TRUE2FORM®
Collision Repair Centers

The Movement Toward Comprehensive Repair Services: The Shop Owner’s Dilemma

Equipment Tool Institute
ToolTech 2010

Sizing Up the Market

- **Current model:**

  Mechanical = 1.5% of Sales

  Other/Sublet = 3.3% of Sales

  Total Opportunity ≈ 5.0% of Revenues
- \$1M Shop = \$50K/year ≈ \$4K/month
- \$2M Shop = \$100K/year ≈ \$8K/month
- \$3 M Shop = \$150K/year ≈ \$12K/month

“Collision repair mkt. in a period of transformation”

- 2009 ABRN Survey suggested that:
  - **Mechanical 52.5% (repairers surveyed would now offer mechanical repairs**
  - PDR 50.7%
  - Glass 46%
  - Customer painting 43%
  - Detailing 42.3%
  - Rental Vehicles 18.6%

Benefits of In-sourcing

- Added revenue
- Quality control
- Reduced rental exp
- Improved CSI - convenience - one stop shop
- Improved carrier relationships – less sublet
- Managed repair cost – faster, cheaper, better
- Reduced shop expense (overhead)
- Reduced indemnity

Challenges

- Equipment cost – with limited financing
- Limited shop opportunity – 5% op today
- Body vs. mechanical rate differential
- Specialized training and access to repair procedures
- OEM controls – software - cradle to grave
- Quality controls

Why It Can Work for MSO’s

- Improved revenues
- Mobility – moving mechanic to vehicle
- Triage – right car in the right shop
- Improve customer relationship
- Leverage current sales force
- Improved CSI
- Improved carrier relationships

Conclusion

- Challenge for average size single shop
- Can work for MSO or very large single
- Can be perceived as value add to the customer
- Drive added revenue
- Lower cost to the carrier
- Improve time to delivery - faster
- Major investment in tools, equip, training

Thank You

Questions???

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