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Report No.:A0000014106

**Full vehicle systems AI inspection report**  
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**Vehicle Information**

VIN: 1G1PJ5S98B7276188  
Vehicle manufacturer/model: GM/Cruze  
Year of manufacture: 2011  
Mileage: 195660 KM

---

**Inspection organization**

Name: Mike's Collision  
Address: 12543 Fairy St, Corona, CA 92879, USA  
Contact Number: 5624631580  
SN: 989760001009  
Time and date of inspection: 09/25/2018 12:07:24  
Inspection Location: 275 Teller St, Corona, CA 92879, USA

---

**Inspection result**

**There are 7 issues for Power system :**

- 1.Engine Coolant Flow Insufficient
- 2.Engine Underboost
- 3.Catalyst System Low Efficiency
- 4.Evaporative Emission (EVAP) System Large Leak Detected
- 5.Evaporative Emission (EVAP) System Small Leak Detected
- 6.Evaporative Emission (EVAP) System Flow During Non-Purge
- 7.Post Catalyst Fuel Trim System Low Limit

**There are 8 issues for Safety and Security system :**

- 1.Left Front Wheel Speed Sensor Circuit
- 2.Steering Position Signal
- 3.Right Front Wheel Speed Sensor Circuit
- 4.Lost Communication with Inflatable Restraint Sensing and Diagnostic Module
- 5.Lost Communication with Body Control Module
- 6.Lost Communication with Body Control Module
- 7.Control Module Power Circuit
- 8.CAN Bus Communication

**There are 4 issues for Vehicle body system :**

- 1.Left Rear Tire Pressure Sensor
- 2.Lost Communication with Telematic Control Module
- 3.Lost Communication with Telephone Control Module
- 4.Lost Communication with Body Control Module

**There are 4 issues for Infotainment system :**

- 1.Lost Communication with Body Control Module
- 2.Lost Communication with Inflatable Restraint Sensing and Diagnostic Module
- 3.Lost Communication with Telematic Control Module
- 4.Lost Communication with Multimedia Player Interface Module

---

**Inspections are normal for Power system**

- 1.TCM (Transmission Control Module)

**Inspections are normal for Safety and Security system**

- 1.MAASM (Multi-Axis Acceleration Sensor Module)
- 2.PSCM (Power Steering Control Module)
- 3.SWASM (Steering Wheel Angle Sensor Module)

**Inspections are normal for Vehicle body system**

- 1.IC (Instrument Cluster)

**Inspections are normal for Infotainment system**

- 1.MPIM (Multimedia Player Interface Module)

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MSO Symposium offers look at 'slowing consolidation,' industry stats, social media

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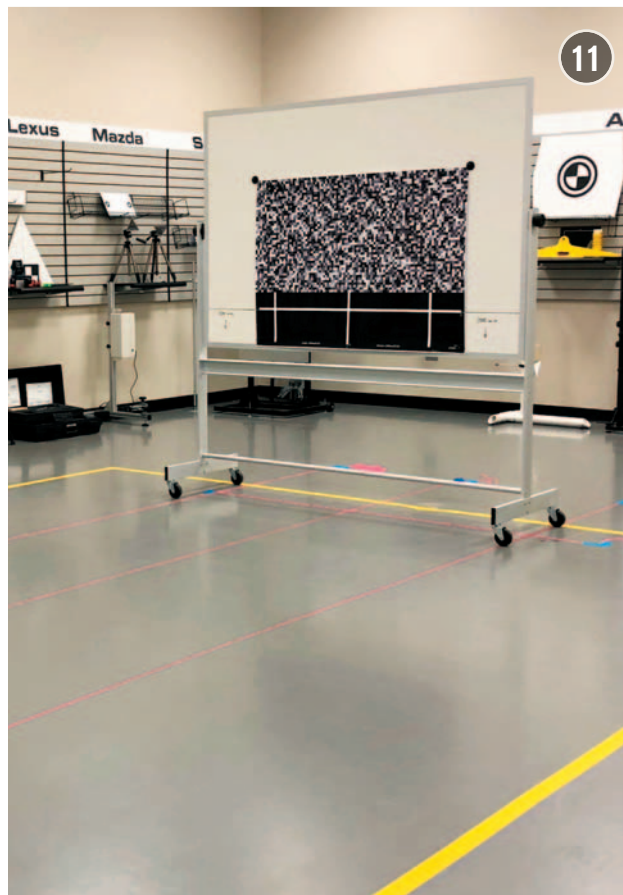
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MSO GROWTH

## CALIBER COLLISION REACHES 600 LOCATIONS IN THE US

### ABRN WIRE REPORTS //

➔ Caliber Collision, the largest collision repair company in the U.S., celebrated a major milestone in the company's history with the opening of its 600<sup>th</sup> location in Virginia Beach, Va. Caliber's 600 centers are located across 19 states and the District of Columbia.

"The continued growth of our company is a direct result of the dedication of our 12,400 teammates to restore the rhythm of life for our customers, teammates, partners and communities

across America," said Steve Grimshaw, Caliber Collision Chief Executive Officer. "Their commitment to consistently exceed customer expectations is what fuels our continued growth as we become the collision repair provider and employer of choice in every community we serve."

Caliber's commitment to the community includes programs like their Rhythm Restoration Food Drive, which annually raises millions of meals to feed children during summer. Continue reading at [ABRN.com/600](http://ABRN.com/600).

### BREAKING NEWS

#### INSURANCE PARTNERS

## CARSTAR GUIDES SHOPS TO BOOST INSURER RELATIONS

➔ The insurance landscape is shifting quickly for collision repair facilities, with new technology, repair standards, performance requirements and customer service expectations re-shaping how vehicles will be repaired in the future. John Harvey, vice president of sales for CARSTAR Canada echoed a key message from the recent CARSTAR conference – "Only performance will drive growth."

