



Body Shop B.S. from CPG



BODY SHOP B.S.

March, 2009

A Body Shop Business Support Publication of
Consolidated Parts Group - Since 1997

Dear Daniel,

CPG has been working within the Collision Repair Industry since 1997 in hopes of truly "Partnering" with owners and managers to try and improve a shops ability to control their business direction, procedures, and profits. Through ongoing educational programs, such as this newsletter, an active role in government to facilitate change and better protection, and through daily contact with shop owners, we continue to work with and for our friends in the collision repair industry.

Our philosophy is quite simple and old-fashioned and is based on what my Dad called the "Barn Raising" concepts that built our country. Help your neighbor without regard for payment or favor in their area of need. We believe we can and want to make a difference and to go well beyond the norm in working with shops to increase their control and profits. This newsletter is just one way in which we want to share the knowledge that is out there and ways shops are winning in a tough business.

The dealers and service companies that are partners in CPG also value this concept of "Community beyond Cash" where doing the right thing is more important than getting the sale. CPG could not exist and do the kinds of things we have and want to continue to do with and for the industry without their belief and support. With that we say a very sincere "Thank You" to them, and we hope you will, too.

Sincerely,

Daniel McAllister
Consolidated Parts Group

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Survey Results Reveal Steering still not resolved

In our recent CPG Survey, shops were asked about ways they thought the industry and their own shop may have some positive effect on controlling insurer steering. Here is the result of that question on the survey.

4. Steering has historically been identified by shop owners as the biggest problem they face in their shops. Rank below in order, which ways you believe would help your shop eliminate or minimize steering of work away from your shop.

Least
likely to

Most
likely to

	work			work	
	1	2	3	4	5
Eliminate DRP agreements through legislation	22%	11%	16%	8%	43%
Lawsuits against any insurer steering through associations	11%	38%	22%	24%	5%
Establish clear guidelines forbidding steering through legislation	16%	16%	27%	27%	14%
Consumer education program mandated by state government	32%	19%	19%	24%	5%
Educate your customers	19%	16%	16%	16%	32%

The clear winner in "Most Likely to Work" was to Eliminate DRP agreements through legislation. CPG has already sent an e-mail to every representative in Lansing on behalf of the collision repair industry. Here is the content of that:

FROM: Consolidated Parts Group, LLC

ON BEHALF OF: Collision Repair Industry

TOPIC: Insurer Steering

Consolidated Parts Group works within the collision repair industry in Michigan, and among other things, surveys the collision repair industry and uses the collected information for a variety of purposes. We recently conducted a survey and asked collision repair shops in Michigan: "Steering has historically been identified by shop owners as the biggest problem they face in their shops. Rank below in order, which ways you believe would help your shop eliminate or minimize steering of work away from your shop."

The results were as follows:

(Survey Results Sent As Shown Above)

In the opinion of the collision repair shops, the most likely way to eliminate or minimize insurer steering was to eliminate Direct Repair Agreements (DRP) through legislation. Steering is very much a problem in Michigan and throughout the United States, confirmed by the number of states, including Michigan, who have some type of anti-steering laws in place. Those laws however are frankly worthless based on the vague definition of what defines steering. Act 190 of 2004 originally included clear definition of what would be considered steering by insurers. The bill, however, was re-written before becoming an Act to say that insurers could not "unreasonably restrict" an insured from choosing which shop they use to repair their collision damaged vehicle. Since that time, steering by insurers is actually worse than it was before this act became law.

We would like to encourage you to consider a bill that would make DRP agreements illegal, which would eliminate many areas of questionable business ethics violations, as well as do a much better job of consumer protections, and offer all collision repair shops, which are small businesses the current economy desperately needs, better protection from insurers, also.

Thank you for your consideration.

Daniel R McAllister
Consolidated Parts Group, LLC

CPG encourages EVERY shop to now follow-up with your state rep and do the same thing. If they can see you are serious as an industry, they may give some attention to it. Secondly, contact any/all

associations that also may wish to push for such legislation. Be relentless. Keep after them. Send a letter. Call them. Send e-mails.

If you are unsure how to find your State Representative, check out the simple to use "Find Your Rep" tools at the CPG website. [Simply Click HERE.](#)

Survey "Report Card" For Insurer's

The CPG Survey Results for the Insurer Report Card may not reveal any significant surprises, but it certainly does give shops some tools in which to inform customers of which insurers rank best/worst in terms of claims.

