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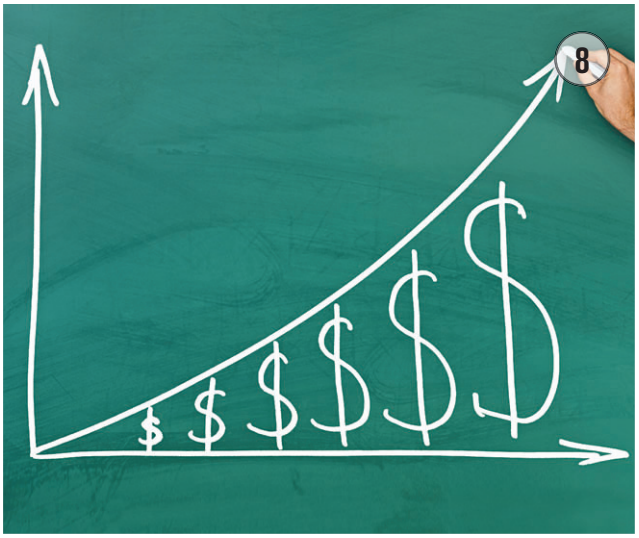

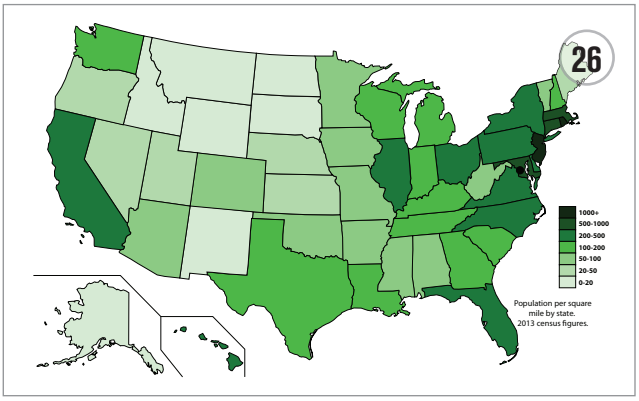

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DISTRIBUTION

GFS ADDS PREMIER COLLISION EQUIPMENT TO DISTRIBUTION TEAM

Global Finishing Solutions (GFS) recently welcomed Premier Collision Equipment to the GFS distribution team, bolstering its ability to provide service to automotive body shops in the Dallas, Fort Worth and surrounding Texas area. Premier Collision Equipment is a full-service distributor located in Grapevine, Texas.

"We are excited to be aligned with Premier Collision Equipment," said Brandon Lowder, vice president of auto refinish sales at Global Finishing Solutions. "Not only will they provide GFS products to collision centers in Texas, they'll also ensure that our large customer base in that area has an excellent partner to count on for service of existing equipment."

Premier has a dedicated team of sales managers, service technicians and installers with more than 65 years of experience in the collision repair industry. As a full-service distributor, Premier Collision Equipment offers product sales, installation, service and repair, preventative maintenance programs, and facility design and consulting services for body shops and collision centers in Texas.

Premier Collision Equipment provides a wide range of equipment for established body shops, new collision repair facilities or automotive businesses starting from scratch. GFS is excited to be Premier's exclusive provider of paint booths, prep booths and accelerated curing systems. In addition, Premier supplies frame equipment, dust extraction, air compressors, welders, breathable air systems and measuring systems.

BREAKING NEWS

EDUCATION

ABRA AWARDS 11 STUDENTS WITH TOOL GRANTS THROUGH CREF

ABRA Auto Body & Glass awarded 11 collision students each with $2,000 in tools through a spring tool grant opportunity with the Collision Repair Education Foundation (CREF). The tool grant was made available to select high school seniors and post-secondary students studying in collision repair programs. The winning students were able to select $2,000 (retail value) in tools and equipment from a list of entry-level body tools.

The student winners of the 2016 ABRA Auto Body & Glass spring tool grant are:

- Emanuel Centeno (Kennedy-King College, Chicago, Ill.)
- Michael Davis (Stanly Community College, Albemarle, N.C.)
- Trent Fried (Vincennes University, Vincennes, Ind.)
- Clayton Groehler (Wisconsin Indianhead Technical College, Rice Lake, Wis.)
- Connor Mckeown (Walla Walla Community College (Walla Walla, Wash.)
- Brandon Ngeth (Tennessee College of Applied Technology, Chattanooga, Tenn.)
- Richard Nimmer (NWTC, Green Bay, Wis.)
- Tanner Passey (Bridgerland Applied Technology College, Logan, Utah)
- Jean Pettee (Southwest Wisconsin Technical College, Fennimore, Wis.)

>> CONTINUES ON PAGE 7

RECOGNITION

CALIBER COLLISION CEO HONORED FOR COMPANY'S SUPPORT OF THE U.S. MILITARY

Steve Grimshaw, CEO of Caliber Collision, the nation's largest collision repair company, was one of five leaders recognized with the prestigious America First Series (AFS) 5 Star Award for their corporation's extraordinary support of the military.

Grimshaw accepted the award on behalf of Caliber Collision at the 2016 AFS Awards Ceremony and National Security and Economic Symposium in Dallas, Texas, which also honored former Dallas Cowboys quarterback Roger Staubach for his service in uniform as well as his service as a civilian servant leader. Other leaders recognized included JR Thomas, CEO - MedSynergies; Pete Selleck, CEO - Michelin Group, Sanjiv Yajnik, President - Capital One Financial Services; and Shane Sampson, EVP and CMO – Albertson's Companies.

As CEO, Grimshaw has spearheaded Caliber Collision's efforts to support active military personnel and military veterans across the U.S. through a variety of philanthropic and employment initiatives. Over the past four years, Caliber Collision has donated more than 80 vehicles, valued at

approximately $800,000, through their Recycled Rides program to active service and military veterans across the U.S. Caliber also partners with a host of best-in-class military organizations serving today's active service personnel and military veterans including Carry the Load, Allies In Service, U.S. Veteran's Initiative, Heroes On The Water, Adaptive Training Foundation, Semper Gratis, and Support The Enlisted Project (STEP).

In addition, Caliber has developed the first-ever collision repair military training program around the Veteran's Opportunity To Work Act training active duty service members prior to separation. In addition to this intensive, 18-week hands-on train-to-hire program, Caliber's "Changing Lanes" Initiative also includes proprietary family outreach programs designed specifically for service member significant others and their children.

Caliber is actively working with the military at Fort Bragg, N.C., to recruit and train more than 50 active duty service members for Caliber center manager, technician and customer service jobs in 2016. Over the course of 2016, Caliber will also be expanding this program to Fort Hood and Fort Bliss in Texas, and Camp Pendleton in California.

"On behalf of our more than 8,800 teammates, we are honored to have the opportunity to recognize and give back to the many military heroes who have sacrificed and given of themselves to serve our country," said Grimshaw. "Our purpose at Caliber Collision is to restore the rhythm of life for our teammates, customers and the communities we serve. Our on-going military support is another powerful way that we bring our purpose to life for our U.S. military heroes."

>> CONTINUES FROM PAGE 6

- Raul Reynoso-Ojeda (Renton Technical College, Renton, Wash.)
- Sidney Scoville (Southwest Wisconsin Technical College, Fennimore, Wis.)

"We are thrilled to partner with the Collision Repair Education Foundation to provide students with the opportunity to further their education," said Jennifer Schmit, Vice President, Talent Acquisition at ABRA Auto Body & Glass. "Quality repair work is the hallmark of ABRA, and by providing funding for secondary education we are helping to ensure our future workforce has the skills and training they need to do just that."

MAACO OF NEW HAMPTON FIRST IN NETWORK TO EARN OEM CERTIFICATION

Maaco of New Hampton, in New Hampton, N.Y., has become the first Maaco location to earn an OEM certification with their completion of the Honda ProFirst program. The I-CAR Gold shop was recruited by Honda after a visit showed that they had the equipment, personnel and facility capable of performing at the high level of quality required by the program.

To qualify for the Honda ProFirst program, the shop had to meet certain knowledge and skill requirements, which they had through their I-CAR Gold status. Technicians then had to take Honda/Acura specific I-CAR classes. While Maaco of New Hampton already had most of the required equipment in place, they did have to make a small investment in new tools. They also had to meet a 300-item list of requirements and pass an independent party inspection.

"It's an exclusive program, and an honor to be a part of" said Kevin Calnan, who co-owns Maaco of New Hampton with Melissa Fimognari. "To be the only Honda/Acura certified shop in the Orange County area, and the first Maaco shop in our system, is great for our business and customers."

