

Canadian Collision Repair Industry

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Canadian Collision Industry Forum

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Issues

1. People

- Management Skills
- Attracting
- Retaining
- Training
- Pay & Benefits

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Issues

2. Profitability

- Lower margins – Parts % Rising
- Labor Costs outstripping rates
- Need to increase volume

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Issues

3. Insurer Programs

- Procurement
- DRPs – Performance-based
- Inconsistent Programs
- Volume Incentives – Fewer shops
- No longer relation-based...now data-based

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Issues

4. Management Systems

- Inconsistency, e.g rate capping
- Lack of understanding of fundamentals by both insurers and collision repairers

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Issues

5. Technology

- New Vehicle
- Right to Repair
- Repair Products, equipment, training

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Issues

6. Environment

- Compliance
- Cost
- Training

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Emerging Priorities

1. Vehicle Technology –Right to Repair
2. Insurer Programs
3. Environment – VOC Regulations
4. National Accreditation

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What's being done to address these?

1. Vehicle Technology –Right to Repair

- **Alliance of trade associations raising awareness at shop level**
- **Lobbying Federal Govt. to legislate**

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What's being done to address these?

2. Insurer Programs

- Promote open discussion and provide information through CCIF
- Aim for harmony between insurer performance-based programs and industry's national accreditation initiative

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What's being done to address these?

3. National Accreditation

- Training data base will launch with 200 shops registering (10% of target)
- Committee working on criteria
- Must be compatible with provincial programs

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What's being done to address these?

4. VOC regulations – key points

- Consistent with 2005 CARB Suggested Control Measure for Automotive Coatings
- Key Implication – switch to waterborne basecoat
- May apply from Jan.1 2009

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What's being done to address these?

4. VOC regulations

- Close consultation between industry and government.
- Presentations at CCIF
- Paint companies sharing their previous experience

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What will be the impact of these emerging priority issues?

- Vehicle technology will reduce ability of all to repair
- Insurer performance and volume-based programs will lead to survival of the fittest
- National accreditation will level playing field and raise consumer awareness
- VOC regulations will drive exit decisions for some

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What will be the impact of these emerging priority issues?

- **Reduction in shop numbers**
- **Improved balance between supply and demand**
- **Surviving shops will be larger, more productive and will operate on a more level playing field based on performance, not price.**