

ABAC NEWS

**NOV - DEC
2010**

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The Official Newsletter of the Auto Body Association of Connecticut

ABAC News Celebrates 10th Anniversary! Association's Official Newsletter Informs & Educates

In late 2000 an idea was formed to try and get informational and educational news and topics to members of the Auto Body Association of Connecticut. The thought was a bi-monthly newsletter aimed at collision repair shops. After several drafts and presentations to then ABAC President Mike Wilkowski, and with the support of he and his Board of Directors, the ABAC News was born.

Being the "Official Newsletter of the Auto Body Association of Connecticut", this bi-monthly periodical was expanded to be sent to over 500 collision and mechanical repair facilities as well as vendors and executive boards at neighboring New England Auto Associations. The idea is to bring information from around the country as well as in our own "backyard" to dedicated shop owners and their employees.

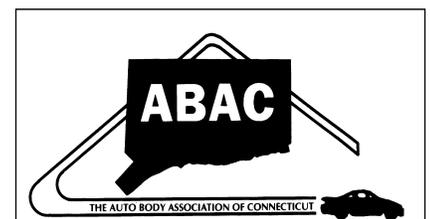
As we celebrate our 10th Anniversary we are proud to say that the ABAC News has remained on the right path thanks to the support of present and past leadership and the executive boards of the ABAC.

Current ABAC President Bob Skrip continues the growth of membership with the help of his executive team. More emphasis has been placed on Consumer Awareness, Community Activities, Social Media as well as the ongoing process of providing educational resources to collision shop owners and their employees throughout the state. The ABAC Quarterly meetings have been well attended due to the offer-

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ings of guest speakers and presentations of industry technology with its fast-paced advancement. All of this reported in the ABAC News to provide those who don't have the time to attend.

A small sampling of what the ABAC News has reported on over the past several years:

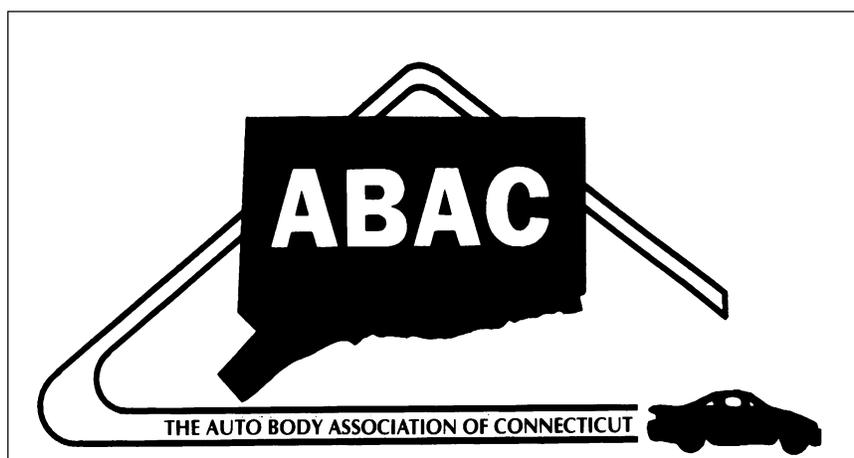
- ◆ Consumer Alert Bulletins
- ◆ Human Interest Articles
- ◆ Quarterly Meeting updates
- ◆ The Hartford Lawsuit
- ◆ Insurance News & Scuttlebutt
- ◆ News from local New England Auto Associations
- ◆ Support of House Bills at the State Capitol
- ◆ Industry Tech Tips
- ◆ The Honk-Fest Rally of 2007 led by Attorney General Richard Blumenthal
- ◆ Leadership Conferences

And so much more.....

While the ABAC News can attribute some of its success to the reporting and support from ABAC leadership, none of this would be possible without the financial support of our advertisers in the ABAC News Ad Directory. The ABAC News has become an important financial means for the Auto Body Association of Connecticut and all of that comes from these Vendor/Advertiser contributions! At a recent Quarterly meeting President Bob Skrip said, ***“Our vendors who advertise in the ABAC News Ad Directory need to be referred to as “investors” and rightly so. They have a financial stake in the ABAC. We, as the Auto Body Association of Connecticut need to support those who support you and remember our very valuable supporting investors when purchasing product or services for your business.”***

At this holiday time we at the ABAC News would like to thank the ABAC for their continued support and most of all to all of our advertisers for the financial support to continue to lead us in the future.

