

BODY SHOP B.S. From CPG

From: **Consolidated Parts Group** (glsmisternac@hotmail.com)

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To: glsmisternac@hotmail.com

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Consolidated Parts Group

BODY SHOP B.S.

A Body Shop Business Support Publication of
Consolidated Parts Group, LLC

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In This Issue

CPG sends Letter to Every State Rep

Industry Involvement - It Includes YOU

Insurance Fraud Hurting Industry

NO Gladys Knight, Just the PIMP\$

[Join Our Mailing List!](#)

Quick Links

[CPG Website](#)

[CPG Line Card](#)

"Your Partners in Parts" since 1997

Consolidated Parts Group "Committed to Partnering with Parts Dealers and Industry Service Companies who desire to make a positive impact for the benefit of their collision repair shop customers and the industry as a whole. Our ultimate desire is to help shops build their bottom-line through education, information, shared ideas, created tools, and legislative involvement. We are "Your Partners in Parts."



Public Act 190 -CPG's Letter to State Rep's

Consolidated Parts Group is always actively involved in this industry. We recently compiled some information concerning Act 190 (Anti-Steering Law), which we wrote about last month, and sent off a letter to every State Representative. We included a link to the current California laws in order to

[CPG Credit Application](#) compare just one states protection level for consumers choice in another state.

[CPG Shop Tools](#)

[CPG Bulletin Board](#)

[CPG Garage Sale Page](#)

[CPG Take-Off Sale](#)

[Click HERE to read the letter we sent](#)

CPG will continue to use our Survey Information to positively affect the industry. We appreciate your participation in the Survey's so we can get as accurate a result as possible.

Industry Involvement

The current plight of the collision repair industry can get better. However, a knight in shining armor is not going to gallop in on their Silver horse to save the day. If any real change is going to happen, against such a formidable foe, it will be an intense, concerted effort by many in the industry. Individual owners and managers, along with associations must work as a collective group to make change.

Too many shop owners are dismayed by the lack of progress associations have made in positive impacts in this industry. However, many of those same shop owners have not done thier part to make it work better.

1) Join at least one association - There are many associations nationwide who are doing a variety of things in order to try and improve the industry. Some seem to cater more to the insurance industry, which should send up a red flag. We all know we need to do our best to work alongside the insurance industry. However, we also all know that it is they who have stolen our Free Market and opportunity to make a fair profit. It seems an obvious conflict of interest if any association allows insurer's within miles of them.

2) Contact your state representatives - You can simply jump on the CPG website and find our easy to use web based "Find Your Representative" tool. Then, drop them an e-mail about what concerns you in his industry. Steering an issue to you? They need to know. Call them, write them, stop by and see them.

3) Get involved with an association - Once you choose at least one association you feel comfortable with, find out how you can become more involved. Force issues. Lead issues.

4) Visit your competitors - Not to find out how you can steal work from them, but rather, how you can co-exist in the same market, while both of you don't go out of business. You can not set rates, but you can talk alot about certain things that will/can have a huge impact on this industry.

The industry can no longer stand by believing things will get better. Involvement is the key. Are you willing to fight for your business Freedom?

News Shorts and Critical LINKS

NOW READ THIS!



CPG Classified Ads - Consolidated Parts Group has added a "Classified Ads" section to their website, where shops can advertise equipment, tools, computers, printers, software, or other items specific to body shops and get exposure to hundreds of area body shops who likely want/need such items. We are currently looking into having online payment options directly from this page in order to make the process much easier for both the seller and purchaser. Please check out this NEW feature by clicking [HERE](#)

CPG Garage Sale Pages - Consolidated Parts Group is currently updating our Garage Sale Pages to include as many "Hot Sale Priced" parts as possible. On this unique page, you can click on the appropriate vehicle Logo (such as GM for any General Motors vehicle, etc.) and find out what items that dealer has listed to sell at incredible prices. This is a GREAT way for shops to save more money, while dealers are able to offer sellable parts that are non-returnable to the manufacturer. This also helps our dealers to keep discounts as high as possible, rather than have to absorb these possible losses. We highly recommend you check out the Garage Sale Pages by clicking [HERE](#).

CPG State Bills to Consider - CPG constantly researches Bills in Lansing that have been introduced in order to see which ones may have an interest and possible impact in the collision repair industry. Here are three Bills you may want to check out. Simply Click on the Bill(s) listed below and it will take you to our website's PDF file of that Bill.

HB-5652 - This Bill would increase the dollar amount that a shop is not required to provide a written estimate from \$20 or less to \$100 or less. Although this Bill has a bigger impact on Mechanical shops, we know many of you also perform mechanical repairs.