This summer, CARSTAR's North American insurance sales team met with insurance carriers and franchisees to look at the future of the collision repair industry and how top collision repair facilities can prepare for what's ahead. The era of discount-based programs is slowly being eclipsed by performance-based agreements. This is happening faster in the U.S. market as insurers become more sophisticated, armed with analytical tools and big data. Keep reading at [ABRN.com/insurerelations](http://ABRN.com/insurerelations).

### TRENDING

#### 1COLLISION EXPANDS IN TWO STATES

The 1Collision Network has added its first East Coast location, Colonial Collision in Worcester, Mass. The company has also entered the Nashville, Tenn., market with Plan B Auto Body. Both will be rebranded.

[ABRN.COM/1GROWTH](http://ABRN.COM/1GROWTH)

#### CLASSIC COLLISION NOW 10<sup>TH</sup> LARGEST INDEPENDENT MSO

Atlanta-area based Classic Collision has now become the 10<sup>th</sup> largest independent MSO in the country after opening locations 21 and 22 in Georgia.

[ABRN.COM/CLASSIC10](http://ABRN.COM/CLASSIC10)

#### ABRA ADDS NEW LOCATION IN GEORGIA

Abra Auto Body of America has added a new repair center in Athens, Ga. The 32,000 square-foot center comes from the acquisition of Georgia Square Collision, and the team of 24 employees remains.

[ABRN.COM/ABRAADD](http://ABRN.COM/ABRAADD)

#### SERVICE KING OPENS NEW DFW REPAIR CENTER

Service King Collision Repair Centers has opened its 40<sup>th</sup> repair center in the Dallas-Fort Worth metroplex. The more than 22,000 square-foot location is in Fort Worth.

[ABRN.COM/DFW40](http://ABRN.COM/DFW40)

#### GROWING PAINS OF BUILDING AN MSO

Industry consultant Brad Mewes weighs in on the latest trends that may offer some challenges and growing pains for collision shops going forward that are looking to continue building their business.

[ABRN.COM/PAINS](http://ABRN.COM/PAINS)



# An ongoing battle among power, safety and cost

How different industry stakeholders are adjusting to the changing market

**W**e are in a time of rapid and dramatic change, primarily driven by changing technologies. For many years the industry gurus spoke of oncoming change in vehicle materials and construction, additional safety equipment, shrinking numbers of shops and consolidation. We are currently in the midst of it. Let's take a brief and broad look at where each major group in our industry — repairers, insurers and manufacturers — is and how they're responding.

## Manufacturers

OEMs are feeling pretty good right now. Sales are up considerably; they are producing exciting products with incredible technology. They've accepted that 85 percent of collision repairs are performed by independent repairers, and they've also realized that the quality of the collision repair experience impacts customer retention to their brands. The industry is becoming increasingly dependent upon their repair procedures. They are flexing their muscles with information providers, as evidenced by GM no longer sharing prices. Some OEMs are working to take over the first report of loss, thus assuming the power to refer customers to specific shops.

## Insurers

Insurers are feeling the pinch of competition and increasing the cost of claims. Many continue to dramatically cut staff, and those who remain are just trying to survive. The insurers are embracing new automated ways of handling claims and many are experimenting with technologies that use artificial intelligence to identify estimates that could be negotiated, leading to cost reductions. Indications are that the resulting cost savings are making the technology subscriptions costs for the insurer worthwhile.

Some insurers are proactively looking at new vehicles and their technologies to adjust premiums. Others use the old-fashioned method of basing premiums on historical data and there-



**REPAIRERS ARE CAUGHT IN THE MIDDLE. WE MAY BE IN THE PROCESS OF CHANGING MASTERS — FROM THE INSURER TO THE OEM.**

fore are being surprised by some cost increases. Even though publicly insurers speak of good relations with OEMs, in many conversations I hear remarks that would indicate otherwise. I think many strongly dislike the idea of losing influence to OEMs. Some people predict problems for those insurers who aren't proactively adjusting as the market changes.

## Repairers

We may be in the process of changing masters — from the insurer to the OEM. The OEM does not have the same need to reduce repair costs, so the consumer may get a higher quality and safer repair, but at a higher price. We seem to be going in the direction of repairing cars by specific manufacturer procedures and documenting them accordingly thanks to increased concerns over litigation. While insurers are in the risk management business, repairers are currently most focused on risk avoidance.

At a time when repairers are pushing for higher standards, especially in regards to safety, insurers are pushing harder than ever to keep costs down.

And this is all happening while some OEMs are rolling out processes, in some cases with telematics, as part of their certification programs that take over the first report of loss. Should these processes become prevalent, the insurers will lose the ability to refer repairs to shops, and the value of DRPs will go away. Shops will not have the same need to offer value-added services to insurers as well as to put up with their increasing demands.

Only time will tell how this evolves. But these changing dynamics have the ability to transform our industry to such a great extent as we've never witnessed. Stay tuned. It will be fascinating. 📺

**DARRELL AMBERSON** is the president of operations for LaMettry's Collision, which has eight locations in the Minneapolis and St. Paul area. He is a board member for the Automotive Service Association, and he has more than 40 years of collision industry experience. [damberson@lamettrys.com](mailto:damberson@lamettrys.com)

# BLACK CLOUDS AND SILVER LININGS

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## CHANGES AHEAD!

## MSO Symposium offers look at slowing consolidation, industry stats, social media

JOHN YOSWICK // Contributing Editor

If it feels like you're seeing fewer headlines about the "Big 4" consolidators gobbling up other multi-shop operations and single-location shops, that's not your imagination.

Kicking off the seventh annual MSO Symposium during NACE Automechanika in Atlanta this summer, consultant Vince Romans said consolidation of the industry is "slowing" but "has not stopped."

