Building a Production Compliance Model

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We tend to spend a lot of time contemplating what to do next to improve our businesses without looking at what is happening now. What can we do to make things move more efficiently? How can we improve productivity, capitalizing on every potential business possibility we encounter daily? Have we identified every opportunity on every job that we have within the store? Have our people completed everything that they have the potential of doing? Has every task been achieved properly?

As we look at our daily activities around the store, we leave about 30 percent of our time, effort and potential on the table. If you think about that further (using a 10-car-per-week store), that could be an additional three closed ROs per week. You can do the math beyond that, but three cars would be a nice addition to the billed labor hours and overall profitability for most stores.

Drilling down a bit further into this efficiency thought process, what if you were able to improve your estimating skills by 30 percent? For an average RO of 19 hours, that would be an improvement of 5.7 hours. There are so many opportunities in electronics, vehicle construction, fasteners and even pricing your materials properly. Are we really looking at all aspects of the repair process to make sure that each opportunity is identified and then documented so that we can get paid for it?

Let's look at another area where improvement can be incrementally advanced with additional focus: Tech production. How efficiently are your technicians operating? Do you measure? Do you know the formula? What are the areas in which you might be able to examine, measure and change processes that would help them to be more productive? What should the target for productivity be? How do you identify what each technician should be producing, and

do you share your business and production expectations with them? Do you tell them what their productivity means to the business?

Organizing the entire repair facility is extremely important in making sure that everything that can be done to improve customer service, efficiency, pricing and productivity has been done. This starts with properly identifying all the tasks that need to be completed and who is accountable for their completion. The shop should be broken into segments to make the analysis and the task identification easier to compile into lists.

Pre-production is an area that has conflict "built in" for which resolution has to be quick and well documented to allow for clear decisions that are clearly justifiable. To better define what this means, the estimating or blueprinting processes are typically where "friction" points will exist because of third-party payers. It can be caused by pricing, skill and knowledge gaps; for a variety of reasons, resolution has to occur. Let's assume for the purposes of this article that all the typical claim information, documentation and contact steps have been made, and the vehicle is at the store with a pay assignment or a clear contract of repair with the customer.

Here are the steps required to take place to get the vehicle into production:

1. The vehicle has to be scheduled in for the estimate (or if not mobile, brought into the bay for disassembly).
2. Repair authorizations and data acquisition authorizations need to be signed by the vehicle owner and put in the hard file.
3. All the options must be properly identified to establish the "estimating" requirements by vehicle construction and design, including the testing protocols necessary to establish pre- and post-accident safety system readiness.
4. A data search must be conducted to identify any particular repair scenarios that must be followed specific to the platform requirements, e.g., steels, plastics and other build data.

5. The condition of the vehicle has to be established to ensure that proper measures are taken to restore it to (or make it better than) its prior condition in accordance with the payer's obligation to the vehicle owner.

6. All electronic pre-sets must be saved either electronically or manually to ensure that the owner retains their pre-sets.

7. Parts requirements agreed to by the vehicle owner must be initialed and put in the hard file relative to aftermarket or other non-OEM parts.

8. The estimator/blueprinter has to cycle the ignition whenever possible to conduct the "seven-second burn" to check for dashboard-indicated fault codes for vehicle safety systems. This is in addition to the diagnostic link tests which check for system continuity.

9. Begin disassembly processes.

10. Identify parts that are to be saved and those that will be replaced.

11. Establish repair times for the damaged repairable nonstructural areas of the vehicle.

12. Establish repair times for repairable structural areas of the vehicle.

13. Determine removal and replacement requirements for glass, including adequate dry/cure times for adhesives used in replacement required by FMVSS.

14. Identify refinish requirements for undamaged adjacent panels where applicable.

15. Identify undamaged part removal and replacement requirements to accommodate blending procedures as necessary.

16. Determine the length of time necessary to obtain parts.

17. Determine the length of time necessary for repairs. (This is from the start of the repair to the conclusion of the repair.)

