships available, as well as an advancement program.

All of these programs are designed to mitigate the effects of a reduction in the number of auto shop and technical programs at public high schools, and a lack of awareness of how lucrative and rewarding these jobs can be.



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The search for technicians

The SpringBoard concept, design and execution was developed as a collaborative effort among people at all levels across the ABRA organization, said Mike Willis, Vice President of Talent Development with ABRA. “Every functional area at ABRA had representation on the project team that designed and created the Career Development Academy.”

The company developed a program to train new applicants without any experience in auto body repair, and turn them into C-technicians in the shortest amount of time possible. “We created a program not to duplicate what our partners in technical colleges are doing, but to supplement that,” Willis said. “It is an intensive course to teach them entry-level body technician skills — bumper repair, simple dent repair, seam sealer and urethane use, and R&I, among other skills.

“We envision a future state, and in some cases it is there, where our technical college partners are generating much closer to a B-level technician. But we needed to supplement that. We needed a way for people who were transitioning in jobs, interested in the industry, or for whatever reason not able to enter a technical college program to have access to the industry.”

Apprentices are deemed ABRA employees from day one, and are paid as



APPRENTICE AARON EVCES reviews bumper repair process with Technical Instructor Loren Estwick.

such, Willis said. “This is a paid training opportunity. They begin to learn about our company culture and safety before we can even put them in the shop with a tool. Once they demonstrate a certain level of competency, they are able to work on actual vehicles under the guidance of a mentor technician.”

The Service King program is a 52-week training program that is also fully compensated. Technicians receive daily on-the-job oversight and training, and are evaluated using competency assessments and benchmarks based on a detailed curriculum.

“We are looking for people who are

already leaning toward a career in automotive repair,” Bremer says. “We’re looking for certain technical skills, as well as personality traits. They should work well on a team and individually, be confident, passionate and take pride in their work.”

ABRA created a marketing program to attract applicants for the program, reaching out to high schools, colleges, veterans and other groups. Likewise, Service King has been reaching out to vocational schools, community colleges and high schools.

When the initial class was announced, ABRA received 500 applications for the 10 available slots. Upon graduation, the new technicians can be placed at an ABRA repair center. So far, the company has graduated approximately 85 new technicians through the program, and they are in high demand at the company’s repair centers.

Current apprentices have included veterans, high school students, older applicants who wanted a career change, and some tech school students who were unable to complete their education for financial reasons. About 15 percent of participants are female.

Service King’s approach is more decentralized, with apprentices working with apprentice supervisors in any



APPRENTICE CHRISTINE NEWMAN uses a hammer and dolly on fender damage.

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Pro Spot is constantly striving to improve. Whether that means designing innovative equipment, implementing cutting edge technical support or further improving their already extensive training programs, Pro Spot is always looking for ways to better our customer's experiences.



PHOTO: SERVICE KING

SERVICE KING'S Apprenticeship Development Program launched two years ago, and 92 apprentices enrolled last year.

number of company stores across the country. "They get a good understanding of how a body shop works, from the point the customer hands over their keys, to how to conduct quality, safe repairs, and then returning the vehicle," Bremer says. "Once they are through the curriculum, they are an entry-level technician who can complete any type of repair."

According to Bremer, Service King currently has 40 to 45 apprentice graduates in the current workforce, and enrolled another 92 apprentices in 2016. "Our goal is to double in size again and get them into the workforce," Bremer says.

Once employed in a shop, they have access to the continuing training and education opportunities available within Service King to advance their careers.

A long-term commitment

The ABRA program has also provided a new career path for some senior technicians. "The program also provides opportunities for more experienced technicians to really step into the role of mentor. Some technicians find they feel very much rewarded by welcoming others into the industry," Willis said. "It can also help senior technicians to be more efficient. There may be some aspects of R&I or bumper

repair that they can have a less experienced technician handle, allowing them to focus on a really severe dent or complex body repair, for example. This gives senior technicians an opportunity to work in a team and recognize more efficient ways to divide up work," Willis said.

Placing the apprentice technicians at a shop that is a fit for their skills and personality is also an objective of the program. ABRA puts the apprentices through a screening and interview process to assess technician goals, shop needs and ensure the most successful placements.