HB-4217 - This Bill would provide for insurance companies to have to abide by the Michigan Consumer Protection Act as virtually every other business has to.

HB-4778 - This Bill would prohibit an insurance company from owning or having ownership in any collision repair business. Although this has been introduced for many years, it has not gotten any strong support or consideration.

CONTACT YOUR STATE REPRESENTATIVE - Many of us are not sure how to contact the appropriate State Senator or Representative in order to voice our opinion on any given issue or Bill. CPG has made that easier than having an adjuster tell you "You're the only one who

charges for that." Click on the link below titled "FIND YOUR REP" and it will take you to our links page of our CPG website. From there, simply choose one of two provided links: [Find your State Representative](#) will take you to the state website where you can easily find who your state rep is and how to contact him/her. [Find your State Senator](#) will do exactly the same thing for discovering your State Senator. Simply click below now to see how easy it is:

[FIND YOUR REP](#)

FOX Ford on the Move



FOX Ford Parts Manager, Kim Guiles (pictured above) has been in the Ford parts business for over 30 years. His experience in serving the collision repair industry has earned him a very strong reputation. This has all carried over to his position with FOX Ford, and continues to breed growth for his department. Helping to craft and administrate their "FOX Coordinated Delivery Program," which serves virtually every county in the marketable area on a daily basis for his Ford store, as well as all 10 of the FOX import stores, Kim and his very experienced staff are moving towards the top.

His whoelsale staff, consisting of long-time employees Randy who has 34 years experience, Denny adding 31 years, and new-comer, Ken Reifinger with 30 years parts experience. Ken, who also does all the logistics planning for the Fox Coordinated Delivery Program, also has several years experience in parts management. It would be difficult to find a more experienced, and personable wholesale parts team than this.

Ford has now increased their Power Train Warranty for 3 Years or 100,000 miles beginning April 1, 2008. FOX Ford is only one of a very few in the US who are "Ford Functional Power Train Distributors." In other FOX news, it is expected by the end of 2008, that the FOX Mazda franchise will operate out of the Ford store along side them. For parts, this means that the Ford parts wholesale team will be the ones to call for Mazda parts by 2009. Currently, shops can simply call direct to the FOX Mazda store. Kim is not foreign to the Mazda franchise and parts systems as he spent many years in a Ford/Mazda store.

Offering competitive pricing, daily delivery, exceptional experience, and service beyond your expectations is what FOX Ford is all about. Think you have the best? Maybe it's time to sample "The other guys!" and find out for yourselves.



800-632-8655

Toys in the Attic

Toyota and Scion of Grand Rapids have long been the leader in Toyota Parts in this area. With a HUGE inventory, daily delivery trucks, very competitive discounts, and very good parts staff, it seems this could not have gotten better. Then, along comes Bill Sharp to run the wholesale department. Bill, who spent some 26 years running wholesale at a Toyota dealership in Lansing, brings more experience than any other competitor, and a heart to serve his customers. In fact it was that "heart to serve" which brought on this change to begin with.

Parts and Service Director Bob Bacon believes Bill is the best they have every had, and they have admittedly had some very good ones in the past. Toyota of Grand Rapids holds many top spots with Toyota, and prides itself on focusing on the customer in each transaction, not on all the awards and recognition they have received. Bill is pictured below in the white shirt on the left, along side the rest of the Toyota of Grand Rapids parts team.



Toll-Free
800-354-7037
Local Direct
616-574-8120

GARAGE SALE Parts Save MONEY



CPG has developed and offered our Parts "Garage Sale Page" to shops for the past two + years in hopes of helping shops make more money, while our dealers can move out those parts that may not be returnable to the manufacturer. we are committed to making 2008, the year we offer MORE of these parts than ever before. Our Garage Sale Page is open 24/7/365 from our CPG website. These parts are new, OEM crash parts which may be:

Dented

- Dinged
- Scratched
- Painted
- Non-Returnable Trim Part
- Non-Returnable Air Bag
- Obsolete Parts
- **These parts help you save money, help our dealers sell parts they can NOT return to the manufacturer, and help keep discounts higher.**

The cost of returned parts, which are un-returnable to the manufacturer, has caused havoc across the US for auto dealers as manufacturers continue to pinch down with tighter return policies. This new CPG Garage Sale Page not only helps dealers move out these parts, it helps to ensure a continued "No-Hassle" return policy from our CPG partner dealerships.

Check this awesome Money Saving Web Page, just click the link below: [Garage Sale HERE](#)

If you look for Garage Sale parts on a particular vehicle, but find there is nothing "For Sale", please let the appropriate dealer know you'd really like to shop their Garage Sale. Or you can simply let us know, and we can pass it along.