18. Contact vendor(s) to place parts order(s).

19. Receive parts and validate part order list against parts received to verify part numbers and part types.
20. Mirror match parts against those that have been identified for replacement.
21. Create second parts order for corrections when necessary, including accounting requirements.
22. Identify billable hours for vehicle and day/date for production processing.
23. Place vehicle into production rotation.
24. During production, create supplemental billing when needed and accompanying parts orders or labor add orders.
25. Contact customer and insurer, as needed, to validate supplemental billing for review, verification or approval.
26. Update file documentation.

All the individual tasks associated with getting the car into production may or may not have been listed. There may be subset tasks that will be identified as well. This will depend on the level of detail that each individual store owner might place on particular tasks associated with a process. But as can be seen in this example, the level of detail is important in that the store owner will be requiring someone to complete these tasks and holding them accountable for doing so.

Going back to the earlier point about potential "friction" caused within a particular job assignment, estimating and blueprinting have the most areas where the decisions can be subjective in some cases. However, subjectivity can be reduced significantly with documentation. Some in the industry say that the strategy should be that we need to negotiate in every case. That is not a strategy; that would be a task. The strategy would be to build consensus through properly preparing, presenting and discussing the necessary documentation each time an estimate or blueprint is created. The more thorough and complete the documentation, the narrower the focus of the discussion becomes. This process significantly reduces that element of friction through information.

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As we develop the processes and procedures for the store, the long-term strategy should always be the focus of the tasks associated with the planning and execution for all activities necessary for repairing the vehicle. This allows the store owner to build a more predictive production model, which helps them be able to forecast what their daily, weekly and monthly performance metrics should be. This is where we begin to take the requirements and form them into our standard operating procedures (SOP) that support the performance metrics.

The task lists are the starting point. Job descriptions are then created that tell the employees exactly what their roles are in the execution of the tasks, and they begin to get an indication of timeframes and performance requirements which are more clearly defined in the SOP and accountability measurements. The SOP then provides the detailed, step-by-step instructions in the execution of the tasks.

Some key takeaways would be:

1. Have all the required steps and tasks been identified for the process that is being built?
2. Does the job description being created for this process provide the detail necessary for the employee to be able to complete the process as expected?
3. If not, what training will be required to expand the employee's skill set so that their competency is improved to the necessary level of performance?
4. Should that additional training be internal or external, and what is the cost and potential return on investment (ROI) for the training activity?
5. Do the Standard Operating Procedures clearly define all steps, performance requirements and timeframes necessary to meet production requirements?
6. If followed, will the task lists, job descriptions and SOPs provide a more efficient production flow resulting in improved production efficiency and profitability?
7. If not, what additional steps need to be considered to make the SOP adequate for the production needs?

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8. If followed, are the steps adequate for the staff to perform to their individual performance expectations?

9. What review process has been established so that the process can be audited for compliance and corrective action as needed?

Applying the ideas explored in this piece will help your facility become a more productive and efficient machine. Please feel free to contact me if you have any questions or comments regarding anything discussed in this article.

Keith Manich began his journey through the collision repair industry as a body technician and painter over 30 years ago, progressing through management, insurance claims, automotive engineering, testing and training and technical oversight at an industry MSO. He held roles in senior management in training and research at one of the nation's premier collision research facilities as well as traveling worldwide in his role as the center vice president. As a trainer and coach in damage analysis and damage blueprinting, he has also been responsible for developing SOPs, financial impact models, job aids and repair personnel job descriptions for collision repairers. He brings unique skill sets to the Automotive Training Institute as well as the industry. He regularly participates at collision industry events delivering immediately impactful information for collision repairers. His passion for repair process efficiencies, oversight of established processes and the designing and implementation of new repair and production procedures are never ending. He has an unquenchable thirst for knowledge which has helped to provide decades of properly repaired vehicles for their owners. He works with and is an active participant in many industry organizations such as CIC, SCRS, ASA, I-CAR, AMI and WMABA (just to name a few), and he has been a guest speaker at NACE, SEMA, AASP and other industry conventions. His productivity tips can be seen in Hammer & Dolly, where he is a featured writer. He can be reached at mkmanich@autotraining.net.