"Back in 2014, we had almost \$1 billion of acquired revenue, business that changed hands in the United States, transferred from smaller operators to the four top MSOs," Romans said of acquisitions

by ABRA Auto Body & Glass, Service King, Caliber Collision and the Boyd Group (which operates in the U.S. under the Gerber Collision & Glass tradename). "You can see the trend downward in 2016, to \$210 million, and year-to-date as of the beginning of August, it was about \$132 million."

Romans said those figures include only "platform" acquisitions by the Big 4 of other MSOs, not purchases of single-location shops nor brownfield or greenfield expansions by the largest consolidators.

"Still, these numbers do indicate there's a slowdown," Romans said.

The level of acquisition activity isn't consistent across the Big 4. The two larg-

est chains, Caliber and Gerber, have continued to acquire more businesses than the other two over the last couple of years.

"ABRA, which took some time off, about 15 months to reassess their acquisitions and constructively transform their business, is now back in action," Romans said. "They're acquiring single shops, and looking at platform acquisition. On the other hand, Service King has taken a hiatus now. Since the third quarter of last year, Service King had not made any multi-location platform acquisitions. But they are doing some single-location acquisitions, so they're not completely off the grid."

Having recently added its 600<sup>th</sup> location, Caliber is the largest chain, with al-



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most one-third of the 1,813 locations Romans said the Big 4 had as of early August. He estimates that, combined, the four companies had 2017 U.S. sales of about \$5.3 billion, or nearly 15 percent of total U.S. collision repair market. That averages out to about \$2.93 million in revenue per location.

By Romans' count, there are now nearly 100 collision repair businesses in the United States that have annual sales topping \$20 million. Combined, those 96 businesses have nearly 2,800 shop locations, he said. They have captured more than one-fourth of the industry's total revenue; that's up from less than 10 percent in 2006.

While scale has its benefits, having a large collision repair organization has its challenges as well. Romans said unfilled production positions are common at many MSOs.

"In some markets, there's a war going on," Romans said. "People are buying technicians from the competition. People are putting out new incentive programs that never existed before. There are some MSOs, the larger ones, that are anywhere from 100 to 150 technicians short. At \$50,000 of production [per technician] a month, do the numbers, and you can see the throughput that's being lost because they don't have the technicians that they need."

### Silver lining to most dark clouds

While Susanna Gotsch, director of industry analysis for CCC Information Services, didn't characterize her presentation at the MSO Symposium as a compendium of "good news, bad news," there were certainly elements of that in the data and trends she shared.

The insurance industry, for example, has typically measured frequency – the rate of claims – by calculating for every 100 insured vehicles, how many of them actually have a claim on an annual basis. The bad news for collision repairers?

"If you go back to 1980, that number

has been trending down for decades," Gotsch said.

But shops don't fix percentages; they fix cars. And Gotsch said the National Safety Council estimates that the raw number of vehicles involved in accidents is growing. That number stood at 20 million in 2003, but had fallen to 17.3 million in recession-ravaged 2008. It's grown every year since, getting back close to the 20 million mark again by 2012, hitting 22 million in 2014, and nearing an estimated 23.8 million last year.

The tapering off of the average number of miles driven per vehicle is another trend that could look like bad news for shops.

"But in large part it's because the number of vehicles per household is starting to grow again," Gotsch said. "So if you have three vehicles in your household, and you're driving 'x' number of miles, you're going to drive fewer miles per vehicle than you had previously."

Gotsch said the increasing accident avoidance technology in vehicles as the automakers strive toward autonomous vehicles will have an impact on crash rates.

"But accident counts will not fall off a cliff," she said.

CCC is predicting that these systems will begin having "a meaningful impact" on claims frequency starting with a 5 percent reduction in claims by 2022, a 10 percent reduction by 2024, and a 35 percent reduction by 2050.

She said average costs per claim have risen, largely because of an increase in the number parts per claim; more often than in the past, she said, those are not low-cost rivets or bolts, but rather more expensive cameras, sensors and wiring harnesses. Overall, she said, repair costs are rising between 2 percent and 3 percent.

"Which is on the higher end of the spectrum, when you look at the trend over the past 15-20 years, but I will say after having worked with the data a lot over 26 years, I will say that this is not an out-of-bounds number from what we've seen before," she said.

### Using social media wisely

The MSO Symposium also included several panel discussions in which representatives of both smaller and larger MSOs shared advice and viewpoints on everything from employee recruiting to growing your business.

DJ Mitchell participated in one of those panels, less than a month after his family's 13-shop Car Guys collision repair business in Florida was acquired by another regional MSO, Joe Hudson's Collision Centers. When asked about social media marketing, Mitchell said he thinks "it's important to have a presence."

"You can post stuff on Instagram, Facebook and Twitter, but you have to pay attention to what you're posting," Mitchell cautioned, noting that it's important to make sure there's nothing in any photos that will offend or cause privacy issues for customers.

"Look at the entire photo before you post it, even the background," Mitchell said.

He said services that will post your company's customer reviews on social media can be a good way to go.

Ron Nagy, a second-generation owner of Nagy's Collision Centers, which operates 13 locations in Northeast Ohio, said he appreciates the branding opportunities that social media offers, but has seen the dark side of it as well.

"We've had a few people say, 'If you don't do this and that, I'm slamming you on social media,'" Nagy said.