Congratulations to the ABAC News on their 10th Anniversary and may everyone enjoy the holidays with family, loved ones and friends!



STEERING: The Problem & Solutions

Submitted by Don Cushing & Dave Fogarty

As we visit collision repair shops on a daily basis, one major complaint from shop owners continues to focus around insurance companies persuading customers to have their vehicles repaired at their DRP Program shops rather than the customer choosing a repair shop of his or her choice. While we have been aware of this ongoing practice by insurers, we decided to individually contact our own insurance companies to obtain first hand knowledge of the sales presentations given by these companies. Here is what we found.

“We recently added a new car to our insurance policy. Obviously I needed to contact my carrier, Amica, to get this done. I thought I’d have a little fun while I was at it! The agent went through all of my changes and was very helpful. I was offered “Gap-Insurance”, Glass Coverage, Rental option and Road Side Assistance Coverage, all at an extra cost I might add and declined all options. Before we were done I then asked the agent what their company policy was concerning aftermarket parts. She did disclose that Amica never demands the use of aftermarket parts for their insured. I then asked if I ever need to have repair work on either of my vehicles if I could take it to my shop of choice. She did tell me that while I have the right to choose my repair shop, Amica could provide a list of qualified repair shops. Have any of you dealt with Amica recently? Is this all true? I certainly hope I never need to find out!”

Don Cushing – Bald Hill Dodge Chrysler-Jeep & Kia

“I contacted Geico, and asked the claims rep the following: If I choose my own repair shop instead of choosing the Geico Auto Repair Express Program, what would be the major differences in getting my vehicle repaired. I was told that the major advantages in choosing the Auto Repair Express Program would be that Geico would guarantee the repairs for life. Also the repairs normally would be completed sooner because their adjuster would be present at their ARX shop, thus speeding up the process. When I asked if O.E.M. parts would be installed instead of less expensive aftermarket parts on my vehicle, I was shocked when I was told that Geico would prefer to authorize O.E.M. parts on my vehicle as long as they were available. I personally know that this is not the case after viewing many Geico estimates on newer vehicles. Generally speaking, if aftermarket parts are available, that is what is offered in most cases. Finally I was told that Enterprise Rent A Car would provide a rental to be picked up and returned at the ARX shop for my convenience. In addition, I viewed the ARX Program presentation on line, which included an impressive video.”

Dave Fogarty – Lorensen Auto Group

Let’s understand the following: Insurance companies are very creative with impressive sales presentations and marketing campaigns to their customers. As shop owners, you have choices to make. You can continue to complain about losing customers, or you can focus on the situations that you can control.

They are as follows:

1. Marketing: If you do not have a website for your business, create one now! Insurance companies all have websites for obvious reasons. If you do not have a current body shop brochure

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- promoting your business that you can put in customers vehicle glove compartments, you had better get one produced in a hurry.
2. **Sales Presentation:** Many shop owners make the mistake by allowing potential customers to literally walk out of their shop, telling them to contact them after they have talked to the insurance company. “When you have a customer in your shop, or are talking to them on the phone, understand that this may be the one and only opportunity you will have to secure their vehicle repair. If you allow them to converse with the insurance company, you stand a high percentage chance of losing the job.
 3. **Offer a lifetime guarantee on your repair work.** Offer to handle the entire repair process for your customer from start to finish. Offer O.E.M. parts for the repair of their vehicle, explaining the differences compared to aftermarket parts. Offer to have a rental vehicle at your shop for their convenience, just like the insurance company offers.
 4. **Repair Authorization:** One thing defines a customer who claims they want you to repair their vehicle, a signed Repair Authorization. If you do not have a signed repair authorization, how can you consider that person to be your customer in the first place? Get your customer to sign a repair authorization either in person or by faxing.

The Actual Repair: This is your final opportunity to prove to your customer that you are worthy of repairing their vehicle. Do not take short cuts. Use the best quality parts and products, and state of the art procedures to produce the best collision repair possible. At delivery time, make your customer aware of how much you really care about them personally, and their vehicle.

Remember, a sincere professional sales presentation and top quality repairs will produce positive results for retaining customers both now and in the future!