At Service King, the company tries to place apprentices at the shops where they train. "We also see if there is another location that is closer to their home, or that is more convenient," Bremer says. "We want to make sure we choose the right long-term solution for them."

Service King is also working to raise the industry's profile among high school students. The company is collaborating with the Collision Repair Education Foundation to increase outreach to schools. Service King also launched its Student Technician Automotive Repair Training (START) program in 2015. That program sponsored the reintroduction of an auto tech program at Franklin High

School near Nashville, and some of those students have since entered the apprenticeship program.

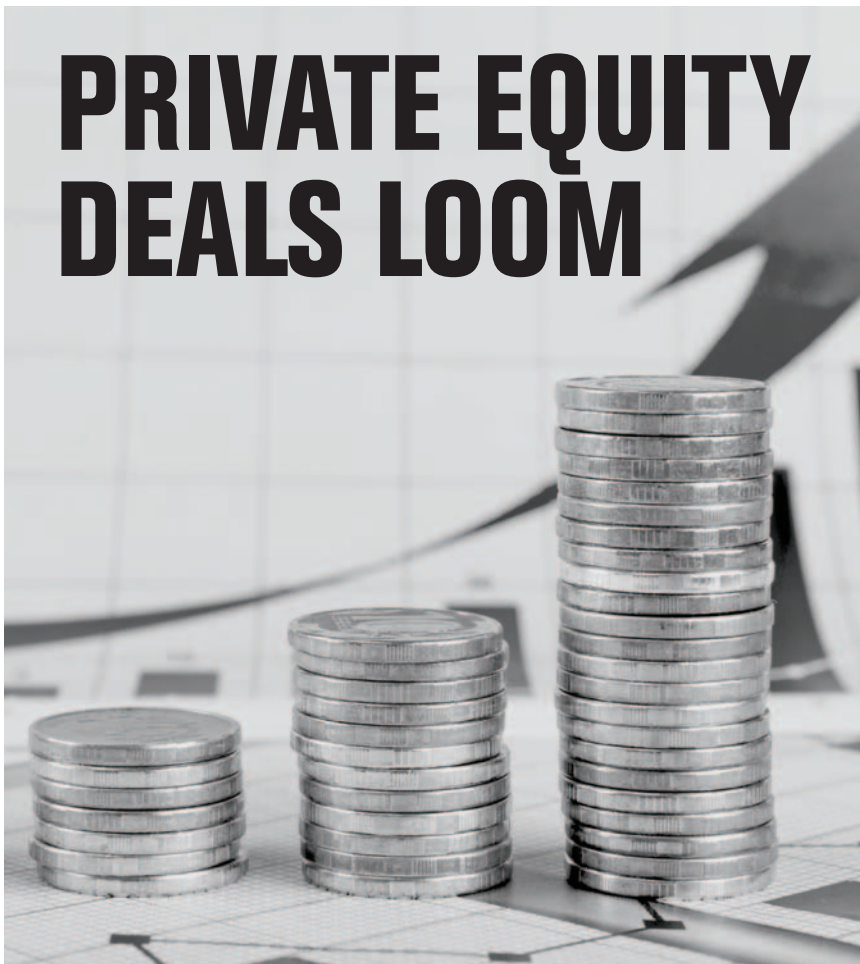
For the next phase of its program, ABRA is working to take the content and curriculum from the Career Development Academy and localize it. "We are working on ways to deliver this experience consistently. That is Phase Two, with more details to come," Willis said.

Another consideration is developing a similar apprenticeship program for the management side of collision repair. "We are putting a lot of focus and attention on apprentice programs for technicians, but we also need similar capabilities within the administrative side of our shops as well," Willis said. "It is something we all know and are thinking of. ABRA is working to provide opportunities to allow people to come into our industry in a variety of roles." ■



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PRIVATE EQUITY DEALS LOOM



Service King, Caliber, CCC all making news with private equity deals

BRAD MEWES // Contributing Editor

In February I spent a lot of time with hundreds of successful business owners discussing growth through acquisitions, growing in preparation for a sale, private equity in collision repair, and general business strategy.

