The Collision Industry Needs OE Repair Information as Never Before

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State of the collision industry today
In an industry where demand is two-thirds of supply,¹ where relations with insurers are challenging, and where technology is playing an ever-increasing role, collision repair shops must step up their game in order to stay in business.

The state of the collision industry and its future was the focus of a round table discussion at the 2009 International Autobody Congress & Exposition (NACE). The discussion was led by Jason Stahl, Editor of BodyShop Business magazine (a Babcox publication). Participating were collision industry professionals. Many of the conclusions presented here were derived from that exchange of ideas.

In a challenging economy, consumers are filing fewer claims for fear of higher insurance rates, and those who file claims are likely to use the money for other expenses if the vehicle is drivable. Consequently, collision shops are finding themselves with fewer jobs coming through their doors, and that means fewer employees; only 2.9% of U.S. shops are looking to hire new technicians in 2009.² In fact, collision shops are making cuts wherever they can.

Taking care of business
In addition to all the decisions that go into repairing a vehicle, collision shop owners and managers have to make difficult business decisions every day. They are looking for greater efficiencies and ways to maintain high levels of safety, while reducing liability on completed repairs. This means that everyone, from estimators to technicians needs tools to streamline their jobs and to ease the process from front to back. No longer can this industry function as it has in the past.

Without collision shops’ adaptation to the market, Collision Week Research projects collision shop demographics in 2020.³

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Based on new data, shop owners are facing major decisions about how to increase efficiencies and how to respond to market changes. Is employing lean processes and streamlining operations the solution? Is becoming more diversified the answer, or will it be a pitfall for the industry, risking the quality and efficiency of the core business? In a survey by BodyShop Business, only 18% of all shops specialize in particular models, meaning that 82% of collision shops are now taking any job they can get. BodyShop Business also offers this suggestion for survival, “…to increase added sales, create a list of things or services you can offer for sale in addition to the loss. Items such as an upgraded detail, oil and filter changes, alarms and alignments can frequently be sold directly to the customer, in addition to the loss.”

The real question is, while this all gets sorted out, what can provide the collision industry some relief?

**OE information and the role it can play**

Original Equipment (OE) information is essential to a repair shop’s productivity, customer relations, safety, and ultimately, its profitability. OE, refers to motor vehicle equipment installed on a vehicle when it is delivered to the first purchaser. The manufacturer is the authority for repairing a vehicle to a safe condition.

When it comes to repairing collision damage, OE information is generally recognized as the most reliable and accurate source for specifications, procedures and diagrams.

Back when automotive systems were purely mechanical and materials were uniform between models, repairs were much more straightforward. Components were similar from manufacturer to manufacturer and relatively easy to repair or replace. Even in the “old days,” OE manuals expedited the process, with a corresponding increase in productivity and profitability. Times have certainly changed. Evolving new technologies include: ultra high strength steels and other new materials, power sources (hybrids, electric), monitoring systems, anti-theft devices, supplemental restraint systems, and many more. Today, there is a significant need for systems and technologies to assist in making repairs that meet manufacturers’ specifications. The safety of vehicle owners and their families is at stake.

“Today’s car is outfitted with more than 50 computers, making it 1,000 times more complex than the Apollo 11 that went to the moon.”

Even structural materials and lighting systems have changed, and repairing a damaged vehicle in a cost-effective manner requires new skills and accurate information. Whether collision shops expand their services or they focus on their core business, OE information is critical to ensure repairs are done accurately and efficiently, directly affecting a shop’s bottom line.
What the industry is saying….

“With the variety of construction designs and materials being used on today’s vehicles, having the vehicle maker’s collision repair information is an essential tool for achieving a complete and safe repair. Vehicle-specific service information is also vital to protecting technicians when working around high voltage systems and provides important information designed to protect sensitive electronic systems on late-model cars, trucks, and SUVs.”

Jason Bartanen
I-CAR Technical Director

“With all the new technology the OEMs have incorporated into their models and platforms, it was becoming more and more difficult for our team to quickly locate all needed and required repair information. Now more than ever repairers need to look at all the OE repair information to know and understand the intended repair method. This is critical especially when performing structural repairs or replacement.”

Barry Dorn
Owner, Dorn’s Body & Paint
Chairman, Society of Collision Repair Specialists (SCRS)

“When a vehicle is damaged as a result of a collision or other physical act, we as an industry, must do our very best to return that vehicle to a condition that meets the original equipment manufacturer’s specifications for fit, finish, integrity and safety. We must follow the manufacturers’ recommendations as the manufacturers have designed, tested and reviewed the results of crash tests to ensure a safe and durable repair.”

Jeff Patti
Amica - Dallas Regional Office -- Regional APD Manager
Chair CIC Standards Committee

Having reliable OE information for all makes and models in one place can increase efficiency, keeping the technician focused on the job instead of searching for the information or inaccurately performing the repair procedure.

At a time when there are many unknowns, OE information is a key driver of success for the collision industry. It takes the guesswork out of a specific repair, giving the collision team a sense of confidence that the vehicle won’t return due to an inaccurate repair. This is critical because 75% of all collision shops in the U.S. are family-owned operations. Depending on how a family business is legally structured, liability may be more of a concern than it might be for large collision firms with multiple locations and greater resources. Certainly, the reputation of a small family-owned shop is more likely to affect revenue than that of a large multi-shop location.

Is OE repair information a requirement for success?

Vehicles today are computers on wheels. Skilled technicians must comprehend complicated electronic systems, in addition to understanding newly engineered structural components. A repair shop without access to OE information is at a decided disadvantage versus shops that understand the value of OE data.

Example: Vehicle-specific OE procedures are necessary to reset Tire Pressure Monitoring Systems. Procedures vary widely, and time and money can be lost searching for correct information.
Technical skills, training, and experience are still key components for successfully working on current vehicles. But that’s not enough anymore. OE information is required to safely, effectively and efficiently repair today’s complex vehicles. Engineering advances and increased liability leave no room for guesswork. “Taking a stab at it” has gone the way of the chrome bumper; either you have the information you need or you don’t.

In 2004, Ms. Lynne Cardwell, CEO of Car Care Center in Sacramento, California, testified before a congressional subcommittee on behalf of several automotive repair associations, stating, “…we absolutely cannot survive without complete and consistent service information.” Although she was speaking on the importance of manufacturers’ information to the small mechanical repair shop, the message is appropriate for collision shops as well, especially for those shops expanding into the repair market.

Ms. Cardwell’s testimony continued, “But times have really changed for us in the auto service industry. …what we are needing so desperately on a consistent basis is the electronically transmitted repair information, and that has become our most important tool. And if we cannot get that, it is not an overstatement to say that we are out of business.”

**Conclusion**

Technology and the competitive nature of today’s collision repair industry require that collision shops must be efficient, business savvy, and have a well-trained staff. In an economy in which the industry is trying to determine its next move, OE information is absolutely a critical requirement for success. It is not just a “nice to have;” it is a necessity for all shop owners who are considering the future of their businesses and want to remain competitive for the long run. OE information is the key to technical accuracy, vehicle safety, job efficiencies throughout the shop, liability protection and, most importantly, increased profitability. If the collision repair industry continues to shrink as predicted, having the right tools of the trade will become essential for survival… and OE information is at the center of that toolset.

**Sources**

6. Title 49, United States Code, Subtitle VI., Part A. General, Chapter 301. Motor Vehicle Safety, Subchapter I. § 30102. (b) (1) (C)

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