



# The OEM Viewpoint

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**Toyota Motor Sales USA, Inc.**



## *U.S. Collision Repair Overview*

- There are estimated to be 45,000 collision repair shops in the U.S. according to the yellow pages.
- 1 in every 10 vehicles on the U.S. roads are involved in a collision each year.
- The average accident in 2009 cost \$2,300 to repair making collision repair a multi Billion \$\$ a year business.
- The number of U.S. collision centers has declined nearly 10% in the past 10 years.
- Dealership collision centers represent less than 16% of the total but capture nearly 25% of all collision repairs.



# OEMs and the Collision Repair Industry

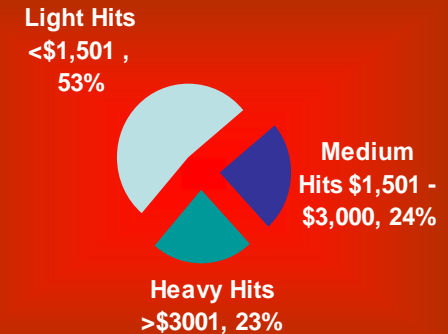
OEM	#UIO	Est. # Coll. Per Year	Est. Coll. \$ Labor	Est. Coll. \$ Parts Sales	# Dirs	# Collision Centers	Mfr. Cert. Program
GM	79,517,569	6,361,406	\$7,315,616,348	\$5,852,493,078	5100	2100	No
Ford	42,421,697	3,393,736	\$3,902,796,124	\$3,122,236,899	4200	1529	Yes
Chrysler	31,386,786	2,510,943	\$2,887,584,312	\$2,310,067,450	2294	795	Under Study
Honda	17,442,625	1,395,410	\$1,604,721,500	\$1,283,777,200	1300	483	Yes
Toyota	24,473,101	1,957,848	\$2,212,368,330	\$1,769,894,664	1235	454	Yes
Nissan	11,624,963	929,997	\$1,069,496,596	\$855,597,277	1105	253	Pilot
Hyundai	3,242,296	259,384	\$298,291,232	\$238,632,986	794	101	No
Volkswagen	3,592,396	287,392	\$330,500,432	\$264,400,346	585	137	Under Study
Volvo	1,953,015	156,241	\$179,677,380	\$143,741,904	322	67	Yes
Porsche	426,077	34,086	\$39,199,084	\$31,359,267	202	80	Yes





# Toyota Collision repair in the U.S.

- Over 1.6 million Toyota vehicles require body/paint service annually.
- \$3.9 billion spent on body/paint repairs to Toyota vehicles in 2009 (based on average total RO of \$2,260).
- Of the \$3.9 billion spent annually repairing Toyota vehicles over \$1.7 billion are for Parts.
- Toyota dealers represent only 1% of the collision centers nationwide, however, they complete approximately 13.1% of all U.S. Toyota collision repairs.





## The Toyota Strategy - Three Phases

- Phase I – Collision Center Certification Program (Launched 1996).
  - Establish Toyota standards & tool requirements for a Collision Center.
  - Offer comprehensive support to assist Collision Centers in Meeting Toyota standards.
  - Market Toyota Certified Collision Centers to insurance companies and retail customers.
  - Lexus LCCC (Launched 2005).
  - Developed on time repair TPS strategy for collision (Launched 2003 /Re-launch 2010)
- Phase II - New Body Shop Development. (Launched 2006)
  - Develop Collision Center ROI package to promote dealer investment in the collision repair business.
  - Develop comprehensive “turn-key” development information and support package.
- Phase III - Affiliated Independent Body Shops. (TBD).
  - Expand support and authorization to select independent body shops who support Toyota dealerships and customers.



## Why are OEM Collision Centers the best option?

OEM Collision Centers have:

- Engineering knowledge of each make/model
- Complete factory technical information
- Factory trained technicians
- Modern facilities & equipment
- Loyalty to OEM parts
- Factory backed warranties
- Focus on customer satisfaction and retention
- Shop certification programs to support continuous improvement





## *1997 E.T.I. Annual Meeting*

### “The Collision Repair Center of the Future”

- Thursday November 13, 1997



National Dealer Support and  
Body Shop Development Mgr.



## One OEM's View of the Future

- Increased focus on Customer Satisfaction/Retention as market differentiator
- “Smart” parts ordering and Delivery Due Dates for part orders
- Expanded OEM/Insurance Company Partnerships
- Extensive On-Board Vehicle Diagnostics
- Expanded cycle time reduction strategies
  - TPS
  - Lean
  - Process Centered Environment
  - Six Sigma
  - DCR Systems







*The End*



## *TCCC Standards*

- I. Business Practices
- II. Customer Satisfaction
- III. Financial Performance
- IV. Management Practices
- V. Marketing Strategies
- VI. Production Processes
- VII. Training / Certification
- VIII. Facility
- IX. Tools / Equipment
- X. Safety / Environmental

## TCCC Tools & Equipment Requirements

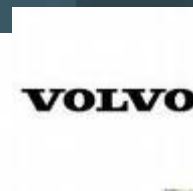
- - Frame / Uni-body Alignment Bench
- - Porto-Power Set (4 Ton)
- - Body Dimensioning System (Capable of Simultaneous 3-Dimensional Measurement, Accurate to  $\pm 1.0$  MM or Better)
- - 4-Wheel Alignment Capabilities
- - Tire Changing and Balancing Capabilities
- - Pressure-Feed Corrosion Protection Applicator
- - Painters Supplied Air Respirator System (With Full Face Mask & Painter Suits)
- - High Volume Air Compressor
- -MIG / GMAW Welder (220 Volt Minimum 180 Amp Output)
- - R12 & R134 Refrigerant Recovery / Recycling Capability
- - Flammable Liquid Storage Cabinet
- - Squeeze-Type Resistance Spot Welder
- - Computerized Paint Mixing & Formula Retrieval System
- - Refrigerant, Desiccant, or Membrane Compressed Air Filtration / Drying Unit
- - Down Draft Paint Spray Booth





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Ford	42,421,697	3,393,736	\$3,902,796,124	\$3,122,236,899	4800	1680	Yes
Chrysler	31,386,786	2,510,943	\$2,887,584,312	\$2,310,067,450	2200	770	Under Study
Honda	17,442,625	1,395,410	\$1,604,721,500	\$1,283,777,200	1029	460	Yes
Toyota	24,473,101	1,957,848	\$2,212,368,330	\$1,769,894,664	1235	454	Yes
Nissan	11,624,963	929,997	\$1,069,496,596	\$855,597,277	800	360	Pilot
Hyundai	3,242,296	259,384	\$298,291,232	\$238,632,986	794	355	No
Volkswagen	3,592,396	287,392	\$330,500,432	\$264,400,346	582	230	Under Study
Volvo	1,953,015	156,241	\$179,677,380	\$143,741,904	330	132	Yes
Porsche	426,077	34,086	\$39,199,084	\$31,359,267	202	80	Yes





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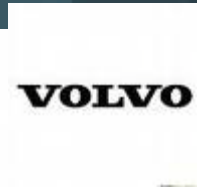
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