In fact, we discussed private equity in collision repair at length. I was so caught up in the February meetings that I almost missed the flurry of big private equity announcements. After a relatively quiet 2016 where few equity transactions

were announced, 2017 is off to a rapid start. Earlier this year, I predicted exactly this — that we would see additional consolidation at the highest levels, additional investors (i.e. private equity) doing major deals and a focus on large deals in 2017. Here are three large deals for private equity in collision repair happening now.

CCC Information Services

Bloomberg recently reported that TPG and Leonard Green & Partners are considering a sale of CCC Information Services. Leonard Green acquired CCC in

November 2012 for \$550 million from Investcorp SA, a fund based in Bahrain. Investcorp took CCC private in 2006 for \$496 million. A few months after Leonard Green acquired CCC in 2012, it sold half its stake to another private equity firm, TPG Capital. TPG has invested in a number of technology companies and has strong ties in China, where CCC is currently expanding. It is estimated that CCC Information Services has a \$3 billion valuation.

Service King

Bloomberg also reported that Blackstone and Carlyle are considering a sale of Service King for \$2 billion. The Carlyle Group initially acquired Service King in 2012. At the time, Service King only operated 49 locations in one state — Texas. In 2014 Carlyle sold a majority stake in Service King to The Blackstone Group for \$650 million, only a few weeks after finalizing the acquisition of 62 Sterling Collision Center locations. At present, Service King operates over 312 locations in 23 states.

Caliber Collision

In a very quiet transaction, Caliber Collision recently took on a minority private equity partner, Leonard Green & Partners — the same Leonard Green that is selling CCC Information Services. Leonard Green owns a number of other automotive companies, including Mister Car Wash, Motorsport Aftermarket Group, and Tire Rack. Caliber has a long history of private equity investment. In 2008, as part of a management led buy-out, ONCAP Private Equity out of Toronto initially invested \$58 million. At the time Caliber only operated 66 locations in California and Texas. In 2013 OMERS Private Equity, also in Toronto, acquired ONCAP's stake for \$425 million and continues to own a majority position in the company. At present Caliber operates 476 locations.

IS PRIVATE EQUITY RIGHT FOR YOU?

Determine if this investment is a fit for your company



Investors and private equity groups have been watching the industry closely in the past number of years and see a lot of potential. The collision segment (collision repair, parts distribution, paint distribution, technology providers, etc.) of the automotive aftermarket is undergoing rapid change due to structural, economic and technological forces. But these forces are impacting the entire automotive industry at large. These investors are looking to understand this change and in the process, identify and back entrepreneurs that are taking advantage of these changes.

Investors and private equity firms are attending industry events and conferences to gain a better understanding of the industry. Some firms have recently raised their first round of investment capital, and having heard of the success of other private equity firms are interested in the space. Other firms are already in the space and want to invest further. Still others are interested in the technological changes we are seeing in the industry and are pursuing investment opportunities more akin to venture capital rather than traditional private equity investing.

But a clear challenge many of these investors face is that, especially in collision repair, parts, paint and mechanical service segments, the markets are still rather fragmented. In the past four years, since the second wave of consolidation kicked off across collision repair, paint and parts distribution, the “middle class”

of businesses have largely been acquired. In mechanical service, consolidation has not taken off to the same degree as elsewhere in the market. As one private equity investor lamented to me, “It’s very challenging to find companies of sufficient scale in which to invest.”

Sufficient scale varies depending on private equity firm. Generally speaking, most private equity firms are looking for companies with at least \$5 million in EBITDA. But as investment opportunities have become more scarce in the automotive aftermarket, especially in collision, paints, parts and mechanical service, some smaller funds are willing to drop down to \$1 million in EBITDA, with the anticipation there will be additional investment in the form of follow-on acquisitions.

For a firm of sufficient size and growth potential, now may be an opportune time to seek out a private equity investment. Private equity brings many benefits to the table, including very deep pockets to fund future growth and the active involvement of very experienced deal professionals. However, these benefits can be a double-edged sword. Aggressive growth becomes a necessity and active partners are also likely to bring a level of sophistication and oversight not previously experienced by an entrepreneur. Taking on a private equity investment for the most part means dilution of ownership by as much as 70 percent, although some firms are comfortable with minority positions. But even firms that take

minority positions still exercise very strong influence over the direction of the company.