Altra "COOL" Products



Touch Computerized Electronic Measuring

Touch is the new computerized electronic measurement system from The Collision Equipment Group that sets up fast, measures in minutes and lets you monitor pulls as you repair the vehicle. The Touch system comes complete with everything you need. Documentation of your repairs is easy, and quick. TOUCH is priced significantly below other systems and is affordable for any size shop. TOUCH delivers the precision you need for fast and accurate repairs. It has multiple capabilities already included that add even more value to its usefulness. The TOUCH system is completely portable so you can use it for diagnostics in one area of the shop then move it to another area for actual repairs. TOUCH has full upper body capability and even allows for the measurement of parts, like struts, while off the vehicle. TOUCH is not affected by moving air or any type of shop noise. Finally, a computerized electronic measuring system every shop can afford. The TOUCH has portability that makes the TOUCH system fast and easy to demonstrate; so we won't use up a lot of your valuable shop time if you invite us in for a quick Demo.



Be Cool, and give us a Call



TOLL-FREE

(800) 684-3154

Or Click [HERE](#) for more info from our website

Insurance Fraud is BAD for the industry

While collision repair shops continue to fight tooth and nail for every penny they charge for, some shops have stooped to fraudulent billing of insurer's in order to try and recoup their otherwise losses. This practice, although not thought to be wide spread, has a detrimental effect on an already down-trodden industry. Ask most customers who they trust more, their insurance agent, or the local body shop owner? Although I can not site a national survey, or am I studying for my degree in rocket science, I was born with a decent amount of common sense, and that tells me in many cases the insurance agent wins.

Here is an excerpt concerning insurance fraud by a body shop from late last year:

LOS ANGELES--(BUSINESS WIRE)--Following a jury trial, a Los Angeles judge has signed a \$163,387 jury award to Farmers Insurance Exchange in a body shop fraud lawsuit involving a body shop and its owner. Future hearings are scheduled and the total monetary award is expected to double. The Court also issued an injunction prohibiting the body shop, Hollywood Auto Collision and its president Sean Kim, from submitting any further false claims to Farmers.

This was the first such body shop fraud case tried under a 1993 state law designed to augment law enforcement's efforts to prosecute defrauders. Farmers has filed a number of similar lawsuits under this statute, emphasizing its zero tolerance for insurance fraud.

"We owe it to our policy holders to fight insurance fraud," said Doug Ashbridge, Farmers' Director of Special Investigations. "We are happy to be on the front line in the war against insurance fraud and are equally excited to be the first insurance company to prevail against a body shop under this law. This type of insurance fraud is not fair to our insureds and if not stopped, drives up insurance rates for consumers. Hardworking, honest people should not have to pay for the actions of a few dishonest people. That is why Farmers will use every legal means at its disposal to help stop any type of insurance fraud," he added.

The jury specifically found that the defendants knowingly billed Farmers with charges for repairs and part replacements that were not actually performed. The jury also found that the defendants improperly waived insurance deductibles under circumstances where defendants did not repair the vehicle in accordance with the amount of the repair claim accepted by Farmers.

Although this all makes sense in many ways, it simply fails to live up to any standard shops can impose on insurer's for claim fraud. Claim fraud by insurer's should be as seriously monitored and enforced as insurance fraud is for shops. Insurer's, on a daily basis, are ripping off the public for using inferior parts, refusing to pay for legitimate repair procedures, asking or more accurately demanding discounts on parts and labor, while also demanding shops offer a full, life-time warranty, despite mis-direction on repairs.

Here is a comment from a Farmer's spokesperson concerning the above insurance fraud lawsuit:

Mr. Ashbridge further stated: "We expect honesty and integrity from those who render services to our policyholders. When we develop concrete evidence that intentionally false claims have been filed, we take swift action against the unscrupulous individuals. Body shops cannot bill Farmers, accept money for the parts and services, fail to install the parts or render the services, and then simply pocket the money. It is wrong; it is fraud. The jury heard the overwhelming evidence and agreed."

The sad reality is that the vast majority of shop owners will not and do not fraud the insurer's. It is a few that manipulate the system and make it difficult for honest shops to be treated with the respect they deserve. And I can appreciate an insurer's desire to protect their policyholders. While I also would question at least some insurer's practices that, in their own way, fraud their own policyholders. What can shops do about it?