MSOs share their insights into getting the financing needed to expand their businesses

JOHN YOSWICK // Contributing Editor

Fortunately for most MSOs, getting financing for growth doesn't involve groveling before a greedy banker named "Mr. Potter" as George Bailey did in *It's a Wonderful Life*. On the other hand, it's also not as easy as yelling, "Show me the money," into a phone as the title character did in the 1996 film *Jerry Maguire*.

So how do MSOs get the financing they need to acquire or build new locations and build their business? A handful of MSO owners shared their financing stories and advice.

Prepare before you approach the bank

Chad Smith of Smith Bros. Collision Centers, which opened the first of its three locations in Mississippi in 2000, said he sees three steps to getting financing for growth, all of which should be done well in advance of adding another shop. The first step, he said, is planning for growth.

"One of the biggest things you need to do is decide in advance if you're going to expand to multiple locations, because

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if you don't plan for it, it's almost impossible," he said.

The next thing, he said, is to be financially solvent and have accurate business financial records that reflect it.

"Take care of your books the correct way," he said. "If you don't have accurate financials and a good balance sheet that shows that you're solvent and liquid, the bank is not going to spend any time with you. And don't splurge on your cash so you have some reserves when the time comes or an opportunity to grow arises. You'll want to have some cash to put toward any deal."

Smith said his company relied on bank financing when it purchased a second location in 2004 and a third location just last fall. Those acquisitions required the third step needed well ahead of that growth: building a relationship with your bank.

"You want them to know you when you go in and say, 'Look, I have this opportunity; you know me, and you know my numbers. What can you do?'" Smith said. "If you do those steps, you'll have banks competing with one another for your business. We've seen that. We've had it come down to banks competing to try to get the opportunity to fund our expansions."

Smith said he looked into Small Business Administration (SBA)-backed loans, but found it too restrictive.

"It's just better if you can keep it with your local bank," he said. "I think banks now more so than ever, are really community-minded. They don't want to see a business close and have vacant real estate sitting there. They know that serves no purpose for a community. So the more they can be involved to keep a business growing and thriving in the area, it's a win-win for them as well."

Explore all the options

Doug Keller of Nebraska-based Eustis Body Shop said he's used just about every form of financing available to grow his business over 37 years: from refinancing his home, to loans from family, suppliers and the SBA, as well as contract-financing from the owners of businesses he's acquired.

"I've done it all except private equity," Keller said.

Keller's grandfather helped him finance the first of his five shops back in 1979, a conversion of a 1913 Ford dealership that had more recently been used as a mechanical repair shop.

"I just paid him as I could, and in about 10 years I had him paid off," Keller said.

Although business deals among family members carry some potential challenges, Keller said the flexibility with the loan payment that his grandfather's loan offered was invaluable for a new business.

"He didn't need the money, and there were times I couldn't make the payments, and we'd talk about it and he was fine with it," Keller said. "Even more than the other notes over the years, I think that loan was the most satisfying to actually pay off, just because it was my grandpa."

Keller said he suspects that today's economy and demographics have resulted in a lot of retired people who, like his grandfather years ago, have money and might be interested in investing in a good local business.

"They might not like the stock market, and banks are only paying less than 1 percent of interest right now," he said. "If they can get 3 to 5 percent from you, they'd be better off."

Keller said that as his fledgling business began to build some credit history, he was able to finance additional equipment and projects through bank loans and financing from suppliers. The locations he added — some as far away as 100 miles from his first shop — were

FACTOR IN 'FAMILY OFFICES'

These may offer another option for smaller MSOs

The large private equity firms backing the largest MSOs in the collision industry are probably not a likely source of financing for smaller and mid-sized MSOs. But that doesn't mean there isn't outside investment money available.

John Walcher of the consulting firm Veritas Advisors, who has been working on shop mergers and acquisitions for more than 15 years, said "family offices," which manage investments for wealthy families, have taken more of an interest in the collision repair industry as they see other private equity firms doing so.

Unlike private equity firms, however, family offices are more often looking for stability and cash flow rather than spectacular growth and returns. They often hold investments long-term, whereas private equity firms often hope to make their money and exit more quickly, often in five to seven years. The downside to any such investment capital, however, is the degree to which the MSO owner gives up control; some outside investors will expect to play a larger role in business decisions than others. It also requires giving up some piece of the pie — in exchange for (hopefully) making the pie bigger, Walcher said.

He said many MSOs now are hearing from outside investors, but outside advisors can often help match MSOs to these sources of capital investment.

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financed either by banks or the owners whose shops he was buying.

"I also refinanced my house twice to get down-payment money," he said.

Even short-term seller financing can be a great way to build up equity in a business or property before approaching a bank to fund paying off the seller. A seller might want a higher interest rate than other lenders, but there may be less upfront paperwork and fees. The seller also has a strong interest in your success, which can be beneficial if you have questions or need help making a go of the new acquisition.

"I didn't really see any cons at all," Keller said of the seller-financing he used for acquisitions. "It made it so it was affordable for me, and yet they received the money that they needed on an annual basis."

For the company's largest location in Kearney, Neb., Keller got an SBA loan. The SBA works with banks to guarantee a hefty percentage of the loans it approves, giving the bank more incentive to make the loan. The process can take several months, and there's plenty of paperwork you have to provide to both the SBA and the bank.

"The SBA was probably the most cumbersome situation," Keller acknowledges. "But it seemed, in the end, to be the only way I could get it done. I'd exhausted every other possibility. But with the fees and upfront costs, it was sort of a costly way to go."

Keller also acquired a mechanical repair shop along the way, a purchase he was able to make with cash on-hand.

"All along I had the goal in mind of being debt-free by the time I was 55," he said. "Any time I acquired more debt, I made sure I knew I could pay it off by that time. It did work out that way. I'm debt-free, finally," he said, laughing. "And that feels good."

Consider 'pre-bates' carefully

An East Coast MSO who recently sold to one of the Big 4 consolidators in the industry said that agreement limits what he could say "on the record" about his company's financing over the years. But he did have some advice for small and mid-sized MSOs, like the one he built and sold.

"First you need to establish a solid score with Dun & Bradstreet," he said. "Open a savings account, then be disciplined and deposit money into the account at the end of every month. Create a vendor list and be loyal to it in order to establish monthly or quarterly rebates along with a track record of paying your bills on time."

He said paint manufacturers and distributors can offer "pre-bates"—cash upfront to help your business in exchange for a lower purchase discount and a contract obligating you to purchase from them for a set period of time. Although it may be easier to obtain financing this way rather than a bank loan, the "loan" terms generally aren't as favorable.

"And the real disadvantage if you take a pre-bate is that there are penalties if you want to get out of your paint deal before the contract ends," he cautioned.

Self-fund when you can

Dan Dutra agrees. He and his business partner, Lance Bull, used a deal with a paint company to help finance the purchase of their first Sigs Body Shop in Hawaii. When they decided to switch paint brands, they got cash from that other paint company as well — but only enough to pay off what they owed the first paint company to get out of the agreement early. He said the terms of the second paint company deal will end soon, and although they've had offers from paint companies, they don't think they will go that financing route again.

"At this point, a lot of shops are taking (paint purchase) discount as opposed to upfront money, and that's what we're going to do to enhance cash flow," Dutra said.

Other than the vendor financing, Dutra and Bull have self-funded the acquisitions of their second and third shops.

"Lance is the numbers guy, and he's real adamant about not servicing debt," Dutra said. "We've gone through some downturns, and it's been a positive thing for the business not having to service debt when sales are down."

As they consider the purchase of another shop this year, he said, they have run a bunch of scenarios on spreadsheets to understand the minimum sales they will need every month to self-fund it. But that doesn't mean they don't work to maintain other funding options as well.

"It's nice to have the paint company as back-up," Dutra said. "We also have banking relationships, and are going to lease some of the equipment. They are ready to give us money because we are debt-free. It's amazing how many people will offer you support when your balance sheet looks good. So if we do get in a situation where sales drop or something happens, then we can fall back on one of those two options. That's how we've done it so far, and we're going to continue to do it that way if we can."

It is now always just about the money

Joe Amodei of The Collision Centers said growing to four locations in New York has led him to one conclusion: figuring out the funding is the easy part.

"The hardest part is sustaining growth," he said. "So even before you seek out funding, think outside the box, come up with a great business plan, and then execute it, adjusting and making changes as needed."

MSOs that do that, he said, will always find the financing they need to grow.