But generally speaking, because the private equity investor also has “skin in the game,” i.e. has invested substantially in the business, incentives between the entrepreneur and private equity group tend to be relatively aligned. This is important when pursuing an aggressive growth strategy and often a reason companies turn to private equity over traditional debt financing to fund growth (or in addition to).

This is also a reason that private equity-backed companies tend to grow faster than other businesses. A common and successful private equity growth strategy is known as “Buy and Build,” or a “Roll Up” strategy. In this strategy, a private equity firm acquires a company with the explicit intent to continue to acquire additional companies in the space. Therefore, for a company to attract a private equity investment, not only does it have to be of sufficient size, but it also must have a clearly defined growth strategy and a management team with a proven track record executing on the growth plan.

If your company fits these criteria, now may be a great time to consider a private equity investment. There are many investors eager to partner with successful growing companies in the industry. If you’re not quite at \$1 million of EBITDA yet, that is OK. Our buy-side services are designed to get you there in a prudent and sustainable way so that you are better positioned for a future investment and continued growth.



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2017 PREDICTIONS: NOTHING WILL CHANGE



Last year I made three predictions for 2016:

Consolidation would continue, Technology will continue to impact the industry, and interest rates will rise.

My predictions for 2017?

Consolidation will continue.

Technology will create winners and losers. Interest rates will rise.

Consolidation continues strong

In 2016 Caliber added 111 locations; Service King, 35 locations; Boyd, 55 locations; and ABRA, 21 locations. Boyd continues to reiterate that they are well positioned for a major acquisition. Rumors continue to swirl of a large deal in the works. Major consolidators raised large amounts of capital in 2016 and will put it to work aggressively in 2017.

Consolidation continues in the paint jobber market as well. FinishMaster's parent company Uni-Select now operates 250 locations and 14 WD locations across the US and Canada. NCS and Single Source merged. A number of smaller acquisitions were announced across the U.S. and Canada.

Consolidation continues in parts

distribution as well. LKQ leads the charge here, increasing sales to an estimated \$9.5 billion in 2016, up over 30 percent from the end of 2015. LKQ has consistently focused on using M&A to drive growth and expand away from collision revenue and diversifying into Europe.

Outside investors and entrepreneurs will continue to enter the industry, driving additional consolidation and taking advantage of the fragmentation in the industry. Big deals and sellers that know how to articulate their value will still make headlines and command premium prices; smaller deals will continue to get done. But prices will not be what they were in 2014 and 2016, especially for smaller operators.

Technology will create winners and losers

Technology continues to impact the automotive aftermarket. OEMs continue to increase the amount of advanced materials in a vehicle. The issue of pre- and post-repair scanning has hit the industry by storm.

Telemetry and telematics will have a major impact on the automotive aftermarket in 2017. The ability to remotely diagnose, evaluate and

control a vehicle will create a tidal wave of new applications and opportunities for firms positioned at the intersection of automotive and technology. The winners will be companies embracing this technology. But this same technology will present existential risks for others; some companies will fail. The automotive aftermarket will be different because of technology.

Interest rates will rise

The Fed has taken a very slow and cautious approach to raising rates in 2016, increasing rates only once in December to 0.75 percent from 0.50 percent. But the Fed projects three more increases in 2017 as the economy continues to expand, potentially doubling the federal funds rate by the end of 2017.

At present there is still a large amount of capital available. Interest rates are still at record lows. However, when interest rates rise, asset values tend to fall in response. Highly levered entities may find debt loads difficult to sustain. As companies prepare for the inevitability of raising rates, some will pull away, aggressively pursuing deals at a breakneck pace.

What does it all mean?

For many of these companies, they are simply coming to the end of their holding period. Most private equity investments have a shelf life between three and seven years, with a five-year median lifespan. Each company listed above has increased significantly in value over the past five years, and in order for the fund to realize an actual return and in order to return profits in the form of cash to the limited partners of the fund, portfolio companies must be sold.