Mitchell said that's where responding quickly to any negative online comments or reviews becomes critical. Consumers rarely expect a company to have nothing but rave reviews, he said, and a professional response can show them how your business acts when things don't go well. 📧



**JOHN YOSWICK** is a freelance writer based in Portland, Ore., who has been writing about the automotive industry since 1988. [info@crashnetwork.com](mailto:info@crashnetwork.com)

# CONSOLIDATING CALIBRATION

How this task, which requires extensive time and space, may be evolving in the future

DARRELL AMBERSON // Contributing Editor

Over the last few years, scanning has been promoted, discussed and debated — hopefully most repairers are at least performing pre- and post-repair scans on most collision repair vehicles. Most vehicle manufacturers specify that essentially all collision repair vehicles receive both scans. As a result many repairers have established policies and procedures to do so. Even though it has been a slow — and sometimes painful — evolution, most insurers pay us to perform the scans. In the shop I where I work — LaMettry's Collision — we've grown a highly competent staff of technicians who on a mobile or stationary basis perform the vast majority of our high-tech work. We've utilized a number of different aftermarket and factory scan tools, each with its own advantages and disadvantages.

But, as many vehicle manufacturers have told us, scanning is just the “tip of the iceberg” in this wave of new technologies. One manufacturer representative told me: “Don't be surprised if, as the use of telematics increases, the vehicle manufacturer may ‘take over’ scanning tasks in an effort to utilize their own systems for their own reference with their own expertise and then may sell the data to us in a form that we as repairers could use for reference and for reimbursement from insurers.”

Telematics can involve any of the following:

- the technology of sending, receiving and storing information using telecommunication devices to control remote objects
- the integrated use of telecommunications and informatics for application in vehicles and to control vehicles on the move
- global navigation satellite system technology integrated with computers and mobile communications technology in automotive navigation systems
- (most narrowly) the use of such systems within road vehicles, also called vehicle telematics.”

But, even if such events occur in the future, we as repair-



ers will not be without an ever-increasing amount of necessary high-tech work required as part of auto collision repair, not the least of which will include calibrations.

## Calibration

The calibration of electronic components is not new to us. We've had to program components like tire pressure monitor sensors for a long time. Many repairers have elected to sublet such tasks. But now we face an increasing number of components, such as cameras and radar systems, that require calibration. And they are more complex and in many cases carry a far greater risk of catastrophe if not performed properly.

As an example, let's look at a 2018 Honda Accord. The manufacturer suggests that a repairer consider the following.

The millimeter wave radar located behind the grill is to be calibrated:

- Anytime the unit is removed
- After a crash to the front of the vehicle
- After any structural damage anywhere on the vehicle
- Anytime the adaptive cruise control warning light is on
- If the airbags deploy

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# What part of “genuine” don't you understand?

From headlights to tail lights, body parts to engine parts and lubricants, there is no substitute for genuine. And the only way to assure that you are getting genuine Kia parts, backed by the Kia warranty\*, is to order them from your local Authorized Kia Dealer.



---

Genuine Parts

\*Contact an Authorized Kia Dealer for details

And there are similar requirements for calibrating the Accord blind-spot radar (typically on the quarter panel hidden behind the bumper cover) and the Lane-Watch camera located on the passenger mirror.

On most Honda Advanced Driver Assist Systems (ADAS), there's no "out of calibration" alert. A dash light or fault code may exist if the system isn't working, but that's not the same as a system that works, but is miscalibrated. Repairers should perform the calibrations as prescribed by Honda.

The examples show that conditions necessitating calibrations are commonly seen in our shops today. Thus, there is every reason to believe that these calibrations will become common and each of us as repairers must establish ways to get them done.

Now to the question of who is performing these calibrations currently and who will in the future.

### Current state of calibration

Most shops are sending calibration work to dealerships or subscribing to mobile companies who may or may not have a location dedicated to calibrations. In some cases they are seeking level and open areas within shops to set up equipment and perform calibrations. Unfortunately, there are probably too many shops that are uneducated and/or negligent and are simply not performing the necessary calibrations.

There are a few of us, such as LaMettry's Collision, who are embracing the situation by educating ourselves and acquiring equipment and setting up designated areas to perform calibrations.

OEM-authorized calibration equipment is available, typically through dealership parts departments. At this very time there are companies developing and testing aftermarket and OEM calibration equipment specifically intended for our industry.

Dan Young, VP of Sales and Marketing at asTech explained, "By 2022, 97 percent of all vehicles manufactured in

the U.S. will have Autonomous Emergency Braking. These cars will all have Advanced Driver Assistance Systems utilizing sophisticated Radar and Lidar systems, front- and rear-mounted cameras, collision warning, blind spot monitors, lane keep and lane assist systems. The complexity of the diagnostic and vehicle electronic systems operating high-production low-cost cars will only continue to increase at a staggering rate in the next three years. Repair facilities have to have a diagnostic repair plan in place to deal with this shift in the technology. Highly complex calibrations will become the norm. Producing safe and proper repairs every time is going to be a challenge for the entire repair industry."

Some of us see this as a great opportunity to expand our services by adding a new profit center, as we better control our work flow and provide properly repaired vehicles as the manufacturer instructs us to.

Daniel Bemiss, Marketing Director with Autel, cautions shops that finding the right calibration tools is vital for success. "We are hearing many complaints from shops about certain aftermarket tools because the tool navigation is too difficult to follow. Their team is taking too much time to attempt a calibration procedure and consistently failing, so in the end they hire a mobile tech or send it to the dealership to complete. Shop owners are searching for more successful options, looking to find better tool packages that provide OE level calibration and easier to follow step-by-step graphic instructions so their techs are able to complete the repair procedures accurately and easily the first time."

Repair facilities will need to have the capability of performing calibrations on site or rely on companies who have the expertise and OEM equipment to perform these specialized services.

"We would advise a shop investing in a wireless diagnostic tool to help their team work safer and faster. A dynamic

calibration requires the diagnostic tool to be connected to the vehicle DLC while driving for a determined time and distance, which could be up to 30 minutes," Bemiss said.

Corded diagnostic tools also sometimes require two techs to complete the procedure because the cord is in the way of the technician driving as well as the corded tool needing more room to securely mount to the vehicle interior surface. The techs need to drive to an area where the road lines are well defined to reach a higher speed, so driving the vehicle with a safer wireless option is a better shop owner choice."