JOHN YOSWICK is a freelance writer based in Portland, Ore., who has been writing about the automotive industry since 1988.
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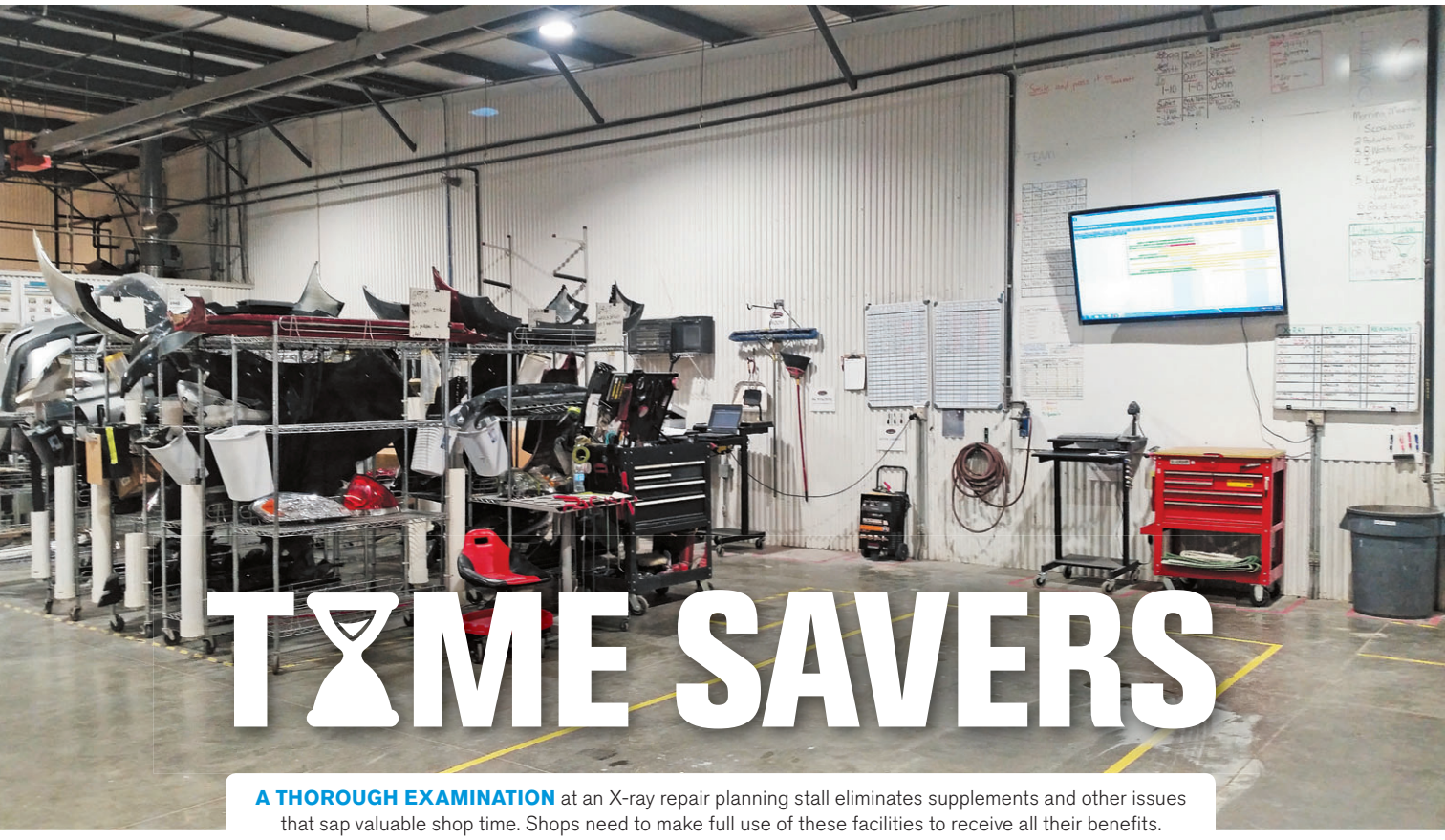

TIME SAVERS

A THOROUGH EXAMINATION at an X-ray repair planning stall eliminates supplements and other issues that sap valuable shop time. Shops need to make full use of these facilities to receive all their benefits.

Create a comprehensive time-saving plan for true efficiency

TIM SRAMCIK // Contributing Editor

Where does the time go?

Midway through 2016, that's a question on many people's minds. It's also the central question for repairers reviewing mid-year performance numbers and re-examining shop profitability. Somehow, even during the busiest periods when production is at its peak, repairers always seem to be tossing away valuable time fighting fires or backtracking on settled work. Cutting-edge, lean running shops still can find themselves struggling to maintain and build productivity into their work hours.

The crux of this issue is that creating efficiency is an ongoing battle. Shops are challenged daily to manage their time while handling updated repair procedures, new training requirements, upgraded equipment and constantly changing customer issues. Any one of these factors can quickly derail the best planned schedules and smooth running operations.

Fortunately, there is plenty repairers can do to master their time and thereby get a better handle on their businesses. It all starts with formulating a program that allows shops to get ahead of their time issues. The following steps, supplied by some of the Top Shops of 2015, provide proven guidance on building a plan that cuts out wasted seconds, minutes and hours and plugs back in lost revenue for 2016 ad beyond.

Step 1: Be comprehensive

Shops have plenty of options when it comes to finding time cutting tips. They can turn to other owners for suggestions or invest in cutting-edge technology and the latest operational procedures. But there's a steep downside to instituting changes solely in a piecemeal fashion. According to some Top Shop owners, tweaking an operation's parts without specific goals as part of

PHOTO: WARRENSBURG COLLISION

a wide-ranging plan actually might provide no benefits and end up creating additional waste.

This all-too-common outcome can be the result of repairers investing in new equipment without proper follow through. For example, 3D measuring tools offer superior capability to locate damage and verify repair accuracy. When shops fail to fully incorporate this (sometimes expensive) technology and make use of its advantages, they see no benefits. They simply perform the same work with a costlier product for the same old results.

Making matters worse, they're delivering a tool to employees with the promise that it will transform some part of the business. When it doesn't, staff members become discouraged. They become even less willing to buy in to other changes. When employees aren't fully on board, even the best plans won't produce sufficient benefits (more on this momentarily). The end result, in this case, is a large piece of pricey equipment that stands as a monument to futility, with more frustration to come.

Even more common, and just as frustrating, are the steps shops take to chip away wasted time from some areas while ignoring more significant problems. For example, repairers will see some savings when they organize tools or place them on movable carts. But if stoppages in thruput remain, employees end up just being closer to job items they can't use while work sits. Once again, the shop sees no benefits and can compound its waste issues if employees accept inefficiency as a normal part of their work environment.

Step 2: Build on a team effort

A number of shops make a point of sending either most or all of their staffs to lean training. Warrensburg Collision took this approach to a new level this past February when, after its initial lean education was complete, the Warrensburg, Mo., shop began devoting the first hour of every work day to eliminating waste. In place of repairing vehicles, employees worked on repairing the business itself. In a daily ritual, employees take the lead suggesting and evaluating waste-removing processes to be instituted at the business.

"They take turns sharing one productive change, and everyone must contribute," says Manager Casey Lund. "The change must offer improvements in one of four ways — making a task faster, safer, simpler or producing better quality — without diminishing any of the other three."

Changes can be as simple as making sure a pen is available at a work station or more complex operational modifications. Lund says employees are in the ideal place to suggest changes since they know their jobs best.

He further notes that empowering employees to make these decisions ensures they stick to the new procedures. They "buy in" because they produce the changes and see the benefits. So far, this process has produced stellar results. Lund says the shop has tripled its revenue in the past three years and continues to gain steam, even with two fewer production workers and a missing hour of production each morning.

Step 3: Institute position flexibility

Still separating employees in paint, body, prep and management departments? That kind of separation is limiting and wasteful since it prevents a shop from transferring labor to where it can be best used in an operation.

At Warrensburg, employees share tasks, moving between heavy and light body work to prep and painting, wherever the need may be. Employees also are learning to use the shop's management system so they can continue sharing knowledge in every part of the shop's operation.

At Mentor, Ohio-based D&S Automotive Collision and Restyling, employees are doing much the same. General Manager Dave Callister notes that the shop has dispensed with a traditional paint department and shifts employees to where the greatest need is. Department logjams are therefore avoided; employees are always engaged, and time is spent where it is best utilized.