There is an additional lesson for

private business owners considering an M&A transaction: upside. Each of the companies above has increased in value substantially over the past five years. But there is also additional room for growth. CCC is expanding into China, a market with massive potential. Service King and Caliber each have well less than 10 percent market share in the US. There is plenty of room for both companies to continue to grow, domestically and internationally.

Furthermore, in addition to upside, each of the three companies has built a

platform. It is one thing to have upside, but quite another to have a platform in which to leverage additional growth. Companies that command premium prices have developed a platform in which to leverage future growth. ■



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Surprising road to success

Core values guide growth at Paceline Collision Centers

BRIAN ALBRIGHT // Contributing Editor

➔ Lampasas, Texas-based Paceline Collision Centers will open its ninth location in Lubbock this year, and the company is actively planning to add more locations in the future. Over the past 20 years, Paceline has grown from a side business housed in a rented bay to a multi-million-dollar operation.

In some ways, the company almost happened by accident. When owner and CEO Shannon Martin started Paceline Collision back in 1995, he actually had no intention of launching a multi-shop autobody repair company. In fact, it wasn't until he already had three locations and more than a dozen employees that running Paceline officially became his full-time job.

In the 1990s, Martin was in college working on a business degree and buying and selling old cars to earn money. He rented a stall at a transmission shop and hired an out-of-work technician he knew to paint the cars he was selling.

Before long he was pulling in paint work from local car dealerships as well. The business soon outgrew the stall, so he rented a larger building and started taking insurance work. "By that point I had three employees, I was 22 years old, and I realized I was in over my head," Martin says. "I read through Proverbs, prayed for wisdom, and listened to a lot of audio books on leadership from guys like John Maxwell and Andy Stanley."

According to Martin, he found a mentor in John Deal, a guest speaker he met at church, to help him craft a more positive direction for his life and taught himself the business of body repair by reading industry magazines (including *ABRN*).



PACELINE COLLISION CENTERS

Lampass, Texas // www.pacelinecollision.com

Shannon Martin
Owner

1
States served

Axalta
Paint supplier

8
No. of shops

150
No. of employees

PHOTO: PACELINE COLLISION CENTERS

"[John] taught me the value of character over wealth, and we would absolutely not be where we are today without him," Martin says.

"That's really when the foundation was laid for who we are as a company," Martin says. "An insurance agent in another town was sending us work, and the only shop they had there was a few months backlogged. He convinced me to open a second location in 2000. We just took over an empty building."

In the meantime, Martin also continued working at a number of different jobs. He was a partner in a car dealership with his father. He built houses. He still bought and sold cars on the side. "I was

really focused on a lot of different things," Martin says. "I read a book called *Good to Great* by Jim Collins on a recommendation from my uncle Todd, and Collins talks in that book about becoming great at one thing. So in 2007 I put everything down except the body shop business, and we opened our third location."

Troubled acquisition refocuses company

Up to that point, Martin had grown through converting brownfield locations. The company made its first acquisition in 2010, but Martin says the experience was not a happy one. "That went wrong," Martin says. "The shop had 90 percent of

its work coming from one DRP, and they decided not to stay.”

The faltering acquisition put Paceline in survival mode, and Martin says the company was struggling. They reached out to consulting firm Symphony Advisors to help create a plan for the long-term future of the company and to carve out a place as a top shop in the small and mid-size markets they served in Texas.

“That process really restored our confidence,” Martin says. “In 2012 we opened our fifth store in Abilene, and we really gained momentum again.” Over the next five years, the company grew through acquisition and went from 50 employees to 150.

The executive team and Symphony put their heads together to outline the company’s strengths and weaknesses and to formulate a vision for Paceline and a set of guiding principles. Among those core values are candor, accountability and continuous improvement.

“We strive to have honest, proactive communication with the customer, the insurance partners and our team members,” Martin says. “We’re always fully transparent. We’re looking for ways to change outcomes and looking for better ways to do the right thing.”

With that plan in place, Paceline grew from three stores in 2011 to six by 2014, and expanded into markets that met its needs and fit with the company’s core values and vision. The company also doubled its car count over that period.

A lean approach

All of Paceline’s recent expansion has been accomplished through acquisition. “When we’re looking at a shop, we are really considering our insurance partner needs and whether we even need to be in a particular market,” Martin says. “We are also looking for good people, so there has to be a fit there.”