Please give the most accurate grade you can to each of the following Insurance Companies in terms of Fairness and Promptness in payment amount and time, as well as allowing you to make decisions on how/why to repair/replace a collision damaged vehicle.

	A	B	C	D	E	Fail
AAA	13%	15%	35%	15%	18%	5%
Allstate	5%	13%	30%	35%	15%	3%
Auto Owners	70%	28%	3%	0%	0%	0%
Citizens	5%	30%	23%	28%	8%	8%
Farmers Insurance	0%	30%	33%	23%	3%	13%
GEICO	0%	13%	20%	38%	13%	18%
Liberty Mutual	3%	13%	33%	33%	15%	5%
Nationwide	0%	18%	28%	30%	13%	13%
Progressive	5%	5%	20%	15%	23%	33%
State Farm	23%	43%	15%	10%	5%	5%

The clear winner is Auto Owners, who received 70% A's and a combined 98% of A's and B's. State Farm came in 2nd with a 23% A's, and a combined 66% of A's and B's. Things drop off significantly from 1st to 2nd, and again through the rest, with Auto Owners rated far superior to everyone. Only three insurers out of the popular 10 insurers in the survey got more than 10% A grades, while three had no A grades at all.

The clear loser is Progressive Insurance, with an astounding 33% Fail, and combined 71% rating them from a D to Fail. Auto Owners was the only insurer to have no Fail grades. In fact they were the only insurer without ANY sub-C grades, and only 3% gave them a C. Six insurers had under 10% Fail marks, and 4 had D's under 10%, also.

One way shops can use this information is to inform customers how shops rate different insurers. Shops can, and should, develop their own "Preferred List of Insurers" and share that list with customers who have insurers you would NOT Prefer. By combining this report card with other resources, such as CPG's previous report cards, JD Power and Associates 2008 surveys of

insurers, and the Michigan [2008 Buyer's Guide to Auto Insurance \(Click Here to see it\)](#) Shops can help educate consumers on why to consider some insurers over others. The buyers guide will often show that the premium costs for some insurers is actually noticeably higher and rate much poorer than insurers who have both a much higher report card rating, and are less costly in premium costs. This guide is a compiled by the state of Michigan and requires insurers who sell auto Insurance in Michigan to respond to a survey of what their premium rates would be based on exactly the same coverage for specific aged drivers, vehicles, and like information. It is an apples-to-apples, side-by-side comparisson that consumers can use as a guide to price shop the different insurance companies.

Most consumers greatly appreciate shops who can assist them in both saving money on car insurance, while also aligning them with an insurer who has a proven track record of customer care at claim time. Here is a typical comparisson from the 2008 Buyer's Guide to Auto Insurance for just our recent report card winner and loser:

<u>Insurer</u>	<u>Example #</u>	<u>Premium</u>
Auto Owners	#1 - 2000 Ford Ranger, 18yr, No tickets/accidents, etc.	\$1971
Progressive	#1 - 2000 Ford Ranger, 18yr, No tickets/accidents, etc.	\$2431
Auto Owners	#2 - Married, 35 Yr, 2005 T&C, 2006 Escape, etc.	\$4221
Progressive	#2 - Married, 35 Yr, 2005 T&C, 2006 Escape, etc.	\$6080
Auto Owners	#3 - Married, 42 yr, 17 yr child, 2001 Silverado, 2006 Impala, etc.	\$4299
Progressive	#3 - Married, 42 yr, 17 yr child, 2001 Silverado, 2006 Impala, etc.	\$8510
Auto Owners	#4 - Married, Retired, 66 yr, 2007 LaCrosse, etc.	\$1784
Progressive	#4 - Married, Retired, 66 yr, 2007 LaCrosse, etc.	\$3655

One can clearly see that for these side-by-side examples, the insurer who ranked the highest on our CPG report card, also has lower premiums. This can be helpful for shops that choose to inform their customers of such things, and assist them in finding value in their auto insurance. The Buyers Guide from the state has every insurer who is licensed to sell auto insurance in Michigan, so shops can and should compare for all insurers, not just those we've listed here or were part of the CPG report card.

K&M LEADING THE WAY



K&M Northfield Dodge was recently awarded the #1 Chrysler Parts Department in Michigan for 2008, and #7 in the nation. K&M has historically been a National Top Ten dealer nearly every year since 1991. For that, they would like to say a very sincere and humble "Thank You" to their customers for their continued support and loyalty.