Step 4: Stop ignoring downstream work

The centerpiece of a lean operation, and a central cog in any shop focused on saving time, is a thorough tear down and repair blueprint. This process drastically reduces supplements and other issues, allows parts to be ordered sooner and, according to Callister, aids in faster insurer pays. Despite these benefits, Callister says many shops — even those claiming to run lean — still don't perform this work properly. They miss out on the fact that time invested up front eventually saves time down the line.

Too often shops similarly ignore a time saving practice of nearly equal significance — eying downstream work. Frequently, vehicles are put into an operation and then hit delays due to missing components or changes in schedules from other shop areas. Callister notes that managers need to be continually checking several steps ahead of each repair to modify schedules to keep up with changes and ensure work isn't sitting.

Further, Callister says D&S addresses issues like missing components by doubling up on stocks fasteners and other pieces and maintaining both in the parts department and reassembly areas. D&S also builds a reassembly "kit" downstream to be ready when the vehicle is put back together. This preparation allows the business to eliminate slow rebuilds that would otherwise be created by a disorganized reassembly process.

Step 5: Keep everything in its place

Earlier, this article noted the futility of maintaining an organized shop when


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serious production issues abound. That doesn't dismiss the importance of organization being made part of a larger time-saving plan. The experience of Top Shops shows repairers are best served when they systematize storage for tools, equipment, parts and practically every piece of their business. Just as important, shops need to train employees on their organization system and make pieces as visible as possible for easy, immediate location.

Callister explains that D&S creates visual cues to aid employees in finding and putting away everything they may need in the course of their work. "Things like garbage cans, brooms and squeegees are marked with letters," he says. "Everything has a specific location where it's supposed to be. We even put bicycle flags on battery chargers so everyone knows where they are."

Step 6: Instill a new focus on customer service

While shops concentrate on cutting wasted effort from their repair operations, they can overlook one vital area where there is plenty of room for improvement — customer service. From the moment a customer first contacts a shop until long after a vehicle is delivered, repairers can mishandle time and miss opportunities to reduce time-wasting customer issues that occur post-repair.

Lost opportunities frequently arise from not investing proper time into capturing business immediately. When this happens, repairers can be left scrambling, spending additional time pursuing a customer for business who may have already decided to select a different shop. Rob Ellision, Business Manager of 2015 Top Shops Winner Chantilly Auto Body in Chantilly, Va., says shops need to have a sense of urgency when contacting potential customers. His business, like many shops, provides an online estimate request form. Ellison says once a customer submits the form, the business responds as quickly as possible to schedule the estimate.

"We don't want to leave them waiting," he says. "If they're filling out our form, we figure they've done it for several other shops as well."

"If we respond first, we believe they'll ignore other offers," he adds.

The aggressive approach has paid off handsomely. In one recent quarter, 144 internet inquiries were converted into 63 completed jobs — a 44 percent conversion rate generating $88,704 revenue and a $1,408 average repair.

With six locations, Chantilly does have an advantage over many of its competitors since it usually can schedule work more quickly. Still, Ellison stresses that being flexible with customers — for example, being willing to pay to put a customer into a rental a day early — also pays off.

A similar proactive approach also pays at the end of the repair. Lund notes that shops lose significant time after a repair because they don't utilize an organized, time-saving delivery process. "Customers typically get a call that their vehicles are ready, and then they all show up at the end of the day at the same time," says Lund.

The result is that some customers are left waiting around while others are attended to. Employees often have to work over to take care of the rush. Payment issues can cause further delays as customers search for insurance checks and shops rush to locate the appropriate paperwork.

Planned deliveries eliminate all of these problems. Indeed, Lund says scheduling a delivery is just as important as scheduling the repair. His shop contacts each customer for a delivery time and preps each on the need to bring the insurer check (if other payment arrangements haven't been made) and what to expect during delivery. When the customer arrives, a service rep reviews all the work and takes any questions.

"We resell the job," Lund explains. "We make sure they know exactly what we did and describe how the work is high quality." This strategy reduces any complaints or misunderstandings a customer might have later, which otherwise could pull employees away from current work to answer queries on a past repair.

It also provides one other benefit. The last contact the customer has with the shop is positive and stress free. Lund says, "They really just have to write a few signatures, and that's it."

Step 7: Document everything.

Training and planning every part of an operation go a long way in cutting waste, but that same time can be lost when employees must search for answers on procedures and other matters. Documentation of SOPs needs to be readily available. This can take the form of printed material or, better still, online resources. Warrensburg goes so far as to include QR codes on shop items that can be scanned to link to YouTube videos describing how to conduct a specific operation or perform some other function like using the shop's power doors. Classic Accident Repair Center, a 2015 Top Shop in Mentor, Ohio, maintains online training that can be reviewed anytime.

Significant too in creating documentation, as with the other steps outlined here, is the fact that shops ultimately need to invest time to save it. It's the same principle as spending money wisely to make revenue. Recovering lost hours, minutes and seconds is the product of smartly using time.

Keep in mind that putting a shop on a schedule that it can maintain could involve a significant investment. That investment never ends. The good news is that the payoff in efficiency will be ongoing too, as will the boost in your bottom line. One more benefit: When you ask, "Where does the time go?" you'll know precisely.

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LEADING YOUR TEAM THROUGH AN ACQUISITION

The human capital portion of an acquisition is vital to its future growth and prosperity.

DAVID LUEHR // Contributing Editor

Everyone says it: "A company is only as good as the people in it." The human capital part of an acquisition is a critical component to any company wanting to grow and prosper, yet done so poorly by so many. It is difficult enough to find good people these days and that is one of the primary reasons for acquisitions being preferable over building a new shop — the people. Over the years I have been on both sides of the fence many times as both the acquirer and the acquired, and I have learned a lot about the importance of the leadership skills needed for a successful transition from one company to the next. So whether you, the reader, are planning on selling your company or perhaps you are looking to acquire additional locations for your growing business, I hope this article will help you avoid some of the leadership pitfalls that commonly occur during a business acquisition.

The 'secrecy' factor

Buying or selling a business takes a long time, even after the initial buy/sell agreement is made. Most businesses feel that it is in the best interest for everyone to keep complete secrecy, and most legal agreements include non-disclosure language that demands that no one tells the employees of the company being sold or anyone else for that matter. I understand that most

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companies do this to gain a quiet competitive advantage in a particular market and to keep the employees in place until the acquisition is announced. Also, in many cases, the buy/sell deal falls through, which could also leave employees feeling insecure if they hear about it.

Some reasons businesses go secret are:

- Public uncertainty and loss of revenue
- Retaining DRP and other referral relationships
- Vendor relationships
- Competitive advantage
- Retaining employees

Loose lips sink ships

Several years ago I was working full-time for a company as a consultant. In short, my job was to increase the value of the company by increasing profits, securing a good work force, and improving operational efficiencies in order to make the business more "sellable." The owner of this organization was transparent with me about his intent to sell, but was contractually obligated to keep quiet about a newly reached buy/sell agreement. Within 30 minutes of the agreement being reached, the news had already traveled back to me and to everyone else in town.

I marched up to the owner's office to confirm the rumors on the street and he said, "How the heck did you hear about that?" Someone in the buying party had apparently been bragging to friends. There were even rumors running rampant that the acquiring party was bringing in their own crew and everyone was going to be terminated from the company I was working with.

This violation of secrecy was devastating to both parties and took many additional months of hard work to restore the damage that had been caused. Eventually the purchase did get finalized, but by that time employee trust had deteriorated and most of the employees ended up leaving anyway when the new leadership was in place.

The big surprise

Shocked and disappointed faces have been deeply imprinted in my mind: A woman seated in front of me covering her face to hide her tears; an older gentleman sitting near the back with a disgusted sneer at the former owner, probably wondering how this is going to affect his retirement. Yesterday, I felt like a conquering hero, today in this room, in front of these real people, I felt like a jerk. I had never met any of them, only heard stories about them, but today these people were real and I was to be their new boss.

This describes the practice of the acquisition announcement done wrong. When employees are called into the big scary meeting where these transactions are suddenly announced, they are absolutely blind-sided in most cases and the emotional damage can be messy. It is difficult indeed for an owner to make the announcement to his employees, but before you subject them to the presence of the new owner and acquisition leadership team, I find that it is best that the owner breaks the news to his team first and then later introduce them to the new owner after they have calmed down a little.

Sometimes it can be difficult for the selling owner to keep quiet about his or her plans to sell. A great deal of guilt can occur which may cause the owner to want to come clean with his team. Many of us prefer to always be honest and it is difficult to keep it inside. But in most cases it is critical that you do so.