The shops are all outfitted with approximately the same equipment and capabilities. The company serves three



geographic markets and has one shop in each that is fully ready for aluminum repairs. In the Lubbock market, the company has shops that specialize in light hits and others that handle heavier work. “In that market, we send work to the shops based on the type of repair needed,” Martin says. “In central Texas, all of the stores can do everything.”

From a production standpoint, the company has emphasized blueprinting, teardowns, and taking a lean approach to moving cars through the shops.

While Paceline will load level between shops if there is a surge of work, Martin says it can be challenging. “We

try to avoid it if we can,” Martin says. “It’s difficult to maintain the customer communication when you are subletting to another store internally. It’s also difficult if the car is already torn down.”

From a corporate standpoint, key operations are centralized at the company’s Lampasas headquarters. The central office handles accounting and most of the bills, as well as human resources and all new hiring/recruiting. The company also operates a central call center that handles assignments coming in through the DRPs.

There is also a centralized IT department. The company uses CCC One for

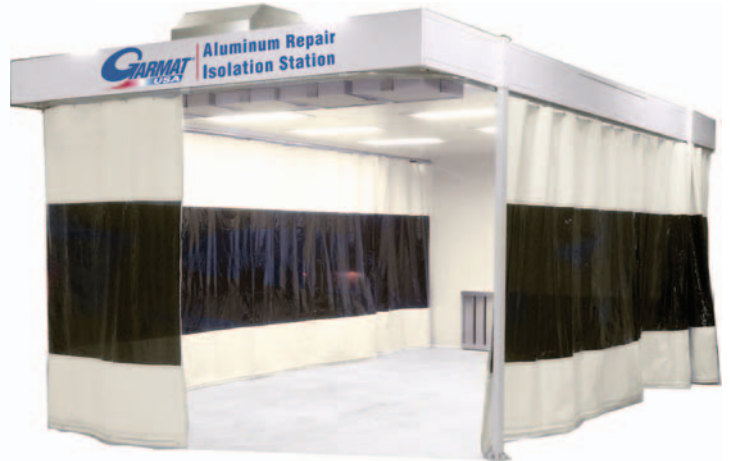


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estimates, and Nexsys shop management software across all of its locations.

The vice president of operations, Scott McDowell, and two regional vice presidents (Charles Williamson and Jeremy Mulcahy) manage a team of operations specialists and trainers. "Our corporate operations have grown, and we're actually a little top heavy right now in anticipation of growth and the training needs we're going to have," Martin says.

The VPs also help coordinate with the shops regarding DRP requirements. "Those requirements are ever-changing," McDowell says. "We keep everything updated on our intranet site and have a set of knowledge sheets our team can access. I try to get together with our point person at the insurers once a month to keep on top of these things, and then we roll that information out to the rest of the company."

If there is a dispute on a particular claim, the regional vice presidents work with the insurer to work out a solution. "The insurance partner point person would get in touch with myself or the vice presidents," McDowell says. "We go out and take a look at the vehicle and meet with the customer. We try to work something out to minimize the escalation and make sure the customer is happy."

Communication is key

Communication is one of the biggest challenges the company faces as an MSO; it can be difficult to make sure everyone knows what is happening across the shop or across the company. Regular meetings and teleconferences have helped keep things on track. The company pays close attention to daily sales, parts profitability, outstanding returns, 30- and 60-day AR and CSI scores, among other key metrics.

"We look at key KPIs and CSI scores, cycle time and daily and weekly sales during those meetings," Mulcahy says. "We look at those on a weekly basis, per store and per team, and then meet on a

monthly basis with the team leads."

Every other week the regional VPs and managers meet to discuss what's happening across all of the markets. "We're focusing on unity between the markets," Williamson says. "Communication is tough, and you have to be intentional about it."

That communication also helps ensure the stores are meeting the company's standards. "From my perspective, consistency is the biggest thing, along with accountability," McDowell says. "We have to know what we're supposed to do as far as our processes go."

