



AASP-MN President Jerald Stiele has Lifetime of Repair Experience

Many body shop owners are content with making a decent profit, while others are willing to work toward bettering the collision industry in their state. **Jerald Stiele**, president of the AASP-MN and the owner of *Hopkins Auto Body* in Hopkins, MN, fits into the latter category. Stiele, 40, is a third-generation body shop owner, who takes pride in offering full and mechanical collision repair.

Hopkins Auto Body was established in 1963 by Stiele's grandfather, **Floyd Stiele**. Today, Stiele co-owns and manages the shop with his uncle, **Dale Stiele**. "When I first came on-board fulltime, I was working as an estimator," Stiele said. "Prior to that I worked on and off through the summers in high school and in college, cleaning the shop floor and masking cars and whatever other entry level task that needed to be done."

Initially, Stiele wasn't expecting his path to lead to collision repair. "After graduating from North Dakota State University with a degree in Economics, I did not go into the business, because at that time, the shop consisted of a six-car garage and there wasn't room for me," he said. "Today, we're working out of a 26,000 square-foot shop that fixes approximately 150 vehicles every month and employs 16 people. I run the front office and Dale manages the production/shop floor and we work very well together. But, getting into this industry wasn't a slam dunk at the beginning."

Stiele is proud of what AASP-MN has achieved. "In Minnesota, we have a really strong association and we're proud of the fact," he said. "Whenever I travel to out-of-state conferences, people from other state organizations tell us that we're a really well-respected group. We have a strong association that starts with Executive Director **Judell Anderson** and a board that works really well together. Judell's assistant **Jody Pillsbury** runs the office really well and **Tom Kluever** is having great success as our new recruiter. We've got a great team here and that's why we've been so successful."

AASP-MN's membership consists of 697 shops, both mechanical and collision. We asked Stiele, "what

are some of your major concerns with the future of the organization?"

"From a body shop's perspective, we want to retain the control of our businesses and our procedures," he said. "The way we manage and order our parts really concerns us and I know it's the same thing across the whole country. DRPs are a reality in this industry and some of them can be great partnerships, but we don't want to compromise our work as a result. AASP-MN's main concern is that we don't want to lose control when it comes to the parts and part vendors that we use on our repairs. We're being asked to handle more and more of the administrative work as it gets handed off to us by the insurance companies, so we constantly have to be adjusting to that. It now takes us additional front office staff to fix these vehicles, which of course means that we're making less profit on these cars. Yes, we're still profitable with our DRPs, but we're starting to see that our DRPs are less profitable and we're obviously concerned about that."

Stiele believes that in some cases, aftermarket parts are suitable. "New, OEM is not the only way to go in every situation, in my opinion," he said. "There are situations that call for the use of aftermarket or LKQ parts. As shop owners, we know when it's right to use them. The point is—we want to make the determination and we don't want to be forced or coerced into making those decisions, because they can impact the quality of our work and cycle time."

"Minnesota is one of the few states where we have aftermarket parts legislation on the books," Stiele said. "If the owner does not want aftermarket parts they can specify that. So it's a matter of who talked to the customer first. A lot of times it's the insurance company that will talk to them and say 'Hey--- there are going to be aftermarket parts incorporated into the repair of your car.' They don't ask, they tell them. It will fix it back to pre-accident condition with a lifetime guarantee and you know so it's up to them to say yes sometimes that's the case. In some cases, the aftermarket parts don't fit as well, but in other cases, they work just fine."

"Many shops are torn about the whole topic of steering, but in a perfect

world it would be better to not exist altogether," Stiele said. "If an insurance company is steering business away from another shop, that's bad obviously. But, if they're recommending one shop over another, that's called a DRP. Collectively at the AASP-MN, we agree that from the perspective of the entire industry, we're better off without steering. We would rather compete with each other fairly and gain our business through marketing and doing a good job, by focusing on things like quality and customer service. We have anti-steering laws in Minnesota, which may lead to less steering--at least that's the intention."

The majority of shop owners have a love/hate relationship with the DRP concept, and Stiele is no exception.

"The DRP relationships are the biggest change in this industry, no doubt. Many body shops rely exclusively on their DRPs. Our DRPs make up is around 40% of our total business.

We have three main relationships with larger insurance companies, but handle a lot of customers and insurance companies outside of the DRP arrangement."

It's hard to say what the future holds, but Stiele is excited to be working in today's collision industry in Minnesota.

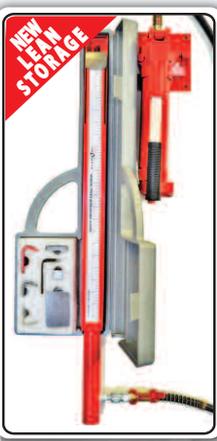
"We really enjoy using technology to do a better job, whether we're using tablets or smart phones to capture data from vehicles and writing the estimates. We're working on being aluminum-ready and spending the money and time needed to get onboard in that regard. It's a significant investment as all of the necessary equipment isn't cheap. It's important for us to be ready as the manufacturers start increasing the use different types of metals and materials. I can't predict how many or when the new F-150s will start showing up, but when they do I want our shop to be trained and ready."



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