Chrysler's parts supply line, which had been under some stress over the past months, seems to be improving nicely leading to fewer Back-Ordered parts, and improved lead times for parts ordered. This, combined with K&M's huge inventory of crash parts, allows K&M the ability to assist shops with very quick cycle times on their repairs. K&M also offers an incredibly strong wholesale parts team with decades of Chrysler experience, and several delivery trucks on the road for quick delivery, also.



And be sure you remember, they also have Suzuki parts, too. You still call the same experienced wholesale parts staff you trust for your Chrysler parts, and they'll take care of your Suzuki parts needs, too.

"MATCH THE ESTIMATE" PROGRAM EXTENDED!

K&M Northfield Dodge and Mopar are pleased to announce the extension of the "Match The Estimate" or "Conquest" program. We will continue to match the entire collision estimate through March 26, 2009, and looks likely that program may continue much longer.

Reminder: All parts on the collision estimate are included in the Match The Estimate program except tires. **This includes used parts.**

The Chrysler "Conquest Program" was designed to offer shops and Chrysler vehicle owners the ability to install OEM parts on collision damaged Chrysler vehicles even when the insurer has specified aftermarket or used parts. Chrysler will "Match" the estimate price on any/all A/M or used parts, other than tires, with the OEM replacement(s). ***K&M Northfield Dodge has fully participated in this program since it's inception and holds the #1 in the USA ranking for % of Conquest Parts per Sales Volume.*** K&M Really knows how this program works, and how to best utilize it for your benefit. If you have any questions about how it works, what shops need to do in order to take advantage of this incredible program, or have any related questions, please feel free to contact any of the experienced Wholesale Parts staff, Parts Manager Mike Doyle, or Director of Operations Kevin Clements.



The K&M Wholesale Parts Team



1-800-999-9470

INDUSTRY NEWS SHORTS & LINKS



CPG GARAGE SALE PAGES SAVE YOU \$\$\$\$ - CPG developed our Garage Sale Pages several years ago to address some mutual issues with returned parts for dealers, while also offering otherwise unreturnable parts to shops at a substantial savings. OEM Manufacturers have decreased a dealers ability to return parts in a variety of ways, and this has made it more important to find other ways to take care of returned parts that may be dinged, scratched, painted, out of the package, or in some way un-returnable to the manufacturer. Shops can save significantly on these parts, and that creates a win-win for shops and dealers. One other note, this also helps ensure that dealers won't have to reduce discounts because of the increased cost of returns as long as they have a way to sell them, as with our unique GARAGE SALE Pages. To get there and take a look around, simply [CLICK HERE](#).

2008 CONSUMER GUIDE TO AUTO INSURANCE - This is a VERY helpful guide put out each year by the State of Michigan for consumers. Shops can use this guide to show their customers other insurance options that are less expensive, and of which your shop prefers to do business with. This is a shops way of creating their own "Preferred List of Insurers" while helping customers save on their car insurance. Check out some comparison premiums in this guide and see how often times the insurance companies that are spending million\$ on advertising telling consumers how much they will save them (who's paying for these millions spent on it?) are actually noticeably higher in a apples-to-apples comparison than some of the smaller, more regional insurers that don't spend outlandish amounts on advertising, but rather, just take care of their customers at claim time. Read and print out this guide by [CLICKING HERE](#).

ORLANDO TIMESHARE OUTLET WITH CPG - The *Orlando Timeshare Discount Mall* from CPG has a limited number of incredible Timeshare deals where you can get over 90% OFF the original developers price on Timeshares in the Orlando, FL area, the #1 Vacation Destination in the world. Flexible Floating week options ONLY so you can travel on a variety of weeks during the year, and STRONG tradability with resorts worldwide thru Interval International and/or RCI exchange companies so you can go to other places as well. Investing in your vacations is as important as investing in your health. And at these rock bottom, incredible deals you owe it to yourself to at least give them a look. [Take a Look at what's in stock by clicking HERE](#)

Berger Chevrolet offers Reman OEM Fascias

Berger Chevrolet is proud to offer **Remanufactured OEM Fascias**. These fascias feature:



- Factory Remanufactured
- Insurance Accepted & Approved
- Guaranteed Fit & Finish
- Higher Quality than Aftermarket replacement parts
- Competitively Priced
- Cosmetic Blems - NEVER been on a vehicle
- Best Alternative Part for your customer

These fascias are readily available and should grow in applications and coverage. For more information and availability, contact the "Crew" at Berger today! Or click [HERE](#) to see a brochure.