Social Media outside of the Mainstream

By Kim McWatt

When you think of the types of organizations using social media technologies, most people would automatically think of fashion retailers, restaurants, or big corporate brands / manufacturers. It's actually quite exciting to see other industries starting to embrace social media in their marketing tactics. Clearly, any company who needs to connect with their customers should consider social media as part of their communications mix.

An interesting example came to my attention in the April 2010 edition of [Bodyshop magazine](#). The article titled “[Social Settings](#)” by [J.D. Ney](#) talks about the “newfangled” world of social media and provides a case study for bodyshops and collision repair facilities to model themselves after.

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To differentiate themselves in a competitive market, many collision repairers turn to traditional media choices like flyers, radio and direct mail to message their customers. For others, the time is ripe to put some effort into non-traditional media. With a changing consumer demographic, focusing only on baby boomers (their current customer base) will not promote future sales growth.

According to Chris Sheehy, president of [Autobody Consulting Group](#) in Rhode Island, “That younger age bracket relies heavily on word of mouth, and more importantly, the kind of referrals and testimonials you get with social media. They simply won’t believe something that comes from a company website. They believe and interpret what others are saying about it. So, they’re very dependent on the Internet to get this information. If they can’t find you there, or find out what people are saying about you there, then they’re not going to get to know you.” A social media usage poll done on bodyshopbiz.com indicated that less than half of respondents had any kind of social media strategy at all. Early adopters, like [South Barrie Collision](#), the case study presented in the article, highlights the opportunities social media can open up for early adopters of this communications strategy.

What the South Barrie Collision story underscores three key points:

Monitor your audience: Periodically review who is actually following and responding to your Tweets or Facebook updates. It’s not about how many people you reach, but WHO you reach which is more important. Identifying a small group of highly engaged and energized potential customers is more rewarding than hundreds of somewhat interested followers. South Barrie Collision first focused on the end customer, but then recognized their followers were more in the insurance business and changed their communications accordingly to maintain visibility with insurance brokers too.

Test – learn – adjust: As with any marketing campaign, you need to start with a solid strategy. But you also need to be flexible and adjust your strategy as needed. South Barrie Collision constantly adjusts their message to not only focus on their shop – they provide advice, tips, news, fun “stuff” in order to maintain engagement with their audience

Social media requires commitment: Do you want to create a short term interaction or are you committed to work towards a long term relationship with your customers? As Sheehy points out “I search around and see a lot of bodyshops who have a presence in this space, but I see an awful lot of one-liners...” Social media requires constant attention; otherwise, long-term benefits will never be realized.

Social media is not only for the retailers, restaurants, and big corporate brands in the world. It can work for any company who wants to seriously engage with their customers and build strong relationships. From commercial truck dealers, independent automotive or truck repair facilities, to tow truck operators or vehicle rental shops – develop a social media strategy that works for your business and follow through. It’s time to get the conversation started.

ABAC Holiday Party & Salvation Army Toy Drive 2010





Aftermarket Parts: Are they the Same? Are they Safe? Is there a Problem?

What gives me the right to comment on any of the above issues and why would I want to bite the hand that feeds me? If there were no problems with aftermarket crash parts why would I even care?

I am in business to make money, and to stay in business I need to treat my customers fairly and honestly. Part of being in business responsibly is serving my customers by giving them good and honest value for their money. If there were no problem with these parts I would embrace them and present them to my customers as an added value. I would be an advocate, not a critic, of the aftermarket part.

Some readers have wondered why I am able to speak out as I do on the industry with boldness and confidence. Because I know that I speak the truth and its hard to argue with that.

I am concerned with the diminished value of my customer's vehicles and I am compelled to speak out. I have ten years of documented proof along with photos and invoices to prove that what I am saying is true. Aftermarket crash parts are NOT the same as OEM unless they are made on the same assembly line to the same exacting standards.

Recently (last week) I had a 2010 Toyota Tacoma come in for a repair. The estimate listed all A/M parts, even for the front impact bar. This customer did not even know that there was an A/M parts clause in his policy. The difference out of his pocket was \$400 plus a deductible. He contacted his insurance company, but to no avail. He was told, in effect, "too bad." This is the type of policy you bought—but they will guarantee the parts specified as long as he owns his vehicle.

