



Press Release

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FOR IMMEDIATE RELEASE

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National Industry Issues Forum Breaks Attendance Marks

Over one hundred industry professionals meet to discuss and strategize key issues.

Richland, WA, May 6, 2004 — “The room was so full we had to bring in more chairs three times.” The preceding comment made by a representative of the Society of Collision Repair Specialist (SCRS) indicates the unprecedented success of the 2004 National Industry Issues Forum (NIIF) held April 8th in Nashville, Tennessee. The NIIF was moderated by SCRS Past Chairman Chuck Sulkala with SCRS National Directors Chad Sulkala and Gary Wano.

Though the SCRS-hosted NIIF has existed since 1992, the 2004 session was special in that over one hundred industry professionals convened, an increase of 30 to 40 percent over previous average attendance. Even though the NIIF is widely acknowledged as uniquely valuable because of its exclusive focus on collision repairer concerns, this year’s participation suggests that it is entering an exciting new phase of existence.

“Though I’m not entirely certain what was responsible for the spike in attendance,” begins SCRS Chairman Lou Dilisio, “I do believe more repairers are comfortable with the NIIF concept and understand its worth. Participants came prepared this year; they walked into the room with notes ready for focused discussion. For example, Steve Regan representing the Massachusetts Auto Body Association (MABA) comes to mind. He polled MABA membership beforehand and communicated their members’ concerns.”

“I enjoyed moderating,” Wano says. “The role gave me an entirely new perspective as I am accustomed to being the person raising the issues. You could feel the energy in the audience and you can see the concern in their eyes. You could clearly see that these issues were impacting repairers from all areas of the country.”

Chad Sulkala agrees that the forum’s atmosphere was positively charged. “It’s an open atmosphere—people aren’t afraid to dive into the heart of the matter,” he says. “Clearly the industry is finding its voice—this group was *not* hesitant to speak its mind. At the same time, they weren’t afraid to listen and learn, which is a necessary part of forming action plans to help resolve the issues.”

Resolutions discussed at this year’s forum were forwarded to the Collision Industry Conference (CIC) for further discussion before being returned to the SCRS Executive Committee for action planning. ***A press release detailing proposed actions on each issue will be released in the near future.***

The following is a summary of the issues discussed this year at NIIF.

“Bellman” Programs

Certain insurance companies have instituted claims procedures in which the insurance company designates a representative (“bellman”) to pick up the policyholder’s damaged vehicle and deliver it directly to a collision repair facility of the insurance company’s choice. This is problematic in that the consumer doesn’t get to choose the facility and has no contact with the repair facility throughout the entire process.

Database Misuse

Repairers are noting a rising trend of database misuse in regard to properly utilizing an estimating system. The problem appears to be a combination of procedural misinterpretation and potentially premeditated manipulation, with insufficient labor times the result. Some examples are arbitrarily reducing the refinish time on a panel because the basecoat is applied only over the repaired portion (not the entire panel) regardless of the repair area size and flat dollar charges for sublet operations (such as alignments) that are insufficient because the charges often do not correspond in any way to the labor time standards contained in the estimating databases.

Insurance Intrusion into Shop Management

The continuing link between collision repairers and insurers through Direct Repair Programs (DRPs) continues to result in a number of issues, most of them related to the administrative side of the collision repair business. In essence, the administrative function of the claims process is being offloaded from the insurance company to the collision repairer, resulting in increased paperwork, shifted cost and increasing requirements that specify, and therefore limit, sources of parts, paint and suppliers. As a result, repairers often feel they are losing control of their businesses.

OEM Certification

With increasing frequency, certain automobile manufacturers are requiring collision repairers to invest in certification and equipment specific to newly introduced vehicle models. In many cases, this additional investment—dollar estimates put forth at the NIIF ran from \$70,000 to \$170,000—may be hard to justify given the actual stream of additional work.

“The discussions held on each one of these issues could be worthy of a meeting in itself,” states SCRS Executive Director Dan Risley. “Although we are pleased with the increased attendance, we are ecstatic that the industry continues to see the value of this forum as evidenced by the support and participation. The NIIF further validates that ‘Working Together Is The Most Important Work We Do.’”

Through its direct members and 31 affiliate associations, SCRS is comprised of 5,000 collision repair businesses and 58,500 specialized professionals who work with consumers and insurance companies to repair collision-damaged vehicles. Additional information about SCRS including news releases is available at the SCRS web site: www.scrs.com. You can e-mail SCRS at the following address: scrs1@aol.com.

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