### Creating a calibration center

The concept of having such a center is very new and thus there is little information to rely on to provide guidance. Yet for those of us who have created additional departments, such as glass or PDR or mechanical, for our collision businesses we understand many of the concepts.

A site, proper equipment, competent staff, management, good culture and efficient processes are the basics as with most business ventures.

Chuck Olsen of AirPro Diagnostics recommends a shop achieves "ADAS ready" status before venturing into ADAS camera and radar calibrations.

### Being ADAS ready

First and foremost, collision repair shops must be educated on what ADAS is, how to identify ADAS systems, when ADAS calibrations are required and how existing vehicle systems or sensors are integrated with ADAS functionality.

Second, shops should identify optional ADAS equipment on a vehicle. This can be done in several ways or a combination of methods.

Third, shops should review OEM information ADAS calibration requirements:

- ADAS component replacement or removal and re-installation
- Disconnection/reconnection of



#### ADAS components

- Alignments, or steering/suspension repairs
- Related system repairs to ABS, Traction Control or stability control
- Document performed procedures.

Fourth, before any (dynamic road test) or (static target placement) calibrations of ADAS cameras, radar, lidar and sonar inputs, a shop must have the ability with a “compatible scan tool(s) and technical expertise” to electronically check, repair and clear all DTCs from all systems (post-repair scan) and perform any basic calibrations or programming before proceeding to the additional and separate operation of ADAS calibrations.

After all of the above has been addressed and applied, your organization is ready to address and plan for ADAS calibrations.

#### The site

A flat, level area with plenty of space around and in front of vehicles is a basic requirement. Some calibrations require 15-20 or more feet of extra space to accommodate equipment and measurements in front of the vehicle. Some camera flag systems and universal calibration stations require such space. The floor should be such that tape and other markings can be used to position the vehicle and equipment. Extra space around the rest of the vehicle is necessary for many side camera calibrations. Each manufacturer has their own specs, but you will need a work stall area with ample space. As examples, the Toyota Millimeter Wave Radar space is 33.2' x 45.9' and the Honda space for forward view Camera is 33' x 16'.

#### Honda Aiming Area Requirements:

- Do the aiming in a well-lit area such as inside the shop. Avoid doing it out-

side; certain weather conditions may affect aiming results.

- Make sure there is enough space. Avoid areas with poles and large tool boxes nearby. Also, avoid aiming in front of any metal garage doors, shutters or steel grates in the ground.

It is best to have a controlled environment, as some wind, foot or vehicle traffic, or passing lighting can interfere with some calibration equipment. A quiet, calm area with minimal windows is best.

There are two types of calibration: static and dynamic. Static is stationary and usually requires the floor or suspended markings for cameras or other equipment to “see” as part of the calibration. Dynamic calibration includes the vehicle moving, often at minimum speeds and minimum time and sometimes going straight for a minimum distance. During these drives cameras and other devices



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sense road stripes and roadside objects as part of the calibration process. As you select your site, of course you want it to be in an area convenient for your shops or whatever your market is. It is also best to select a place where road tests and driving for dynamic calibrations is possible. Even if the vehicle only requires a static calibration, a road test for quality control after completion is always a good idea.

Keep in mind that some vehicles must be towed (or carried on a flatbed), as they may not be safely driven until calibration or other work is completed. You will need space for tow trucks to drop off and pick up.

## Staff

It is my advice to start with the most competent technician you can find, even though it may be expensive. There is very limited opportunity out there for formal training since this part of our industry is so new. While there are good classes from I-CAR, parts vendors, AMi and equipment vendors, you will need your most competent person to learn as they go through OEM repair information and other sources and to share information and help train new people.

You will also need someone to manage the entity, including scheduling and billing and communication and more.

At LaMettry's, which has 9 collision locations, we use some of our most competent techs to go into each shop at least once a day to perform pre- and post-repair scans. We keep a log including each job requiring a scan as a source for the tech to start their work. We also mark windows with needed services such as seat sensor and other calibrations. Vehicles with more demanding needs are brought to mechanical centers, including calibration areas.

While at LaMettry's, we consider the tech performing scans/calibrations a category unto itself; often those people have abilities to perform other repairs of a mechanical nature. Similarly, there has been discussion at the Collision Indus-

try Conference (CIC) meeting regarding consideration of a new labor category for these highly skilled technicians.

## Administration

Some calibrations are listed within estimating systems; however, most are not. When there is no database time available at LaMettry's, we check what others charge (dealers and independents) and look at the time required and price them accordingly. We prefer to establish a competitive dollar amount for services and then work to consistently price each operation the same thereafter. If you base pricing solely on time required, you will find differences in each job based on the vehicle and tech and circumstances and may end up in a different negotiation with an insurer on each individual job. Because we have a separate mechanical department, which is a separate business, we use a common mechanical management system for our billing. We bill our collision shops just as any other vendor would. The management system offers its own reports and other value-added features. Depending upon the size and structure of your department, perhaps you could utilize your collision management system for convenience. Typically mechanical and collision management systems don't integrate.

## Equipment

For scan and calibration equipment, you can't go wrong with whatever the OEM requires in terms of function. However, it can be expensive, especially since each manufacturer has its own requirements. At LaMettry's we've found a tool for camera calibrations that works very well, but it doesn't yet cover all models. I am anxiously awaiting the release of some new and universal tools from other companies. Again, we are at the cutting edge of this coming into our industry.

OEMs may become more open in which tools they approve to perform calibrations, said Bemiss. \*We are seeing OE

trainers move away from requiring only OE diagnostic tools to complete ADAS calibration procedures. They are now using the term "competent scan tool" in their ADAS calibration training material," he says. "This is showing the OE manufacturers are seeing the industry need for adequate aftermarket calibration coverage across a broader range of vehicle brands, using their OE recommended calibration procedure steps."