He asked us if the parts were the same and we had to tell the truth. We told him 'no, they were not the same.' If we answered any other way then we would be liable because the Toyota dealer will depreciate this 2010 Tacoma upon trade in.

I have a big problem with this deceit when I am the one expected to do the deceiving. There is a big difference between allowing a well-informed discerning customer to make this decision and one who is not informed, but the former is almost never the case.

Normally I am expected to be the one to convince my customer that these parts will make their car as good as new. The problem is that it's just not true. It's a problem for me when the customer is trusting me and my name and reputation is going on the repair.

Do you really think I will keep this Toyota Tacoma owner as a customer if he realizes one day that I lied to him? What about when trade-in time comes, and he and his wife go to the dealer to pick out their new car and find out that their 2010 Tacoma can't be traded in without a substantial loss? I wonder if he would blame his insurance policy, or care about the guarantee of these parts then, or would he just be upset with me, the guy who put the parts on his truck?

The problem with aftermarket parts is more in the deceit that must accompany them rather than with the part

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itself. Because NO ONE and I mean NO ONE, would choose these over OEM parts if cost were not a factor. The problem is that the use of these parts have far superseded proper business ethics and the manufacturers want the collision industry to become a party to what are deceitful marketing and sales tactics.

Safety is the issue, but many in the aftermarket crash part industry are bold enough to say this is all fabricated and blown out of proportion. I have been around long enough to say that collision repairs are really not investigated, so to say there is no safety issues at this point is risky foolishness not unlike marketing cigarette smoking. People were getting cancer from cigarettes years long before anyone was able to prove smoking was responsible.

Either way, safety is not the only issue. There is substantial diminished value, and the parts are not the same, as many of our state laws require.

When will the truth about these crash parts reach the public and when will the insurers properly inform their policyholders of the facts? When will use of these parts be banned from late model vehicles? Since when did fit and finish mean nothing in a collision repair? When will the major insurers realize that using aftermarket crash parts will eventually cost them their customers? Why is the collision industry still held liable for the repair when we really don't control the decisions in the repair process? When will we quit being the advocates of deceit and tell the whole truth and nothing but the truth.

Source: www.autobodynews.com

Written by Lee Amaradio, Jr.

Lee Amaradio, Jr. is the president and owner of "Faith" Quality Auto Body Inc. in Murrieta, California. Lee is president of the CRA as well as an advocate for many other industry groups. He can be contacted at lee@faithqualityautobody.com

ABAC Membership Continues to Grow

The Auto Body Association of Connecticut membership is consistently increasing, with seven businesses coming on board recently.

They are as follows:

- | | |
|--|-------------------------|
| ◆ Nero's Auto Body | East Haven, Ct. |
| ◆ EVO Merchant Services | Brooklyn, N.Y. |
| ◆ Crest East Coast Inc | Brick, N.J. |
| ◆ TJ's Auto Body | Wallingford, Ct. |
| ◆ Wheelers Auto Service | Hamden, Ct. |
| ◆ Columbia Ford Lincoln Mercury Kia | Columbia, Ct. |
| ◆ Torrington Honda | Torrington, Ct. |

These business people realized the importance and value of education and industry information and the role the ABAC can play to help make their businesses more profitable!

The ABAC expresses sincere thanks and wishes all of you great success!

Marketing and Innovation – the Drucker theory; and it's relevancy to the auto body industry

Posted on [October 31, 2010](#) by [Christopher Sheehy](#)

I was doing some reading recently when I came across a quote in [Forbes](#) Magazine that I haven't heard of in a long time . . .

Because the purpose of business is to create a customer, the business enterprise has two – and only two – basic functions: marketing and innovation.

Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business.” Peter Drucker – 1973

I frequently meet people who are at a quandary of whether their business will be better off with more marketing (traffic to their door) OR with better operating efficiencies and standard procedures. Drucker reminds me in his quote that it is both and as a consultant, my job is to find the balance of implementing marketing innovation and business innovation in a manner that brings the quickest and most quantifiable ROI to my clients – from a financial as well as results perspective.

Here's a quick breakdown on what Marketing and Innovation means for our autobody industry – from my point of view.