I talked to Brad Mewes of Supplement (supp-co.com) and *ABRN* contributor about this. He specializes in buy / sell transactions in the auto body industry. He told me, "I ran my family's shop for many years, so I understand why some owners feel a sense of obligation to disclose certain things to their employees. But this is a practice we generally advise against in a business sale. There are too many factors out of your control that can jeopardize the entire transaction. As an owner, you have to ask yourself, is this sense of obligation worth the potential risk of blowing up a deal representing years of hard work? The irony is that in attempting to protect your employees you may actually put them at more risk."

The three big concerns

Typically, when these transactions are announced and the shock starts to settle down, people will immediately begin wondering about these three things: 1. Is my job secure?; 2. How will my pay change?; and 3. How will my health insurance and other benefits change?

In most of the cases I have seen, especially with large consolidator MSOs, the goal is to keep the entire staff of the company they are acquiring. Some consolidators are even trying to keep the old owners in place for a while. During the announcement of the sale, employees will usually be given a termination notice from the old company and then are invited to join the new company. Some people will not stick around, but most will — at least until they figure out the answer to their three questions.

As an acquiring company, you need to figure out the answers to the three questions before announcing the deal. I have seen some pretty stupid things being promised to employees in these highly charged conversations that always come back to bite. "We will be taking a look at your compensation packet and will let you know soon, but don't worry, we won't let you go backwards." Does this sound familiar? I guarantee this person will be on the phone with every other shop in town within the hour. I cannot stress this enough: Clarity is needed with these people up front or trust will continue to erode and they will leave. I have seen it happen dozens of times.

Respect

Many acquiring companies do not want a long drawn-out "journey" to take place when they acquire an existing business. New systems must be put in place quickly

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in order to maintain the consistency expected at most MSOs. Most successful MSOs rely on their standardized systems to sustain their growth so most companies use the "rip off the Band-Aid quickly" approach to integration. I am guilty of poorly using this acquisition approach myself and have learned a lot about doing it correctly. It starts with showing respect and establishing trust. As an acquiring company, if you come in and start bashing the old operating procedures that the existing staff had worked hard on for years or you start moving technicians' toolboxes around, you are not going to be making any friends! Be respectful. Chances are since you've just sprung the huge surprise of being their new boss, there are going to be some trust issues for a while. Mind the ego and sit down with everyone and explain why it is critical that new systems must be put in place and ask the staff for feedback how they may be able to best integrate it together. You have to be firm with the staff sometimes, but respect them and show empathy for what they are now dealing with.

Avoid these quotes I have heard people say even if they are true:

"If your systems were any good, you probably wouldn't have needed to sell your company."

"Wow, that's how much you are making on commission? No wonder your company wasn't making any money!"

"You have been doing that wrong for years. You will like our systems much better."

A final thought about respect is that you will never get a resistant staff to buy into your new ways of doing things by arguing with them over whose system is better. For permanent change you must allow the person to decide for themselves. You explain to the person why the change is necessary and you ask them to give it a try and decide for themselves. If their system is truly better, and depending on various factors, including the size of the acquiring organization, maybe you can incorporate some of their systems into yours. If a resistant person will not conform and you have respectfully used good leadership principles, sometimes they may need to find employment elsewhere.

AVOID THIS ACQUISITION MISTAKE

Do not overlook the importance of cultural fit

BRAD MEWES // Contributing Editor

Poor cultural fit is a major reason transactions fail to live up to expectations. Understandably, culture is often overlooked because it is difficult to quantify. In acquisitions there is a lot of focus on hard numbers, financials, strategic fit, etc. It is easy to neglect the role of culture in the overall transaction.

For example, a buyer changing employee or technician pay plans immediately after an acquisition may be making what appears to be a sound financial decision. However, if the transition is handled in a way that is incompatible with the culture of the newly acquired business, the buyer may find a shop full of cars with no one to work on them.

The thing about culture is that it does not magically change overnight because there is a new owner. Culture takes years to build, and it also takes years to change. Smart buyers critically asses culture and build that into deal evaluations.

The paradox of accountability

Not long ago I asked a former co-worker, who is employed with one of the largest MSO companies, how she liked working for this company. What she told me was quite surprising, at the time, and also a good lesson for many of us. She said she preferred working for the new consolidator company much better than the old purchased company because every day she knew what was expected of her.

I have to give a lot of credit to some of the large MSO consolidators for the great systems of accountability they have in place. I think this is an area where some of the smaller companies could learn some valuable lessons.

So how do you get a culture of accountability into a company where it didn't exist before? It's not as hard as you might think. In fact, most of us crave structure and accountability. Successful MSOs are able to sustain this culture through a potent combination of clearly written standards (SOPs), lots of training and testing. Once the acquiring company has earned the trust of the employees, it is crucial to establish a structured approach to standardization, learning and holding each other accountable to the standards. Like children, we say we don't like being held accountable, but most of us actually crave it.

Despite the challenges faced during acquisitions, for a growing business it is a very rewarding and exciting time when done correctly. I feel that right now is a great time in history for companies wanting to grow and add additional locations, and I don't think you need to be a huge MSO consolidator company to do it. You just need to be smart about growth and become a student of the modern leadership skills that are required. Understanding how to lead and respectfully treat our companies' greatest assets (our people) is one of the most critical skills you can possess.

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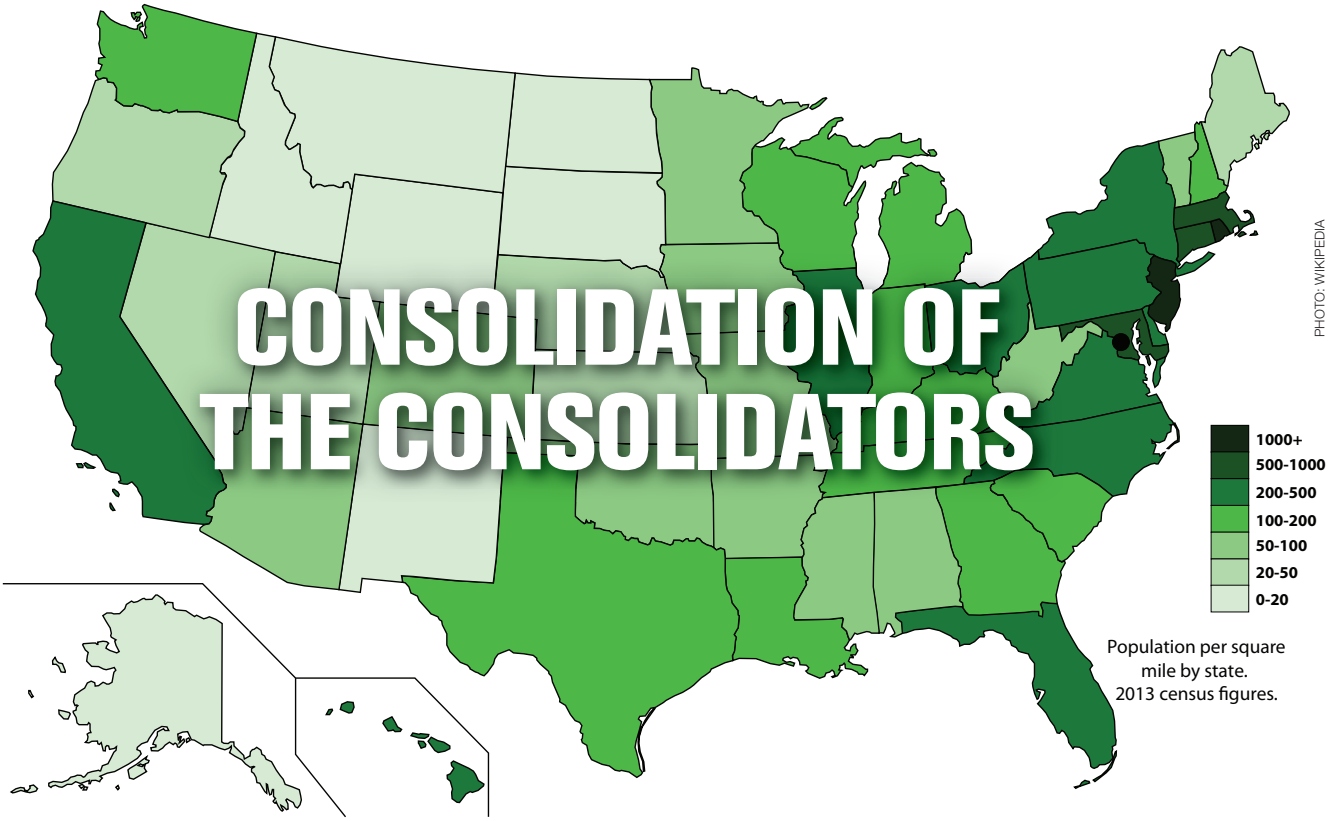

PHOTO: WIKIPEDIA

CONSOLIDATION OF THE CONSOLIDATORS

Smaller MSOs are selling to bigger names as consolidation continues to steamroll

LOU BERMAN // Contributing Editor

In case you haven't been paying attention, for some years now there has been a slew of reorganization, buyouts, consolidation and a push for market share in the collision repair industry.