Technology also plays a role in improving communication. The company uses GoToMeeting for conference calls so that everyone can see data presented on the same screen. "We also use our intranet site as repository of knowledge that different people in different roles can use for their jobs," says company controller Lonnie Bear. "That also helps with consistency."

Continued growth

For Paceline, expanding to multiple locations has improved relationships with both insurance partners and vendors. "As we have gained more scale, we are more valuable to each other," Martin says. "The bigger you get, the more heavily you rely on each other."

Employees also have a path for advancement and growth as well. "We have mentor checklists that can take them from entry level on up into being a lead technician or store leader," Martin says. "We consistently monitor that. We want to do a better job of that moving forward."

With growth, there are also challenges. For Martin, one of the biggest is keeping the company's culture intact as they add more locations. "We're still evolving and trying to get better and learn each time we make an acquisition," Martin says. "We send a team in for a few weeks for our other stores, including trainers and regional managers. Once

we get through that process, then the regional VPs monitor and reinforce that."

In terms of competition, Martin says Paceline mainly competes with consolidators in central Texas, while the west Texas region is mostly dominated by independent shops. "In either case, you have to be the best in your market," Martin says. "I guess the consolidators probably make it even more important to be the best, because they bring a level of consistency and a single point of contact that the carriers like. We're providing that as well."

Paceline also shares some challenges with the rest of the industry, including a shortage of trained technicians, keeping up with technology and equipment and new competitive pressures. "There is a lot of consolidation and just pressure in the market," Martin says. "You've got to be the best at what you do, or you are in danger of not being there anymore."

However, Martin sees his company as being well positioned to continue to thrive, and continued expansion will add to that success. "The most promising thing about growth is the level of excitement and momentum it brings, and the opportunity it creates for the team," Martin says. "The scale really strengthens our partner relationships, too."

Martin cautions that it's important to get better before you get bigger. "We are in that mode right now," Martin says. "We're hiring, training, reinforcing processes, emphasizing or culture, and making sure we are truly restoring peace of mind to our team, customers and partners," Martin says. "We aren't just chasing scale." ■



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MASKING: MORE THAN JUST TAPING AND SHEETING

PROPER TECHNIQUES FOR EVERY APPLICATION DELIVER EXCELLENT RESULTS

REESE WEBER // Contributing Editor

Masking tape has been around for nearly 100 years, after being invented for the automotive industry in 1925 by 3M inventor Richard Drew. He noticed painters becoming frustrated when the heavy adhesive and butcher paper they were using pulled paint off of their freshly two-toned cars and developed a solution.

The overall goal of masking is simple: cover the areas that shouldn't be painted. However, as all technicians know, this is easier said than done. The masking process is one of the most time consuming and painstaking operations in the repair process. It's also one of the most thankless jobs because when done perfectly, no evidence of masking can be seen and all of the masking products are thrown

away. As body shops today are pressed for cost reductions in all areas, some see masking as an area where they can save. This can be a costly mistake. Inadequate masking products can lift from the car, leave adhesive residue, tear multiple times during removal, and more. All of these deficiencies waste time, which is the most valuable asset a body shop has. Quality masking practices can help the masking process go faster and make repairs look better. Here are five recommendations for more efficient masking.

Keep weather conditions in mind when choosing masking materials

Air conditioning for a whole shop can be extremely expensive, which is why many shops are at least partially exposed to weather conditions. Heat, cold and hu-

midity all affect tapes in different manners, which is why a tape that works well in Minnesota may not perform as well in Florida and vice versa.

Heat effectively lowers adhesion due to its "softening" effect on both backing and adhesive. This is why tapes can begin to lift as the job is brought into the booth. The higher temperature combined with additional air flow lift the tape off the substrate.

Cold stiffens the adhesive in tapes. This can affect the tape in both application and removal. A stiffer adhesive won't adhere onto the substrate as easily, making it harder to create a bond. Upon removal, a stiffer adhesive will also be more apt to transfer. This is why it is common practice to remove adhesive soon after the bake cycle is completed.

High humidity means that there is

more water vapor in the air — and most likely, condensation on the panel surface. Tape adhesives are typically hydrophobic, meaning they do not want to interact with water. As the water is on the surface of the panel, tapes can have a harder time adhering.