Marketing, creates brand awareness, trust in the brand, and top-of-mind awareness of your business (brand being your business name). In other words, marketing makes people aware of your company's name, logo, and location. When done well, people will have trust and confidence in doing business with you – even if they haven't met you before. Social media usage coupled with the recent search engine changes (for your website – you have one – right?) online marketing vastly extends your word-of-mouth marketing. Marketing is certainly one area where you don't want to put all your eggs into one basket – a solid strategy could consist of online, face-to-face, paper, radio, television, social media, community, cause, or guerrilla marketing tactics. The first thing to do is to allocate an annual marketing budget (3% of overall revenue is a good goal) and to put a strategy together. The second step is to stay true to this commitment. Lack of commitment is one of businesses biggest failures – motivation is the multiplier to success though, so try your hardest to stay focused and on-task.

Innovation is, by [definition](#); “the introduction of something new”. Nearly everyone will have their own interpretation for what is innovation – but to me, it's the willingness to continually try something new to better your business results or to provide a greater customer experience – Kaizen in Lean terms. This term also loops-back to the first – Marketing, in having the willingness to try different ways of marketing your business. To many, innovation represents Lean, Mobile-

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Estimating, or Blueprinting –reality is, that it's usually more simplistic than that. Realistically, having firm business processes alone defines innovation for the majority of the businesses. No matter – innovation is innovation, and as long as it's centered on your business needs; then you're headed in the right direction.

In the big picture, marketing brings customers to your door and innovative approaches to customer service, repair quality, and meeting consumer expectations (i.e. cycle time) will bring them back.

No doubt about it, Drucker was right on the mark way back in 1973 with his statement, and nearly 40 years later it's still true that marketing and innovation need to play a pivotal part of your daily operations.

Following the ABAC on Social Networks

It's only been a few months, but the ABAC Twitter and FaceBook pages managed by Chris Sheehy (Autobody Consulting Group) have already collected quite a following – nearly 450 followers as of today (trending for 1000 by summer 2011). Our new consumer-focused social media voice has even received praise from none-other than Dick Blumenthal and has had frequent dialogue with Ann Nyberg, Ford Motor Company, Hartford Curreant, and numerous other CT based persons and media outlets. ABAC's social media campaign is alive and doin' fine!

Our message can go much farther with your help though; please join in on the conversation and get involved.

FaceBook <http://www.facebook.com/AutoBodyAssociationCT>

Twitter <http://www.twitter.com/ABAConn>

Autobody Consulting Group has been internationally published for how they manage social media within the auto body industry and they are offering special ABAC pricing (shops and vendors) for a fully-managed social media marketing campaign – prices start at just \$300 pr/month (that's a one-car ROI). Contact Chris directly for more information @ 401-481-4939.



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The goal of the ABAC News is to provide a forum for the free expression of ideas. The opinions and ideas appearing in this publication are not necessarily representations of the ABAC and should not be construed as legal advice.



**A Message from the desk of
Bob Skrip
Skrip's Auto Body
ABAC President**

Memories.. That's what 2010 is about to become. A memory. I want to take this time to reflect on my memories of this year with ABAC. It started out with our participation with AASP/NJ in their annual trade show and expo at the Meadowlands in New Jersey where your board members and I set up a booth at the show and spent two days networking with members and non members alike, as well as share our successes and learn from industry leaders from around the country.

Throughout the year we had numerous meetings with political candidates in their run for office, we met with the past Insurance Commissioner Tom Sullivan to voice our concerns with ongoing issues we face in our shops every day. Your legislative committee of the ABAC has been diligent in watching upcoming legislation that directly affects your ability to be successful in business.

We ran many successful membership meetings throughout the state with topics ranging from EPA compliance, to an educational meeting with none other than Larry Montenez, former I-CAR instructor that always fills a room. We literally trained hundreds of techs and shop owners and managers with the tools they need to survive in this ever changing industry we all love.

We brought social media to the ABAC with the help of Chris Sheehy from ACG and we are now enjoying hundreds of followers on Facebook, and Twitter. We are beginning to look at each other as colleagues rather than competitors to work better together as an industry. Our www.abaconn.com web site experienced hundreds of thousands of hits this year as well.

All of this and so much more has given the ABAC a membership boost like never before. We are experiencing that growth because we, as a very active association are vocal, aware, and ready to face the challenges that are before us today and tomorrow..

So now about 2011, I have one thing to say..

BRING IT ON.....

Bob