



Tips for Busy Body Shops

with Stacey Phillips

Stacey Phillips is a freelance writer and editor for the automotive industry. She has 20 years of experience writing for a variety of publications, and is co-author of "The Secrets of America's Greatest Body Shops." She can be reached at sphillips.autobodynews@gmail.com.

10 Simple Steps to Collision Repair Success From VECO Experts

Collision repair facilities can typically increase profits by raising prices and/or working to become more efficient, according to **Mark Olson**, CEO of VECO Experts (Vehicle Collision Experts, LLC).

"Raising your prices can sometimes be difficult," said Olson. "There are a number of ways to achieve efficiency in your body shop and have a predictable high-quality repair outcome."

VECO Experts provides onsite assessments and repair inspections at body shops across the country to ensure manufacturers' processes and materials are followed.

Olson shared 10 steps to provide quality collision repairs as part of **Dave Luehr's** Elite Body Shop Solutions webinar held in April. Luehr, the founder of Elite Body Shop Solutions, hosts monthly webinars to help collision repair shops reach their business goals and achieve their true personal potential.

Olson's "10 simple steps to collision repair success:"

1. Pre-health check scan (post and electronic reset /calibration) on every car

2. Procedures at time of estimate

Olson stressed the importance of knowing as much as possible about a vehicle prior to the repair and including the information on the original estimate. He recommended accessing repair information from the I-CAR Repairability Technical Support Portal (<https://rts.i-car.com/>); information providers, such as ALLDATA and Mitchell; OEM 1 STOP (www.oem1stop.com) and position statements from the car manufacturers.

3. Procedures given to technician or sublet vendor during the final repair plan meeting before beginning repairs

4. Procedures followed

"This is where the disconnect often comes in," said Olson. "We have to follow the procedures, and this requires a culture shift."

He used the example of technicians welding.

"Even great techs will say, 'I took 20 welds out; I'm going to put 20 back in.' Well, sometimes they are going to want 30 back in or a slot weld or a MIG braze," he said. "We may repair the vehicle differently than it was built originally."



Mark Olson

When repairers tell Olson that they have been doing it a certain way for more than 30 years, his response is that if you want

to repair cars with 30-year-old technology, work on cars that are 30 years old. He recommends looking closely at the following procedures: weld count, electronic reset, corrosion protection, sectioning locations, parts removal/location, etc.

5. Proper welds

In addition to ensuring shops are utilizing the proper welding equipment, Olson suggests doing a test weld and destroy every time.

"This is not new—I-CAR has been saying this and teaching this since the 1980s and it is in accordance with American Welding Society (AWS) standards," he said.

6. Proper corrosion protection

Olson advises shops to be aware of how much cavity wax they are buying.

"If you aren't buying a can a week per technician, you're probably not properly corrosion protecting," he said. "If you don't corrosion protect it, whatever work you do is likely not going to last."

7. Proper use of quality control (QC) sheet

Although the majority of body shops use a QC sheet of some kind, Olson

said they are often not used correctly.

"It's either being 'pencil whipped,' meaning you put it [the QC sheet] on a car and at the end of the job, the detailer checks every box, or it is in the paint department not filled out yet, but miraculously at the end of the job it is," said Olson. "That's not a quality control system; that's a pencil whip form. You might as well not even have it because what you are teaching your techs to do is just fill in the boxes."

8. Proper refinish

When doing a repair, Olson pointed out the importance of a proper refinish.

"The color has to match the exterior as well as the underhood," he explained.

This means the vehicle needs to look the same as it did before, rather

than painting the underhood color the same as the exterior. He also said to pay close attention to the texture, back sides and gravel guard.

9. Proper use of intake (check-in) SOP

"The proper use of an intake check-in SOP is to fill out every blank every time," said Olson. "If you have a box on the form that you aren't going to use, take it off the form."

A free check-in form can be obtained by emailing info@elitebodyshopsolutions.com with the subject line "Request Check-in Form."

10. Proper vehicle protection

Are the vehicle's windows rolled up or the openings covered? Are fluid lines capped and pigtailed covered? These are just some of the items

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Olson said to be aware of in regard to proper vehicle protection.

Risks to Avoid

Every month, VECO Experts visits body shops throughout the United States to help them find their weak spots and elevate their operations. Part of this includes addressing the 10 steps to quality collision repair. Those that have been completed the way they were designed are marked green, the ones partially done are marked yellow and red is for tasks not being addressed at all.

“When you look at these 10 checkpoints, you can see very quickly what the scope of your shop is,” he said. “The goal is to get all of these green, [indicating they’re] appropriate.”

He highlighted the “Big Rocks” he notices in shops—those things he considers high risk to their companies.

“These are the things that could possibly put you out of business,” he said.

They include not using the quality control sheet as designed, 200 amp welders not being used when appropriate and neglecting to review and follow OEM procedures. Olson recommends reviewing all of the information relevant to the vehicle with the technicians and manager, having them sign it, then taping it to the car and taking a photo.

“Accountability will go way up with that very simple step, and that way you know it happened,” he said.

Another high risk for body shops is not using enough cavity wax.