Keep in mind that many calibrations require that the vehicle be at a specific ride height, meaning typically that the fuel tank needs to be full and that the vehicle must be emptied of any loose objects in the trunk and occupant areas. Tires are to be inflated to proper pressure. Vehicles must be fully assembled after collision repair. Some calibrations require that a four-wheel alignment be performed first because some settings utilize proper wheel/tire geometry to position calibration equipment. Thus, it is obviously handy to have an alignment machine at the site. An ideal scenario is a site with the ability to perform mechanical work, such as steering/suspension repair and replacement before the alignment and calibration work.

The CIC Emerging Technologies Committee has posted documents on their website to assist in defining equipment and terminology.

In conclusion, this is all quite new and in many ways we are going into unventured territory. Yet the opportunities are immense for those willing to embrace our changing world and to take risk. While daunting, many of us find it intriguing and exciting. 📱



**DARRELL AMBERSON** is the president of operations for LaMettry's Collision, which has eight locations in the Minneapolis and St. Paul area. He is a board member

for the Automotive Service Association, and he has more than 40 years of collision industry experience.

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## Larger collision repair organizations face unique challenges, offer unique perspectives

**JOHN YOSWICK** // Contributing Editor

**H**ow you view the industry and focus your business varies widely depending on whether you're a single-location shop or one of the "Big 4" consolidators. But what if you're somewhere in between?

Once again this year, *ABRN* convened an MSO Roundtable, bringing together a panel to discuss some of the key challenges facing collision repair organizations with three or more shops.

Here are some of the highlights of the discussion (see sidebar, "Who Was At The Table?" on page 18). Some responses were edited for length or clarity.

**ABRN:** What specifically within your business are you dedicating resources (financial or otherwise) to this year and next?

**Jim Guthrie:** Our equipment investment has slowed for 2018 and will be slower in 2019. Over the last four years, we have bought all kinds of booths, frame machines and welders, all due to the OEM certifications that we chased. I can see us adding a few more OEM certifications at some stores as far as steel repairs go, but aluminum will continue to be more specialized for a while.

**Elissa Larremore:** We, too, have spent a lot on equipment the past 18 months, and we still have some equipment to add. There's also another location that I'd like to add — actually a couple of them, but one in particular. So we're exploring that opportunity right now.

**Ron Nagy:** We've done the same in terms of investing in new equipment the past 12 to 18 months. This year will be another big investment year for us, simply because of some new locations we have to bring up to date. The other big move we made this year was a central call center. All assignments go to the call center, and then are dispersed out to the 10 locations depending on scheduling and the address of the customer's work or home. We can already see the huge benefits of that.

**Aaron Schulenburg:** Is there a return-on-investment there, or is it just efficiency within your business?

**Ron:** My CFO and comptroller both ran the numbers on it. We were looking for two things. First, faster follow-up on DRP assignments. We wanted it to happen within 15-20 minutes. The workload in our shops' offices is pretty heavy, and they weren't getting it done for hours. The second part of it is follow-up calls on customer service, accounts receivable, that type of thing. We're trying to see if we can do the work of three [shop office staff] with one person at corporate. So far we're really pleased with it.

**Sam Carubba:** Our call center has clearly made a huge efficiency difference for us. You don't have to staff people at each location to just answer the phones. In terms of our resources, we're always in an acquisition mode. We put a retired attorney on-staff who tracks down people who have shown some type of interest in looking to move on or semi-retire. What we're

finding are a lot of businesses totally unequipped to deal with what's coming down the road. That's added dollars to the re-

tooling of a facility we acquire, but on the other hand it's reduced the purchase price. If you have to go in and spend a half-million dollars on equipment, it certainly makes their business worth that much less. We're also paying more attention to driving as many people to our business via social media and our website. We're developing an app for your phone that will put you in contact with our call center, and explain what to do in case of an accident. We are also going back to grass-roots marketing. We have a couple sales and marketing reps paying close attention to civic groups, and we're going back to hand-shaking, door-to-door, via agents.

**Aaron:** What we see successful shops investing in right now includes increased training to develop specialty, top-end technicians, as well as building a bench of entry-level team members that can be developed internally. And where dedicated aluminum space was really the highlight of conversation three or so years ago, I think we're just at the cusp right now of conversation around investing in dedicated calibration space.

**Ron:** We're looking to see if there's a place where we can do a centralized calibration center. Maybe an old warehouse space that doesn't have the ceiling height that [companies] will pay top-dollar for but that we can get at a lower price. All our shops can feed it, rather than trying to have that space at each shop. Shop space is just so valuable with aluminum repair and all the other needs.



SAM CARRUBBA



RON NAGY



AARON SCHULENBERG

**ABRN:** Lawsuits and liability concerns have many collision repairs and insurers thinking anew about repair quality and documentation. Does this have you implementing any new processes related to repairs, quality control or documentation? Are there other ways you see repairer-insurer relationships changing?

**Elissa:** We document, document, document. If we can't get [any of this documentation] saved into the actual CCC file, we run a cloud-based system to save, for example, the OEM repair procedures as of the day the vehicle was repaired. We take photos of the welds, things like that. We also just recently implemented a system after we had three vehicles back-to-back come in that were improperly repaired elsewhere. They'd come into

## WHO WAS AT THE TABLE?

**Sam Carubba** is CEO of Carubba Collision, which has 20 locations in upstate New York; he also operates an international collision consulting business (Autovision).

**Jim Guthrie** is the owner of Car Crafters, which operates seven shops with more than 200 employees in New Mexico.

**Elissa Larremore** owns and operates CBS 1 Collision, a 3-shop business in Louisiana, and serves on the national board of the Automotive Service Association (ASA).