Names like Blackstone, Hellman & Friedman, Palladium, Omers, Boyd — who are they? Never heard of them? You might know them by the names they operate under like Service King, Caliber, Gerber and ABRA. In case you haven't been paying attention, companies like Driven Brands (who operate under better known brand names like MAACO and CARSTAR) are also vying for opportunity and market share in regional markets that make up the nation.

According to the Collision Repair Education Foundation's (CREF) annual report, the total number of shops operating in the U.S. has decreased by 12 to 15 percent over the past 15 years. In addition, the number of multiple-shop operations (MSOs) generating annual revenue of more than $20 million grew from 9.1 percent market share in 2006 to 13.4 percent in 2011.

But that trend is moving backward. With so many shops getting acquired by the big boys, the MSO market is dwindling. Smaller privately-owned MSOs are selling, and at a fast pace. For example, the Philadelphia area has seen the three largest MSOs sell to companies like ABRA, Caliber and Service King. Those sales alone represent better than $75 million of collision repair revenue in the Philadelphia and surrounding suburban and Southern New Jersey areas — and it isn't over yet. One executive I interviewed, who asked to remain anonymous, told me that there is a large push for acquisition up through the New Jersey and New York areas by the end of 2016. That's a lot of money and a lot of market share. The East Coast is one of the most consumer dense markets in the country, with New Jersey rated No. 1, which means there are more people per square mile than any other state. Take a look at the map above and see why the push is in the northeast portion of the country.

Consolidation will continue because the industry is still somewhat

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fragmented. There are approximately 30,000 repair shops in the U.S., and about 14,000 repair shops that participate in some sort of DRP program according to a recent presentation by I-CAR. The number of smaller independent operators is shrinking as well due to increasing vehicle complexity and the costs associated with equipment and training. Consolidation will continue, but it will look different than it has in past years.

Continued consolidation — how big is it?

According to the Wall Street Journal, the Blackstone Group acquired Service King. The deal values the Texas-based chain at about $650 million, according to people familiar with the matter. Blackstone plans to continue the expansion that more than tripled Service King's locations under the ownership of Carlyle. With pushes like this and the aggressive acquisition plans slated, large consolidators will be amassing locations that will lead to an inevitable showdown of consolidators consolidating each other.

This will be undoubtedly driven by Wall Street, the stock market and short- and long-term profitability and projections. With roughly 34,000 body shops in the U.S., according to Focus Investment Banking LLC, private-equity firms see plenty of room for more consolidation. Already, Service King grew rapidly following Carlyle's acquisition of a controlling stake in August 2012, adding 130 shops through acquisitions to the 47 it already had. The Richardson, Texas, company's purchases have ranged from two family-owned north Texas shops to Sterling Collision Centers Inc., a 62-shop national chain it bought from insurer Allstate Corp.

As you can see, it has already begun. Two of Service King's biggest competitors are ABRA Auto Body & Glass and Caliber Collision Centers, both of which have roughly doubled their store counts since the start of 2013. ABRA is backed by Palladium Equity Partners LLC, which bought the Brooklyn Park, Minn., company in late 2011.

Consolidators buying consolidators has been very profitable, which helps explain the turnover. Onex Chief Executive Gerald Schwartz told investors that the firm made more than seven times its money when it sold Caliber, based in Lewisville, Texas. Palladium has reported that ABRA paid it a $24 million dividend, or 44 percent of the cash the firm pumped into the company.

A sale could bring the firm's ultimate return to several times its investment. This is big money. Five different private equity groups have owned ABRA since 1997, he said. The current owners are Hellman & Friedman LLC, an international company with $8.9 billion in committed capital overall, according to the firm's website. The four biggest consolidators active in the United States — Boyd, ABRA, Caliber Auto Body and Service King — picked up 317 shops in 2013 and 2014, according to Focus Securities LLC, which tracks automotive industry acquisitions.

Consolidators under the radar

Companies like CARSTAR and Maaco, under the Driven Brands umbrella, are also taking advantage of the push for consolidation. Many shop owners nowadays are either scared, concerned or determined to stay in the business that is so good to them. Notably, a local MSO in the Philadelphia area — 3D — is investing more than $1 million in technology to assist them in achieving superior cycle times with a European infrared paint curing system.

Other more prime single-store collision repair facilities, faced with the threat of consolidation coming to their market, are being courted heavily by the Maacos and CARSTARs that are looking to give a them a competitive advantage in their respective markets. CARSTAR represents an opportunity with brand name recognition with insurers, material and bulk buying pricing and to exercise some leverage should you decide to stay in the game against the larger adversaries. Maaco is also seeing a great potential for opportunity for existing collision repair facilities to convert and remain prosperous.

One Maaco official I spoke to told me that their objective in the market is unique in that they aren't competing with anyone else in the collision repair market; they are competing with Best Buy in a financial sense in that the consumer is going to make a decision to either paint their older car or buy a new TV. Maaco is also very confident on their price point. "We have no competition," I was told. There just isn't a larger company that has come in to compete against them. When I asked if they would welcome the competition, I was told, "Absolutely! It's another purchasing possibility!"

The future of claims

In the 21st century, we are seeing self-driving cars, accident avoidance systems, etc. These systems will likely be standard on most cars in the very near future. Autonomous braking reduced bodily injury liability claim frequency by 14 percent to 32 percent. While the reductions are sizeable, these systems were first introduced on a small number of luxury vehicles.

Consequently, the impact of these systems on the population of all crashes has been limited. Prior Highway Loss Data Institute (HLDI) studies have indicated that some collision avoidance systems are reducing insurance claims. A prior report from HLDI (2012) showed that it typically takes approximately three decades for technologies to spread through the fleet. The current analysis uses similar methodology but focuses on collision avoidance features. To continue reading, go to ABRN.com/consolidators.

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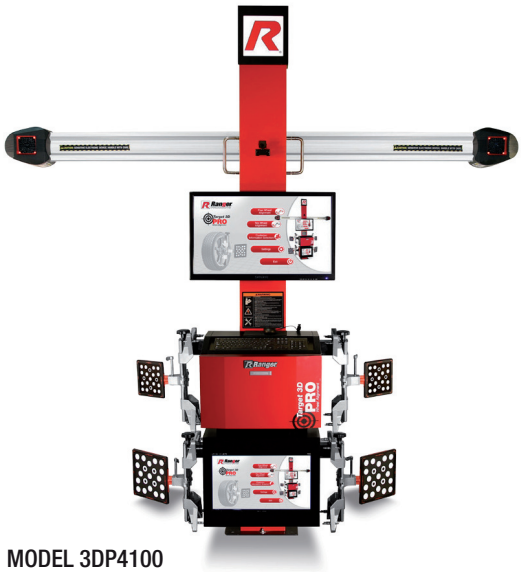

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OPTING OUT OF GROWTH?

Three best (or worst) excuses for not participating in a 20 Group

DAVID BYERS // Contributing Editor

After meeting with hundreds of auto body shop owners and general managers over the past several years, it seems there are some similar reasons why people don't participate in 20 Groups. Some of the primary reasons seem to include:

No. 1: "I don't have time." This one actually breaks down into several sub-excuses. The first is "I'm afraid." Afraid of not knowing my numbers. Afraid my numbers aren't good enough. Afraid other people will ask me questions I can't answer. Afraid I won't want to do what others suggest. Afraid of becoming a business owner rather than a shop owner. The second is "I'm staffed to work in my business, not on my business. These folks, rather than focusing on investing to grow, are just keeping up with paying the bills. Many of these reason are valid, but it's important that we see the forest through the trees and truly understand the long term value 20 groups offer.