“Every technician—if doing heavy structural repairs—should be using at least a can a week of cavity wax,” said Olson. “What we find is that they might buy two or three cans a month or they might buy one can per quarter. That’s clearly not enough.”

Olson said many shops do not understand the importance of doing a test weld and destroy. He suggested documenting this test every time in the file in case the information is needed later. In addition, he reminded participants on the call to ensure equipment is properly maintained and operable.

“Equipment that is not being maintained properly definitely cuts into your profitability,” he said.

Also, he talked about buying a new set of welder tips to be used on a squeeze-type resistance spot welder for every single major collision repair that is done in the shop, and then including the cost on the invoice. Afterward, the tips can be given to the customer or saved so the copper can be traded in later and the shop can buy the technicians lunch with the money.

Some of the “Medium Rocks” he notices in shops are risks that are customer service-oriented and may or may not affect the body shop.

These include check-in sheets not being completed, electronic files not being fully documented and frame measurements not being completed.

In some shops, Olson has noticed copper weld-through primer being used instead of zinc.

“No manufacturer recommends copper,” he said. “It should not be in your shop under any circumstance because no manufacturer recommends it.”

In addition, he said epoxy primer is often not present or it is used incorrectly, vehicle protection is not complete and painting is done under urethane set glass. The other medium-risk item he mentioned is having self-etch primer in the body department.

“Many technicians use it under seam sealer or body sheets, and it doesn’t belong there,” he said.

Is your company embezzling from you?

During the webinar, Olson also talked to attendees about their business process and how to avoid the net profit being negatively affected.

He then explained the “Canary in the Coalmine” principle.

“A Canary in the Coalmine is an advanced warning of some danger,” Olson explained. “The metaphor originates from the times when miners used to carry caged canaries while at work; if there was any methane or carbon monoxide in the mine, the canary would die before the levels of gas reached those hazardous to humans.”

In this case, Olson said the canaries are the problems in your shop that can affect profitability.

10 “Canaries” to look out for:

1) Come-back rate

This is when a car comes back to your shop for any reason to have something repaired, even if it is parked outside and a customer notices something before driving away.

“For shops that properly track this, the average we find is 20 percent come back,” said Olson. “We haven’t found one below 10 percent.”

He said the minimum average cost of come-backs is \$400–\$500 per vehicle.

“If you take the number of cars you repair every month and 20 percent on average are coming back, multiply this by \$400–\$500 to calculate what is being embezzled from your company,” said Olson. “Track it for 30 days and it will blow your mind. Sometimes it’s unavoidable, but the exception is not the rule.”

2) Internal come-back rate between departments

Olson said the internal come-back rate can also cost a shop more than \$400–\$500 per vehicle. He mentioned three different types.

The first is when a technician re-

ceives a vehicle from another department, notices something that needs to be repaired and does the work himself/herself.

“That technician is going to lose 10–15 minutes of productivity and you’re going to spend more on materials,” said Olson. “If that technician is a 200 percent effective tech, you just lost 20–30 minutes of production from your shop.”

A second type is when a technician receives a vehicle and brings another employee over to repair something.

“Now you have two technicians wasting time,” said Olson.

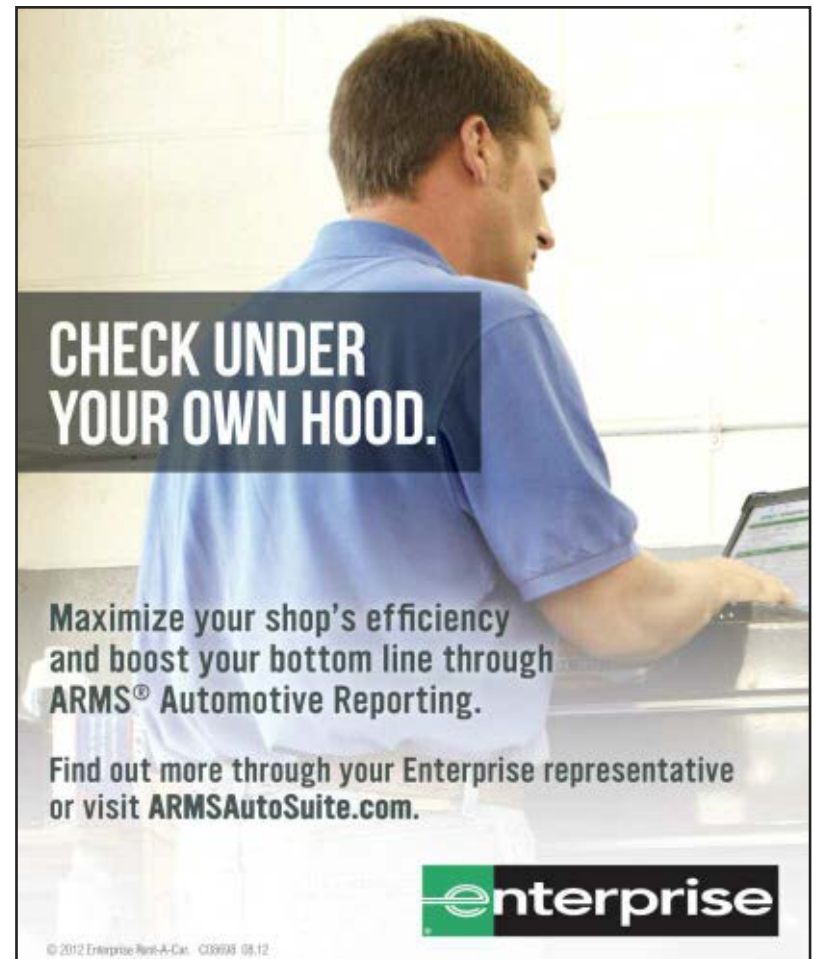
The third is when a technician receives a vehicle and sends it back to a prior department.