Because of these factors, it may be wise for shops to change tapes according to weather, just as solvents are adjusted in the paint shop. For example, weather-related tape issues can be adjusted by using one tape for summer and another during the winter.

Clean all panels with solvent and waterborne cleaners prior to masking

Vehicle panels are often littered with contaminants when they come into the shop. Even if a vehicle goes through a prewash before entering the shop, stray dust from sanded body filler or primer, technician fingerprints and other contaminants can get on the surface again. The only way to remove all contaminants is to clean with both water-based and solvent-based cleaners. Tape will stick to whatever is on the panel surface; so if there are still contaminants, an improper seal will result. This can lead to overspray or dirt nibs — both of which cause extra time and labor to be corrected.

Keep the paint booth clean, especially when force-flashing basecoats

The dirtier the paint booth, the more likely it is that dust and dirt will get into the base or clearcoats. Force-flashing coats also introduces more convection to the booth, possibly dislodging other contaminants from the booth or vehicle. This can create re-work and costs the shop time and money in the paint finishing department.

An easy way to avoid this is to use either a liquid booth coating or a protective booth wrap that can be applied to floors and walls. Both have their re-

spective advantages and disadvantages. Liquid booth coatings are sprayable, which means they can usually be applied much faster than other booth protection solutions. However, these coatings are not able to hold much, if any, contaminants that can get into the clearcoat. This can cause dirt nibs and paint defects in the clearcoat if the coating is not properly washed and re-applied as often as needed.

Protective booth wraps are adhesive-coated with a non-woven backing. The non-woven backing is formulated to entrap dirt, dust and overspray, protecting the paint booth and keeping the trapped particles from being released during later jobs. This can reduce overall buffing time by decreasing the amount of paint defects. This solution costs more and takes longer to apply than a spray-on coating, as it needs to be hand-rolled onto the booth walls.

Tape directly to the plastic sheeting

For years, materials such as newspaper, tarp and raw plastic sheeting were used to cover the car. While they all (for the most part) protected unpainted areas from overspray, they also introduced other contaminants to the paint job. Paint would also flake off the untreated sheeting and into the fresh paint job, causing re-work. This failure forced technicians to alter their processes to use 6- or 12-inch masking paper around the job in addition to plastic sheeting.

However, most premium automotive plastic sheeting offerings do not have this problem. These sheetings go through a chemical process called a corona treatment. The corona treatment changes the surface chemistry of raw plastic, allowing the paint to adhere to the plastic sheeting and not flake. Taping directly to the plastic sheeting can save time and material when compared to using the outdated combination of paper and sheeting.

Use specialty products to make jobs easier

General-purpose masking tape is generally the cheapest type of tape and is quite versatile. However, shoe-horning general purpose tape for all areas can stress tape, lead to failures and take longer to apply than using specialty tapes. I outline two examples of overall specialty tapes below.

- Creating sharp two-tones, especially with waterborne paints
- Conforming into textured surfaces, such as claddings and bumper inserts
- Masking over areas that need to be protected or cut out, such as with OEM labels

Washi backing technology comes from Japan and is a combination of typical cellulose fibers intertwined with polymeric fibers. This formulation allows an ultra-thin backing that still has the tensile strength needed for automotive masking. However, the thin backing cannot be stretched as far as typical general-purpose tapes.

Trim masking tapes feature a rigid plastic strip attached to paper or plastic backings. The rigid plastic strip allows techs to scuff, clean and paint behind the molding — allowing for better paint adhesion and hidden paint lines. Paper-backed offerings are hand-tearable, but can rip when trying to pull away very rigid moldings. Plastic-backed offerings have enough strength to pull all molding away from the surface and need to be cut to size.

With all that goes into a proper masking job, it's easy to see why the best practice is always to match the right product with the situation. Rather than just thinking of masking tape and sheeting, think of these options as a "masking toolbox." Doing so will help achieve a great finish, while saving time and money. 🛠️



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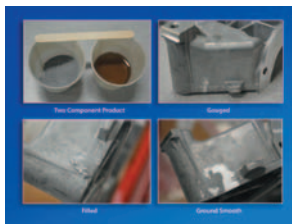
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