No. 2: "It costs too much money." With continued margin compression, on the surface this excuse seems more reasonable. However, you have to really quantify the cost/benefit analysis. One of the best things a good 20 Group can do is help you better manage your margins. So let's say you run a $1 million shop and your current gross profit margin is 40 percent, or $400,000. If you participate in a 20 Group that can help you identify three new strategies that will help you grow your margin by a small 1 percent to 41 percent or $410,000. The average 20 Group can

PHOTO: GETTYIMAGES/DRAGONIMAGES

cost several thousand dollars a year, so that means it's likely that at least some of that 1 percent margin improvement will drop directly to your bottom line. It pays to put this analysis down on paper so that you can actually measure the return you are getting for your investment. Again, investment is the key here.

No. 3: "I did a long time ago." It's easy for all of us to think we've "maxed out our learning." But it's rare to find anyone in this business who doesn't have anything they could do to improve their overall operational or financial performance of their business. And frankly, the longer we are all in this industry, the more we think we know it all. But every time one of us old-timers gets back into a group, they almost never walk away without at least a small handful of new ideas they can try back home. Our industry is changing so rapidly, that getting constant exposure to new, best-of-class practices makes good sense.

Understanding the value

So what do 20 Groups do?

1. Share best practices — It's impossible to keep track of all the new technology, materials, processes and procedures at play in today's collision industry. You need to stay current, and 20 groups are an excellent way to do that.

2. Hold yourself accountable — 20 Groups force you to articulate goals you want to achieve and the process/projects you will need to implement to achieve those goals. If you do this process on your own, it's easy to backtrack and let yourself off the hook. When you lay out your plan to your 20 Group, and then update them at the next meeting, you put yourself on the hook to be accountable for making progress.

3. Leverage the resources of your partners — Many of the major paint suppliers run 20 Groups, and franchise organizations like CARSTAR offer them as part of their overall services. If these partners are already paying part or all of the costs of 20 Groups, use them to your advantage.

4. Make lifelong friends — While this is a tertiary benefit, many of us have seen the deep, personal relationships that form after years of participating together in 20 Groups. The trick here is not to get too tied to a group, as it helps to "mix it up" with different groups so that you get exposure to different ideas all the time.

So the next time you decide to pass on 20 Group participation, rethink whether your best interests and your future are at stake.

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New identity, new growth

Lean principles, standardization help business thrive after merger of two MSOs

BRIAN ALBRIGHT // Contributing Editor

When two collision repair groups merge, creating a consistent brand and consistent processes across the new organization can be a significant challenge. Leadership has to find a way to take the best of both groups and create a new entity while bringing different business cultures together. Sometimes it doesn't work; when it does, the effort can pay big benefits.

That was the case when Pacific Elite Collision Centers was born from the merger of Pacific Collision Centers and Elite Group Collision Centers in 2014.

Mike Salyards and Tim Mullahey founded Elite Collision Centers in 1998 as a single-shop operation in Fullerton, Calif. The company began making small acquisitions in 2002. Pacific Collision owner Steve Vettel cut his teeth in the auto industry working for Chrysler as a dealer auditor. He opened a store in Huntington Beach, and later expanded to six shops.

In 2014, the two companies merged and rebranded the company as Pacific Elite Collision Centers, creating a 14-store company centered around Los Angeles, Orange County and the Inland Empire region.

After the merger, more stores were added, all within a day's commute. They also embarked on a rebranding effort that involved all of the shops standardizing on a single name, color scheme, technology platform and operational processes.

The following year, Pacific Elite named former Sterling Collision Centers executive Robert Benjamin as its new chief operations officer (COO). Benjamin is a Retired U.S. Army Colonel, with nearly 20 years experience in Lean manufacturing principles, which he learned during his tenure as an executive in the aerospace industry. He spent nearly 15 years at Sterling Auto Body, overseeing 63 stores in 14 states.

"We unified all of these individual stores into a team, and our goal is to consistently grow with an operating environment that is scalable and sustainable," Benjamin says of the rebranding effort at Pacific Elite. "We are working hard using Lean practices and Lean thinking to gain that scalable and sustainable performance."

The stores now have identical workflow processes, management tools, blueprinting processes, parts processes and customer service and communication processes. There is also a uniform color palette and uniforms.

PACIFIC ELITE COLLISION CENTERS
Downey, Calif. // www.pacificelite.com

Tim Mullahey, Mike Salyards
Owners

1
No. of states reached

14
No. of shops

CCC, Mitchell
Estimating systems used

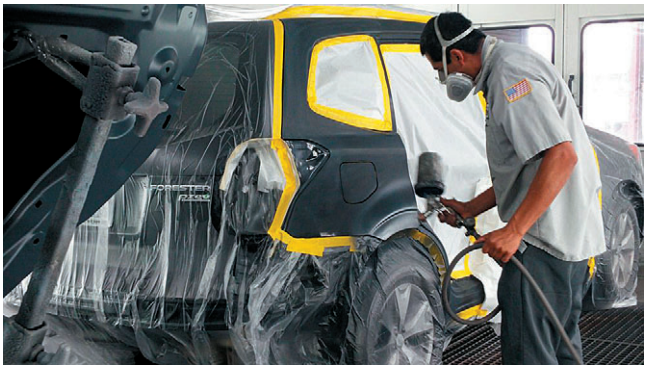
20
Years in business

Economies of scale

The company is also focused on keeping its geographic reach limited. "We want our stores in the Los Angeles and Orange County and Inland Empire footprint, because our owners and principles want to be able to see every person in the stores every day," Benjamin says. "Our owners want to be able to have a presence in the stores and have a great knowledge of their people, locations, tools, and quality. Our DRP partners have a lot of confidence in our leadership, because we are able to be there in the shops every day."

Pacific Elite is in a highly competitive market (there are roughly 3,500 shops in southern California alone), including other MSOs and large consolidators. "We recognize that there are several MSOs in our industry, ranging from small, to mid-size to extra large. Many of these MSOs have a strong brand and good

PHOTOS: PACIFIC ELITE COLLISION CENTERS



product. We consider our footprint to be the size of a mid-size MSO with our focus on providing a caring environment and personal touch to our customers. Combine that with our superior quality and lean approach to reduce cycle time, we feel these attributes are the foundation to our success, " says Gregg Boyd, vice president of Business Relations.

The merger and rebranding brought some much needed clarity to vendor and insurance relationships, as well as the economies of scale, which have helped improved the company's competitive positioning. "It was long overdue," Boyd says. "Some of the vendors did not realize the Pacific Elite stores were all part of the same company, because they were individually named. As we tried to increase our vendor relations, I would call on vendors and they would not associate those stores with us. When we rebranded to Pacific Elite Collision Centers, we became known as that larger company."

Pacific Elite was able to pare its preferred OE vendor list down by 50 percent. "We became a better partner for our vendors, and it was a huge benefit for us and for them," Boyd says.

The insurance carriers had the same perception of the Pacific Elite stores, so the new, larger entity had opportunities to improve those relationships as well. Having a single banner gave the company better leverage in a crowded market. "We emphasized our single point of contact, which made it easier for our insurance partners on communication and delivering on our performance, KPIs, and being a better partner," Boyd says. "We have removed some obstacles and are now able to produce a more consistent product since we standardized our process throughout the organization."

"Once they saw the value of our leadership team, the consolidation of the stores and rebranding, and the standardization that occurred, it went a long way to developing better DRP relationships," Benjamin adds.

Attracting, developing top employees

Corporate operations are centralized at the company's Downey, Calif., location, including human resources, accounting, finance, sales and marketing. The company has also launched a new centralized call center at that location, a function that was developed over the past year.

There are two regional managers, one for the Orange County and Inland Empire stores and one for the Los Angeles stores. Store managers report to the regional managers.

When there are vacancies to fill at the shops, Benjamin says the company has an aggressive online recruiting tool, augmented by the central human resources staff. "Finding good, talented people is a challenge, but we have a good reputation in the market. That makes it easier to attract those people," Benjamin says.

"We also have a lot of technicians reaching out to us because of our reputation," Boyd adds.

The company also promotes from within, making it possible for employees to move up in the ranks as the company expands and new positions open up.

"As our senior estimators develop and gain more responsibility in the stores, this provides us an opportunity to promote from within and transition these exemplary employees into a general manager role," Boyd says.

In fact, Benjamin says that two senior estimators were recently promoted that way. Both regional managers are also former general managers. "We like to promote from within," Benjamin says. "We are very loyal to our employees, and they are proud to be part of an organization that puts value on that type of loyalty."

"That's one of our guiding principles," Boyd adds. "We're trying to build that loyalty by creating a great work environment, and that's where we gain our momentum."