**Ron Nagy** is president of Nagy's Collision Repair, which operates 11 shops in Ohio.

**Aaron Schulenburg** is the executive director of the Society of Collision Repair Specialists (SCRS).



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our shop for a new repair. Two of them involved someone disabling the airbags. One of them also had the seatbelt tensioner code. The repair that vehicle came to us for was a tiny accident on the bumper, but when we ran the scans



**ELISSA  
LARREMORE**

and pulled the bumper off, the front support was crushed. We're not going to touch those cars. I said they can take the car somewhere else.

I'm not attaching myself to that liability chain.

**Jim:** What we see [with some shops and insurers] is they just don't know what they don't know. They only know what they've been doing for 30 years. Insurers are going to need us more in the future than they ever have because we are the experts on repair, not them. If you think about when I-CAR was started back in 1979, all the insurance companies went first so they could become the 'repair expert.' They would come to the shop and tell us how to fix the car and why. That has changed 180 degrees. We are the expert, and we should be. We're the ones who are holding them harmless for that repair. Ask John Eagle about that, right? We're the ones who have to follow the process. We're the ones who are responsible for it.

**Sam:** That being said, the compensation factor. If we're going to be in that position, we have to find a way to be properly compensated for all that technology and knowledge.

**Jim:** Absolutely.

**Aaron:** I keep seeing the insurance industry referring to "accepted trade standards" or terms along those lines. In 2001, [four national industry groups] stood together, endorsed by nearly 40 state associations, and stated that we all recognize OEM published procedures as the official industry repair standard. If an

OEM documents a repair procedure, that is the standard of repair until such time it changes. There is undo and avoidable liability if a professional who is aware of a documented procedure chooses to deviate from it. As an industry in the past, we've let the consumer kind of determine what we perform. It's their vehicle, and if they came in and said, 'We want x, y or z done,' they're the ones signing the repair authorization. But if you look at some of the [recent lawsuits], the plaintiffs have been secondary owners [of the vehicle] who were not a party to the original repair. So as collision shops, I think we need to start asking ourselves: What's our liability in perpetuity with the vehicle? Does the consumer really have the choice to deviate from what we as a professional would choose to do? There's a whole conversation there that I think is going to get really interesting.

**ABRN:** Could you share a prediction or two, something that you think will have happened or changed three years from now, by mid-2021.

**Ron:** I really see more of a partnership between the OEMs, the insurance companies and the shops. With telematics, first-notice-of-loss and repair procedures, everyone has got to come together to get this done correctly and timely. And we all have to be profitable. I also see regional MSOs growing probably quicker than they are now, more than I see the Big 4 MSOs growing. And I wouldn't be surprised if that gets reduced to the Big 3 or maybe Big 2. But I see the regional MSOs as the ones on fire. There will be more funding for that.

**Jim:** I agree that the OEMs are going to take on a more dominant role in the repair process, because they want to protect their brand. I think the cost-cutting measures that most insurance companies are trying to apply are not going to work out for them in the long run. I think the OEMs will circumvent that by offering a

one-payment-for-all, where you get insurance, OEM parts and a car payment. The OEMs may even have their own insurance company. That will further negate the DRP relationship in the future. Our claim count over three years is going to go down, maybe 8 to 12 percent, but the average severity probably is going to be somewhere around \$7,500. There will be fewer cars to fix but for much more money. But I also think [vehicle technology] will allow some more cars to be repaired. Today, if you're looking at your phone and you rear-end somebody, chances are your car is a total. Auto-braking is going to take 20 mph off that accident, and that car may be repairable. I have my fingers crossed on that one.

**Aaron:** As Jim touched on, you are going to see more and more OEM-owned vehicles and fleet-owned vehicles. What I think that will mean is an introduction of product liability insurance in our space, which covers claims as a result of a product you've sold. If that happens, I think that is potentially going to play a role in how claims are settled, and what the process looks like to us as shops.

**Sam:** In the European repair market, at some point they realized they needed 'A, B, C' type shop classifications. A shops could repair everything, B shops would only be able to take it to a certain level, and C shops would be for basic repairs. I think that could happen here, which would certainly address a lot of the Bs that are trying to be As but just don't know how to. ☞



**JIM GUTHRIE**



**JOHN YOSWICK** is a freelance writer based in Portland, Ore., who has been writing about the automotive industry since 1988. [info@crashnetwork.com](mailto:info@crashnetwork.com)

# Off to a fresh start

CBS 1Collision focuses on quality, training and consistency for growth

**BRIAN ALBRIGHT** // Contributing Editor

➔ Tenacity is important in the collision industry. It's a business fraught with challenges — competition from consolidators, pressure from insurance companies, rising costs, technician shortages and a constant stream of new repair procedures and technologies. If you've got more than one shop, those challenges and expenses are compounded.

Elissa Larremore, owner of CBS 1Collision in Shreveport and Bossier City, La., has certainly exhibited plenty of tenacity over the past two years. A former attorney, she had to transition to the sole owner of her family's two-shop business. While she's learned the ins and outs of collision repair, she's increased revenues, expanded to a third location and has been elected general director on the Automotive Service Association's board.

Originally, Larremore wasn't particularly involved in the collision business. A Baylor graduate, she'd wanted to be a lawyer since she was a child. "I was an attorney," she says. "After I got married I continued to practice, but later on I started working in the collision business doing marketing and some of the human resources work."

A divorce pushed her to take a more active role. The collision business went to Larremore, and she has gone through what she calls a "trial by fire" to make the transition to full-time owner and operator. She's worked closely with the CBS 1 staff and reached out to her peers in the collision industry, receiving what she says has been invaluable support from industry consultant Mike Anderson, Jim Guthrie, Jim Keller and others.

"I've had to learn through trial and error," she says. "I trained with my technicians and learned to weld. I got in the paint booth and learned how to paint. You wouldn't want me to actually repair your car, but I wanted to know what to look for in a good repair."

