



Lean Operations

with David Luehr

David Luehr is the owner of Elite Body Shop Solutions, LLC, a collision business consulting firm based in Nashville, Tennessee. He is a 30 year veteran of the collision repair industry. David is an expert in Body Shop Operations and specializes in Lean, and Theory of Constraints methods. Email him at dluehr@msn.com

Competing with MSO Consolidation

"The 3 Vital Behaviors of the Best of the Best Shops"

There are shops that are located in heavily MSO consolidated markets that instead of becoming a victim, became a beneficiary! I call these shops "positive deviants." When many shops in these parts of the country are struggling or selling out, the positive deviants are actually doing quite well and in many cases outperforming the consolidators! One of these best of the best shop owners told me they have all four big MSOs (Caliber, Gerber, ABRA, Service King) within a five mile radius of his shop! So I am prompted to starting asking the question, what are these guys doing differently than the independents that are struggling in the same markets?

After speaking to many positive deviant shops, and asking them what they do to get great results, I got many of the usual answers that you would expect from a successful organization.

Good leadership, high quality work, good customer service, great employees, bla, bla, bla. But these things anymore are kind of a "given." Even to be a mediocre business you need to have some level of these qualities.

So I searched deeper to distill the findings into what I call the Vital 3 Behaviors.

1. Culture of Learning
2. Participation in a peer group or network
3. Measure the Right KPIs

All the positive deviant shops strongly display these 3 Vital behaviors, struggling shops don't!

Vital Behavior 1 - Culture of Learning

These businesses crave knowledge! If you don't believe me, look at the in-depth I-CAR study on the subject. (Check it out at www.i-car.com) I-CAR contends that A Learning Culture is at the very foundation of all the super successful shops they studied. The very understanding of things such

as proper business management, leadership skills and process development skills stem from the leaders desire to learn.

They seek their knowledge from sources such as I-CAR, Webinars, and Clinics. They typically read books regularly, and are continuously looking for new sources of education.

Vital Behavior 2 - Participation in a peer group or network

Some of the positive deviants are very involved with their associations such as ASA, others join franchise organizations, and many get involved in round table groups that their paint manufacturers host.

Shops that feel like they are alone on an island, can't and probably won't succeed. There is power in numbers far beyond the sum of its individual members. Some of the benefits that participation in a group includes...

- ◆ Mastermind principal – a group of

like-minded individuals with the same challenges working together to achieve great things

- ◆ Friendly competitive spirit between members

◆ Accountability to one another
◆ Massive knowledge resource. When you are on the island you only have your own knowledge, in a group, you can have everyone's!

◆ Leadership skills – by participating in a group of people trying to better themselves and their shops, skills such as leadership are enhanced, you learn to present, become a more professional and rounded person.

- ◆ You learn to "See beyond you own walls" so to speak.

Vital Behavior 3 - Measure the right key performance indicators

The third vital behavior was Measure KPIs, but I was reminded by one of the positive deviant shops that it is impor-

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Utah Auto Body Association Hosts its First-Ever Trade Show



The Utah Auto Body Association (UABA) held its first-ever Collision Industry Expo to Utah on Oct. 4 at Salt Lake Community College

The Utah Auto Body Association (UABA) held its first-ever Collision Industry Expo on Oct. 4 at Salt Lake Community College. More than 50 vendors showcased new product displays, technology and many interactive demos.

The Collision Industry Expo was free and welcomed collision repairers,



CEO Stuart Barr from Industrial Finishes and TV Reality star Dave Kindig (Bitchin' Rides on Velocity) were on hand at the UABA's first-ever trade show, held in Salt Lake City

insurers, vendors and students from Utah and surrounding areas. UABA Executive Director Janet Chaney said that it came together beautifully and is already looking to next year's trade show. "For a first-time event, this went well," she said. "We'd like to thank Automotive Industry Supply for stepping up and making it all happen. We had nearly 100 attendees and a wide range of

vendors offering different products and services, so we're happy and looking for 2015."

Cary Robarge, vice president of the Utah Auto Body Association, was also enthused by the trade show's turnout and the great reactions by body shop owners in Utah. "It was our first annual Collision Industry Expo in Salt Lake," he said. "The Utah Auto Body Association is working to bring more education and training to Utah, and we're proud to bring this high level of education, training and networking to the collision industry. We have to be prepared for what is coming, and now is the time to do it."

Kristen Felder of Collision Hub and Engage Target Media, was the event's luncheon keynote speaker. In her presentation, she analyzed industry trends to present a picture of what

the collision repair industry might look like in the future. Chaney was impressed by Felder's talk and thought it provided invaluable information for the body shop professionals at the luncheon.

"Kristen is a dynamic speaker and she really entertained and educated us," Chaney said. "She gave us a glimpse of the future in this industry and it was eye-open-



Bob Mackey (left) the I-CAR Regional Director for Utah and I-CAR Instructor Ralph Groves both taught classes at the UABA's trade show



Chris Perkins (left) from Perkins Auto Body and the treasurer of UABA with Cory Stanger, the president of the organization networking at the show

ing in many ways. In collision, information is king, so whenever we get a chance to gather useful, timely and relevant information from a speaker, it's great."

Felder was happy to see a healthy turnout for her speech. "This is my second opportunity to meet and work with the Utah collision industry," said Felder. "It's good to see the positive forward movement of this young association."

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MSO Consolidation

tant to measure the "right ones." He was right, there are some shops that become immersed in the minutia of meaningless metrics. It's important to identify which numbers will truly guide your business to success and then you have to look at them daily, not at the end of the month when it's too late, but every day or as often is required to make course corrections.

Positive deviant shops know that you cannot improve what you do not measure. These shops try to get a little better each day, each week, and

each month and they know their numbers!

In order for independent shops to continue to be successful in today's challenging marketplace it is critical that we learn by carefully studying the habits that make best of the best positive deviant shops successful. It is also advisable to study the administrative processes that give the MSO consolidators the ability to grow at such a rapid pace while still performing repair jobs with amazing timeliness and consistency. Independents can in fact remain very relevant with both customers and insurers, but you may have to do things a little different and perhaps a little better.

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