Eliminating waste

Benjamin has leveraged his background in auto body, the military, and in implementing Lean principles to help further improve operations since he joined the company. General managers meet once a month for a training and development day, and to develop ways to solve any problems they've encountered and share best practices.

"We've seen a very good turn in productivity and throughput, as well as quality and service, because of our focus on Lean value and the ability to come together monthly and develop those store leadership teams," Benjamin says.

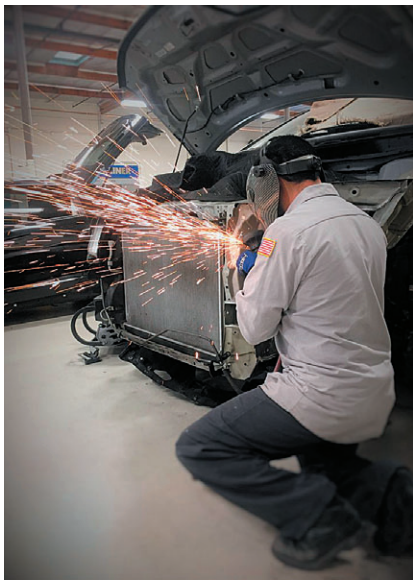
Regional managers also have weekly problem solving meetings. "They are focused on fixing problems, and keeping those problems from coming back," Benjamin says.

The company's vision for implementing Lean principles is focused on growing the company through outstanding service and process development. "We want to have good, quality product every time, but we do that through process development," Benjamin says. "We've developed our people, taught them about customer value and how to eliminate waste, as well as fix problems. We ruthlessly pursue the elimination of waste."

The company can load level fairly easily because of the close geographic clustering of the stores, although those efforts are typically guided by customer and insurance DRP demands. The call center has also helped keep the workload balanced.

"We aren't just load leveling between stores, but also leveling the daily work load," Benjamin says. "We've been able to avoid that trap of having 90 percent of the work come in on Monday and go out on Friday. By leveling the load throughout the week, we can give great customer service and meet more customer demand."

The company has implemented a proprietary software tool that lets the call center staff see the capacity and inventory at each store, and then assign jobs accordingly. "We can see where the capacity lies based on appointments and anticipated walk-in traffic," Boyd says. "That helps us understand where the best opportunities are."



Pacific Elite uses both CCC and Mitchell estimating systems, and also uses CCC for store operations and workflow management.

"Scheduling isn't a constraint; it's an opportunity to get more work in each week by getting the right work to the right place at the right time," Benjamin says. "We are able to manage and increase our capacity, because we are handling the scheduling the right way."

More growth to come

The company expects to keep growing, and Benjamin says they are evaluating several possible acquisitions, as well as greenfield/brownfield opportunities for new shops.

When Pacific Elite acquires a new shop, the company's training team works with the new location to onboard them to the current processes and technology solutions. That process generally takes 30 days. The store is added to the preferred vendor list, and the company makes sure the employees are up to date on their I-CAR training. "It's a robust approach from office staffing, production, training, and visual branding," Boyd says. "It's a busy 30 days of conversion."

That standardization and training is really the biggest challenge Benjamin sees in managing multiple stores. "We want to be scalable and sustainable in everything we do, so we want to be able to learn good lessons and roll out best practices," Benjamin says. "Even though we have a relatively small geographic footprint, standardizing the work across 14 stores while trying to run at a high capacity is always a challenge."

Technician development is also going to be a challenge for the entire industry, he adds. "We've partnered with some local technical schools and with the Collision Repair Education Foundation (CREF), and we're developing an apprentice training program to bring new talent on board," Benjamin says. "I feel confident that we have great leaders and facilities and equipment, but it's always a challenge to find that next great technician who can focus on customer quality and service with us."

BRIAN ALBRIGHT is a freelance journalist based in Columbus, Ohio, 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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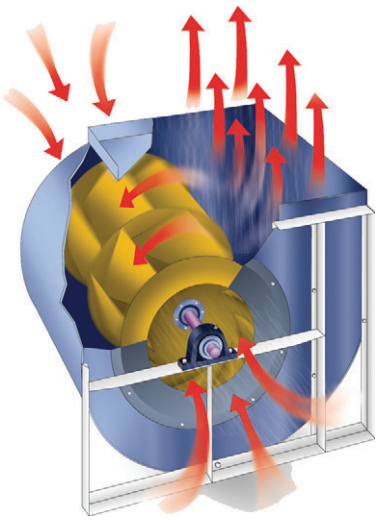

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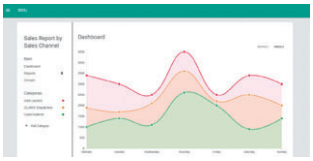

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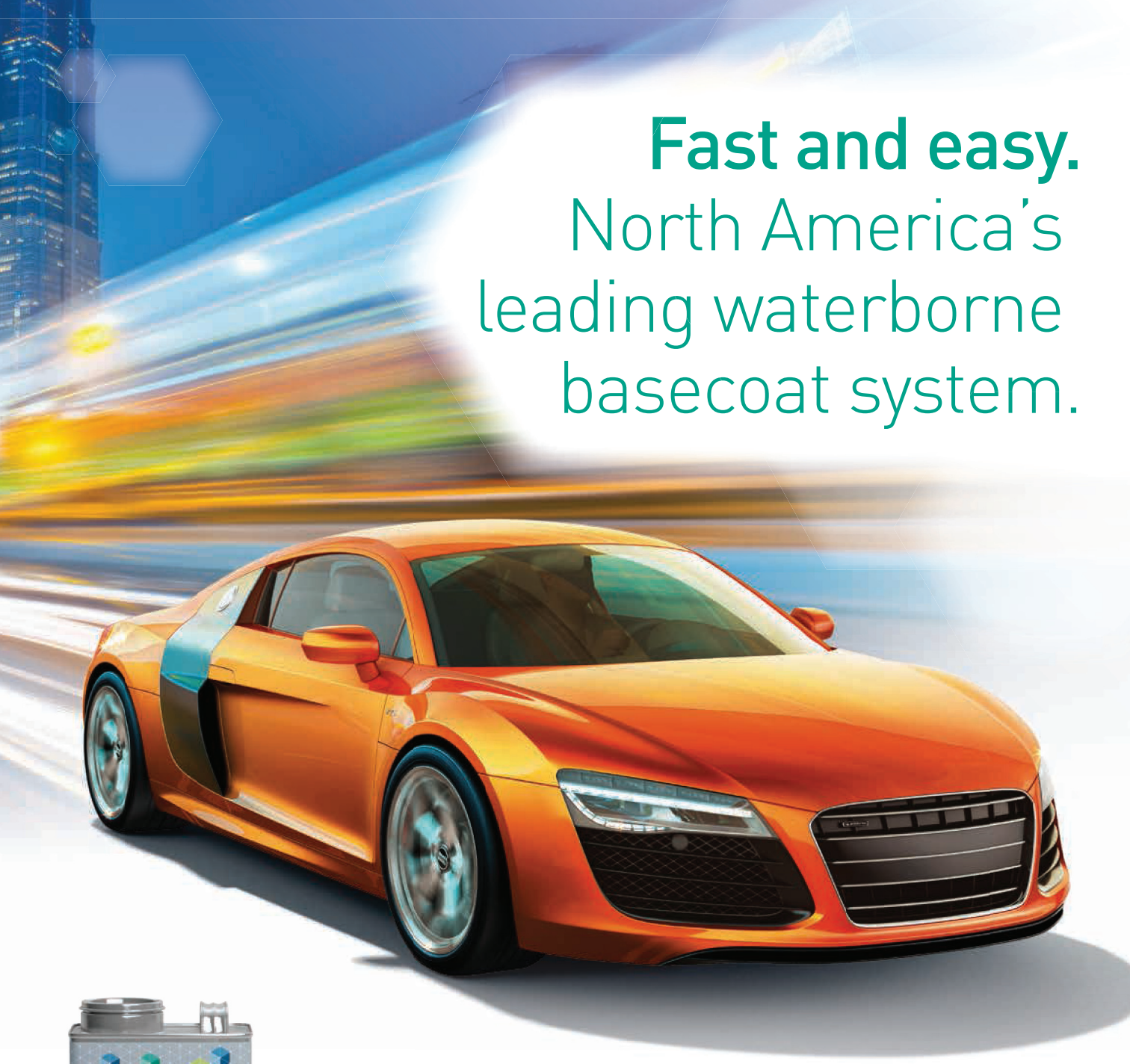

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