“If you track that, you’ll be shocked at how much inefficiency you have,” he said.

3) Average start-stop rate

This is when a vehicle comes in and the work has to stop for some reason. That might be due to parts not being available or another car becoming a

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Oldest Body Shops in America: Sirl's Automotive

by Gary Ledoux

From November 2017 to February 2018, *Autobody News* ran an ad looking for the oldest continuously operated body shops in America.



Sirl's Automotive is documented as being the third-oldest towing company in the United States

The oldest was *George V. Arth and Son* in Oakland, CA, founded in 1877 and still going strong. However, we received information from a number of other long-running businesses, several of which will be featured in this column over the next few months.

Sirl's Automotive

It was 1914. Ford Motor Company initiated the eight-hour work day. A worker on Ford's assembly line made

a minimum of \$5 per day—good wages and hours in those times. **Babe Ruth** made his debut with the Boston Red Sox and WWI was under way in Europe.

On August 14, 1914, **Michael Sirl** started Sirl Automotive at 7541 York Rd., Parma, OH. Like many "transportation businesses" at that time, Sirl's started out as a blacksmith shop shoeing horses and mending farm equipment. Before long, "horseless carriages" started appearing on Ohio's muddy roads. Michael became curious and bought one.



Dale is the third-generation owner. Dale's sons, Dale Jr. and Gary, are currently working at the business, looking at taking over as the fourth-generation to own Sirl's



Sirl's Automotive is currently a full mechanical and collision repair shop, along with 24-hour towing service. Sirl's Automotive has ranked on the Towman 500 "Most Experienced Towmen in America."

Like other blacksmiths of his time, he could see that change was coming. He knew automobiles would be the next wave of personal transportation, and he could see that the blacksmith trade was disappearing. He knew he had to turn to repairing automobiles. Michael's son, **Ralph**, joined him in the auto repair business.

At one point, Michael decided to build trailer hitches for the new motorized vehicles. It was not uncommon for service garages to have

other "side lines" of work. In one season in 1939, he built 80 to 100 trailer hitches. His fame at this type of manufacturing spread over northern Ohio.

Eventually, Ralph's son, **Dale**, also joined in the family business and has been the owner since the mid-1960s. While running the business, Dale was also a vocational automotive school teacher for Valley Forge High School, in Parma, OH. Some of his students are still working for Dale in the body shop, mechanical and towing department.

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priority. Olson advises shops to look at how many times technicians stop during a repair.

4) Supplement number record

"If there are one or two supplements, it's not a real big deal," said Olson. "Every time you find more damage or change the repair, that is a change that hurts productivity."

However, he often says shops have eight to 12 supplements.

"That's killing productivity," he said. "All you have to do is track it. If you can't measure it, you can't fix it."

5) Are SOPs used the way they are designed?

6) If you are using SOPs the way they are designed, do they work?

7) Gross profit/net/expense percentage

Olson said it's very important to a

shop's success to understand these three basic principles—gross profit, net and expense percentage.

8) Days to repair (keys to keys)

Keys to keys is the total amount of time the car is at the shop—from the time it is dropped off until it is picked up.

"A lot of people call this cycle time, but it's not," said Olson. "It's how long the car is there. A car might be there for a week before it is touched."

9) Cycle time or touch time

This includes the time the vehicle enters production through the day it is ready for delivery.

10) Safety

Olson asked webinar attendees how many of their technicians wear safety glasses in the shop.

"You can talk about safety all you want, but you need to demonstrate it in your shop," he said. In addition to wearing safety glasses, he

said safety includes a Material Safety Data Sheet (MSDS), training plans, safety meetings and respirators.

"People have different concerns in the shop and every business runs a little differently," said Olson.

Rather than trying to focus on changing everything, he recommends picking one or two items and working with technicians to address them to be successful.

"Take it one step at a time," he said. "Everything has to go in a process. You can't do it all at once."

To watch a replay of this webinar, visit <https://attendee.gotowebinar.com/register/7978064457470349825>. All registered attendees will automatically be notified of upcoming Elite Educational Webinars held each month.

For more information about Elite Body Shop Solutions and to sign up for the next monthly webinar, email info@elitebodyshopsolutions.com.

For more information about VECO Experts, LLC and the 10 steps to quality collision repair, call Mark Olson at 206-771-2111.

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