1-800-878-2121

Making Contact

There is so much going on at the state and federal level of government, and to avoid going into some deep, political dialogue of the "State of the Union", I'll let the talking heads take care of the political bantering. However, there is a stake in this industry shops need to take hold of. You do have more power and clout than you may believe, and many of our representatives do really want to do the right things in office. Sure, there's a lot of "pay-backs" to special interests from both sides of the isle, but they also need votes from voters.

In the recent CPG survey, we asked the following question:

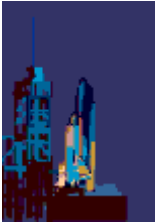
8. If you knew of an issue at the State or Federal level in which you were strongly interested and wanted to be sure your representative knew how you felt and how you would want them to vote, would you know how to contact them?

	Response Ratio
Yes, I contact them anytime I have concerns	19.5%
It's been a while, but I have done it before	46.3%
Not sure how to do that.	21.9%
No, I have no idea where to begin	12.1%
No, but I did stay at a Holiday Inn Express last night	0.0%
No Responses	0.0%
Total	100%

Some of you know how to contact your state senator and/or state representatives, but others were not sure how to do that. CPG makes that easy by simply going to our website, clicking on the "Links" page, and clicking either "Find your state rep" or "Find your state senator." You can see that page and go there directly by simply clicking [HERE](#).

It is vital that shops call, mail, or e-mail their representatives and senators and let them know how you feel on a variety of issues, not the least of which should include the collision repair industry.

TOYOTA REACHING FOR THE "STARS"



Toyota of Grand Rapids, the regions #1 Toyota Parts Department, is inviting shops to seriously look at the Toyota STAR Elite Program. Shops can enroll under Toyota of Grand Rapids STAR Elite status, and have access to a variety of enhancements for ordering and repairing Toyota vehicles. One such advantage is direct access for your shop to Toyota's Electronic Parts Catalog (EPC). You can look up your own parts, get up-to-the-moment pricing, and check availability as well. There is a complete exploded view of all parts and associated aprt numbers for every component area, and using the VIN specific function will reduce ordering errors, also. For a guide on how to use the EPC system, click [HERE](#).

You will also have access to the Technical Information System (TIS), which is the most up-to-date and comprehensive technical information site for Toyota, Scion, and Lexus on the web. It's easy to activate your complimentary subscription to the Toyota Technical Information System offered to you by Toyota of Grand Rapids. For further information on how to do that, simply click [HERE](#).

Toyota/Scion of Grand Rapids has been the #1 Parts Seller in West Michigan for decades. Their commitment to exceptional service, right the first time specifying, and quick, FREE delivery continues as their benchmark model of how to service the collision repair industry. Parts and Service Director Bob Bacon has put a premium on staffing his wholesale department with the best, and that is evident with Wholesale Parts Manager Bill Sharp pictured below.



Bill has an incredible 26 years of Toyota Parts experience and has an honest, simple, old-fashioned approach to customer service that is increasingly difficult to find. Here are some of the other

standards and facts about Toyota of Grand Rapids that sets them apart:

- **Largest Toyota/Scion Inventory in West/Central Michigan**
- **Daily FREE Delivery (NO delivery fee's or fuel charges ANYWHERE)**
- **Daily Orders by 1pm arrive the next day (for out of stock parts)**
- **#1 in West/Central Michigan, #2 in Michigan**
- **2 Full Time Delivery Drivers**
- **VERY Competitive Discounts**
- **Hassle Free Return Policy**

Toyota/Scion of Grand Rapids wants to be in the wholesale parts business and understands what shops need to be as efficient and successful as possible with cycle time, profits, and an attitude of "PARTnership". If you have not tried them before, we invite you try them for yourselves. You won't be disappointed!



1-800-354-7037

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 added Survey's to our website so shops can cast their Vote on different important issues faced within the industry. We continue to add "Shop Tools" that shops can use for various issues confronting shops in the ever-changing, ever-challenging world of collision repair. CPG is committed to the Collision Repair Industry beyond providing options for Parts and Services.

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."

Sincerely,

Daniel McAllister
Consolidated Parts Group

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