- 1) KNOW THE LAW
- 2) EDUCATE THE CUSTOMER
- 3) EDUCATE THE INSURER

#3 is one shops fear the most, and have the most trouble with. Once you have a good idea of the laws, you can carry a strong conversation with an insurer, and in most cases, will surpass his/her knowledge in short order. This puts them on the defensive, which is the opposite of what they typically experience. Let's face it, we usually say whatever they want to hear out of fear of retribution. Don't throw it in their face, simply state truth, back it up with verifiable facts, and they will respect you. Once you have their respect, while you still respect them, the going gets much better.

No Gladys Knight, Just the PIMP\$

What or Who are the PIMP\$? Performance Indicators for Maximum Profit\$.... or PIMP\$ As a shop goes about trying to be as efficient as possible, it is of the utmost importance that you qualify and monitor specific Performance Indicators. Here are some of the PIMP\$ you will want to monitor:

- Customer Closing Ratio (what % of estimates become repair orders)
- Sales per Estimator
- Sales per Production Employee
- Sales per Individual Employee's
- Sales per All Employee's
- Gross profit as a percent of sales
- Net profit as a percent of parts sold
- Net profit as a percent of labor sold
- Sales per production square foot
- Total paint and material cost as a percent of total sales
- Paint and material cost per refinish hour
- Gross profit on paint and material sold
- Net profit on paint and material sold
- Average Repair Order (in dollars)

The sad reality is, that despite being in the midst of one of the collision repair industries most challenging times, shops simply are not looking at these figures. many because they are unsure

on how to find them, how to read the information in order to formulate sensible statistics, and lastly how to use it in order to guide their decisions. Most shops need the professional assistance of a reputable Accountant. Not just any accountant, not a "bookkeeper," but a CPA that already services collision repair shops, and has a workable understanding of the uniqueness of the industry. However, many shops believe they can not afford this service.

If you do go it alone, while many of you are certainly capable of that, there are a host of management systems you may already have, or have simple access to, which will assist you in properly inputting and gathering the necessary information. Many paint suppliers offer assistance for shops in some of these management areas, not just for paint and materials. You may want to consult with them. Once you have established your PIMP\$, it will be much easier to identify areas of strong and weak performance so you can better address them.

Having your PIMP\$ in place, can also allow shops to fashion performance guidelines for individuals, and the team as a whole, including targets, goals, and incentive programs. This can further improve productivity and performance, while offering employee's an opportunity to take ownership of their work, and get rewarded for it in the process. Gladys Knight said it best.... "What's love got to do with it?" When it's all about the numbers?

New Nitrogen Thermo-Welding Process at Bumper Poole is "Cool"

Bumper Poole has recently began repairing bumpers utilizing an exclusive new Nitrogen Thermo-Welding process. This new process, not used by any other bumper repairer in this competitive market, offer many repair benefits, such as:

- Produces the strongest possible weld with nitrogen gas.
- Produces repairs much more quickly than airless welding.
- When used with our R13 and R14 polypropylene strips, the Dual Fuser makes strong and quick repairs on PP/TPO bumpers.
- Quickly welds any type or thickness of thermoplastic.
- Alarm system to warn operator of low air flow to help prevent overheating.
- Repairs have outstanding strength compared to other repair methods, like adhesives or mechanical fasteners.

Rick Poole and his crew are VERY excited about this new process and how well it works. This is the most innovative method Rick has seen in his 20 years in the bumper repair business, and it has regenerated his staff as they now are working this new process. If you have questions about the process, the results, and how this should enhance even more the products they deliver, call Rick today.

If you have been disappointed in your supplier of reconditioned bumpers and aftermarket parts, CPG highly recommends you try the vast knowledge, experience, and attention to customer satisfaction that Bumper Poole has been offering its customers since 2000. Owner Rick Poole and his crew are committed to becoming the benchmark for quality, service, and value.

Bumper Poole

800-289-9414

(616) 902-5035 - Rick's Cell

Consolidated Parts Group and it's partners are VERY seriously committed in partnering with the Collision Repair Industry and working towards more control for shop owners. Our industry e-newsletter BODY SHOP B.S.is just one example of our continued work since 1997.

In 2007, we have already added a Current Survey to our website so shops can cast their Vote on different important issues faced within the industry. We will update and change the survey from time-to-time, but it is imperative that Shops be Active in participating in these Surveys. This new Survey System is currently being fully revamped with ongoing changes in technology, and CPG will be actively be using these new changes to serve this sector better.

Lastly, please consider the support and efforts put forth by your CPG Partners as you decide on who you will spend your money with for parts and services. CPG Partners believe in the mission and goals of CPG, and likewise, support those efforts through their participation as a CPG Partner. Please "Support those who support you."


Thank You

Your CPG Partners

Daniel McAllister
Consolidated Parts Group

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