



# Fixed Operations Digest

## September, 2015

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### Larry's Ramblings:

Life may be *rich* and *diverse*, but unless you're scuba diving for the first time or exploring the High Andes as a novice, you can pretty much bet on what most of it will be like. When it rains, you get wet. When you speak your mind, you may encounter an opposing argument. When you root for the home team, you may be disappointed.

In business, we **KNOW** what almost every situation may bring, so why aren't we prepared for the objection, the delay, the late appointment? Why are we enraged when a plane is late, or a highway clogged? **Stuff happens.**

It seems to me that the most successful people are those who suit their conduct to the times (to quote Machiavelli). "It's not what happens to you, it's what you do *before it, during it, and after it*".

*"The will to win, the desire to succeed, the urge to reach your full Potential... these are the keys that will unlock the door to personal excellence."*

*-Confucius*

## Fixed Operations Myths

Summer is over, it is now time to get back to work, how about a few laughs to get back in the groove.

The following are some of the most *priceless* excuses I have heard:

**Manager:** *"This new Employee I just hired is going to be GREAT! How do you know? They were working at the best Dealer in our Market area and I stole them away! Really? Did you steal them or were they fired for not performing?"*

**Manager:** *"I had to pay that new Technician a guarantee of 50 hours a week? Why? Because that is what he said his previous Employer was paying him. Does the word previous mean anything to you?"*

**Manager:** *"There are no Technicians for hire in our Market area! Let me see your ad? I have not run one. Why? Because there are no Technicians looking for work in our Market area!"*

**Parts Manager:** *"Why do you have all of these Aftermarket Oil and Air Filters on your Parts Shelf? The Company who sells them to us gives us a REALLY GREAT price! You forgot to mention that this Company also gives you really great pre-paid Master Cards?"*

**Service Manager:** *"My Customers do not want to buy Factory Recommended Maintenance". Really, so let me make sure I understand. Your customers drove past nine Aftermarket Shops who offer Oil Changes for prices lower than what you charge and do it much faster than your Service Department does, just so they could get their Oil Changed at your Dealership, but they do not want to purchase the "Factory Recommended" Maintenance Services? YEP, that's right!*

**Collision Manager:** *"Why are you not requiring your Estimators to mark the Four Square (customer name, insurance company, date in, date promised) Info on every Vehicle in Process?" "They do not have time!" Really, how much time do you spend every day looking for customer's cars now?*

**Service Manager:** *Why are your Service Prices lower than your Aftermarket Competitors? "We have to be competitive, besides our prices are the same as other Dealers charge!" Who told you that you HAVE to be competitive? "Well don't we?" No, what you have to do is sell the features, benefits, and value of your Dealership Services, unless you just want to lose your Dealers money!*

**Parts Manager:** *Why is your Parts Inventory only selling on average 2 times each year? "I do not have any control over that." Why? "We are on (insert manufacturer name here) Daily Stock Replenishment Program and they send me what I need." What are you supposed to do when they send you more parts than you need? "I am not sure, let me check?" You are supposed to reject them!*

**Collision Manager:** *Insurance companies' control where customers go to get their cars repaired and they do not like our Shop. Do you know why insurance companies do not like your Shop? "No!" Ok do you know what your Shops average cycle time is? "No" Do you know what your average repair claim cost for each insurance company is? "No!" Do you know what your CSI Scores are by insurance company? "I can't get that information."*

**Collision Manager:** *Why did you not charge the insurance company for the not listed repairs in this estimate that you are entitled to get paid for? "Their Adjuster told me they would not pay for that." When you go to the Grocery Store, do you load up your cart with groceries and then tell the Grocery Store Clerk how much you are going to pay for the groceries?*

**Any Manager:** *Why are your Personnel Costs more than 40% of your Department's Sales? "We have to pay that much to find good people in our Market area." Can you tell me how much BAD People cost in your Market area? "I don't understand the question?"*

## **Licensed Car Mechanic Charged with Manslaughter in Customers Death**

This article should be required reading for every Service Manager and every Mechanic.

<http://www.bodyshopbusiness.com/licensed-car-mechanic-charged-with-manslaughter-in-customers-death/>

**NARB announces New Database of "non-included"**

## Collision Repair Operations

**National Auto Body Research Council (NABR)** has announced the coming launch of the Variable Rate System (VRS) Procedures Document Search functionality, an online, searchable library of documents showing non-included procedures and operations paid by insurers.

This new functionality enables Shops to collect payment on more of their work by providing actual documents such as insurer estimates, shop estimates, checks, and insurer claim numbers that prove that a particular insurer paid a Shop somewhere for a certain procedure.

NABR began its research on procedures and payments in April 2015, asking Shops which insurers paid them for what procedures.

*"In that early research, we observed a glaring imbalance," said Sam Valenzuela, president of NABR. "Some Shops got paid for performing a certain procedure, for example finish, sand and buff, while others did not, even for the same work in the same state and with the same insurer. But that research didn't go far enough. What Shops really needed was documented proof of an insurer paying for that procedure. We decided that NABR could best add value to this issue by leveraging our existing VRS Labor Rate Technology and search engine, and extending that capability for use on procedures-related documents. It makes good sense because Labor Rates and Procedures go hand in hand. Not only do Shops need to get paid for the work they do in non-included procedures, but also they need to get paid at the right Labor Rate. Now, when a Shop does the work and can show the insurer their own estimate and claim number for a completed repair where finish, sand and buff got paid to a different Shop somewhere else, there's simply no disputing it. The Shop gets paid."*

The new VRS Procedures document search functionality will launch by the end of the third quarter this year and will be included at no additional charge for all current VRS subscribers. To learn more about National Auto Body Research, visit

[www.nationalautobodyresearch.com](http://www.nationalautobodyresearch.com).

**Welcome Peter Kowcz to Edwards & Associates**



Please join me in welcoming Peter Kowcz as the newest member of our Team. We are very pleased to announce that Peter will be joining Edwards & Associates as a Consultant effective September 1<sup>st</sup>, 2015. Peter will be traveling with Gary Edwards to Waikem Ford, Gregg Young Chevrolet, and Ferrario Ford this month and he will also be sitting in on our Advanced Selling Skills Course here in Charlotte at the end of the month. So if you get a chance to see and meet him, please welcome him to our team.

Peter Kowcz comes to us from Kyiv, Ukraine, where he has been for the last 8 years as a Director of Aftersales in the Automotive Industry. Prior to going to Ukraine, he has 22 years' experience here in the US, with the Automotive Industry. He has expertise in working with Dealers and Dealer Groups to provide guidance in all areas of the Dealership, along with implementing new processes.

## Enroll in an E&A Manager College Course Today...

### Upcoming Course Schedule:

- Advance Service Selling Skills Course (Service Advisors) September 28-29, 2015- Charlotte, NC Enroll [HERE](#) Today
- Service Manager College Course- November 10-12, 2015- Charlotte, NC Enroll [HERE](#) Today
- Collision Managers College Course- December 8-10, 2015- Charlotte, NC Enroll [HERE](#) Today

### Executive Learning Resource for Top-of-the-Line Fixed Operations Managers or Those Who Want to Be

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