## New equipment, consistent processes

CBS 1 grew out of the purchase of an existing Shreveport collision business. The original shop (then known as Raney's Body Shop) was launched in 1948. That operation was moved to Old Mansfield Road in Shreveport in the 1970s and renamed Charles Body Shop. When the owner decided to leave the collision business, he sold it to Larremore and her former husband.

Once they'd built up the business, they moved to a larger location on 70th Street in Shreveport in 2009. That facility is



## CBS 1COLLISION

Shreveport, La. // [www.cbscollision.com](http://www.cbscollision.com)



**Elissa Larremore**  
Owner

**42**  
No. of employees

**Axalta/Finishmaster**  
Paint Supplier

**3**  
No. of shops

**\$7.5 million**  
Annual gross revenue

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roughly 13,000 square feet and has 15 bays. Within a few years CBS grew to three locations (the most recent opened in October 2016). That includes two locations in Shreveport and one in nearby Bossier City.

The newest Shreveport location is smaller than the other two stores — roughly 6,000 square feet with 9 bays.

While Shreveport and Bossier City are just a few miles apart, Larremore says the decision to expand across the river was made because the two towns are separate markets. "People in Shreveport will not go to Bossier City and people in Bossier City will not go to Shreveport," she says. "If you asked someone to drive three miles over the bridge, they will look at you like just

asked them to commit a crime.”

When CBS moved to its current home on 70th street, the company took over what had been a boat repair shop, so the facility didn't need much updating. The second and third locations were both acquisitions.

“Some of that we paid for, and we also set up owner financing with the previous owner,” Larremore says. “The second location had been a body shop, and the owner had some problems and shut it down. The third one was a shop that the owner had let kind of deteriorate. He didn't do much advertising and was not very proactive. When we took it over, in the whole previous year he had only done \$100,000 in business. Now we do that much per month in that location.”

Transforming those locations into profitable businesses has not been easy. When she took over as sole owner of the shops, Larremore says that not much had been done to update the facilities beyond remodeling the front offices.

“I've been getting my sea legs and understanding the collision repair industry and figuring out what I'm doing,” Larremore says. “I've had to make some changes because I require a certain standard out of the employees, and I want them to have the best and latest training.”

CBS has spent \$250,000 on new equipment over the past few years. “We had to buy all new welders, and I bought a Car-O-Liner frame machine with a measuring system,” Larremore says. “We're replacing another one at the the Bossier location. At the smaller shop I have had to buy all new equipment, too.”

Some of those purchases have been enabled by new tax incentives in Louisiana and in the recent federal tax law. A steady increase in revenue has also helped Larremore make the needed improvements.

She's also diversified the shops a bit. The third, smaller shop is being utilized as a “fast lane” repair operation that focuses mostly on cosmetic repairs. Larremore says she has established a relationship with Enterprise Rent-A-Car,

and most of that work now flows through the smaller shop.

### Ongoing education

In addition to Larremore, CBS has a general manager who handles day-to-day operations. “We're learning together,” she says. “I've got a really good group of people who are dedicated and want to learn.”

The company has worked with Mike Anderson at Collision Advice, as well as Paul Gage, who now heads up the training arm of ProCare Collision in Texas. “We're talking about the training we can do here,” Larremore says. “Mike Anderson has worked with my blueprinting staff. My blueprint analysts can pull the car and we get a one-shot estimate on the vehicle.”

Larremore handles insurer relationships, while her parts managers and accounting staff manage vendor relationships. “We're on several DRPs — that's a necessary evil,” Larremore says. “The insurers take us more seriously now as an MSO, because we're not just a mom-and-pop shop. Because we have more volume, we get a bigger discount with the parts vendors.”

With the opening of the fast-lane shop, Larremore says that load leveling has emerged as the biggest benefit of having multiple locations. “We used to run the Enterprise work through the main shop, and that really messed up our cycle times and production,” Larremore says. “So pulling that out and making that its own entity was beneficial. A lot of shops won't touch Enterprise work, but I have a good relationship with them, and we make it work.”

When a technician is off sick or on vacation, having multiple shops to pull from also makes it easier to cover those scheduling gaps.

As for challenges, Larremore says that streamlining operations processes has been the biggest hurdle. “Everyone has to be on the same page,” Larremore says. “My GM focuses on that consistency. Right when we just about had everybody on board and really seeing the benefits of what we were doing, there was a big hail storm, and that set us back a little bit.”

Larremore is looking at other potential shops to acquire as well, and her focus on training, quality and consistency are part of her evaluation process. “They have to fit our culture. That's really important to me,” she says. “You want them to have the same mind set. I don't want to have to go in and bust up the culture and lose people. I'm not going to buy a location where the technicians don't care about repair procedures. I don't hire hacks.”

That approach is also going to be important as competition in the region increases. Right now, most of the competition CBS faces is from dealer-owned shops and independents, but Gerber Collision & Glass is beginning to expand north from the coastal regions it currently services.

Like other shops, CBS has also struggled to recruit new technicians and has launched a program to train its own entry-level technicians. “We actually hired three kids out of the technical high school, and made them C-techs,” Larremore says. “They are understudying with my A-techs and I'm sending them out for training. That's one of the things we're talking about with Paul Gage at ProCare. We want to fast-track them so they can be B- or A-techs.”

In addition to making sure her employees are properly trained in the latest techniques and technologies, Larremore is also continuing her own education in the collision industry. That's one reason she ran for the board position at the ASA. She's also preparing her shops for the future, and preparing for new OE certifications and other programs.

“I want to be on those OE programs as soon as they start,” she says. “I think the landscape is going to change very quickly, and the OEs are really going to be driving the business.”



**BRIAN ALBRIGHT** is a freelance journalist based in Cleveland who has been writing about manufacturing, technology and automotive

issues since 1997. He is a regular contributor to *ABRN*, *Motor Age* and *Aftermarket Business World*.  
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