

The Perfect Blend

A publication of Micro Auto Paint Volume 6 (1st quarter 2007)

221 Victor, Highland Park, Mi. 48203 (800) 865-4205 www.micropb.com

Metropolitan Lincoln Mercury joins the Micro Team

Metropolitan Lincoln Mercury, formally know as Stu Evans Lincoln Mercury is located on Ford Rd. in Garden City, Mi. This Dealership has been in operation for over 60 years and has built a reputation on providing courteous, honest service. With over 30,000 Sq. Ft. workspace it is equipped with the latest technology including two heated downdraft spraybooths with prep stations, a laser measuring system, state-of-the-art frame racks and a wheel alignment service. The Collision center has everything to make the customer feel comfortable about the repair process. Jason Ellsworth has managed the collision center for several years and strives on it's smooth daily operations. Having several collision shops in the area brings lots of competition, being an elite collision center is a requirement.

PPG refinish has been used in this shop for many years, but during the new ownership process Metro decided to take a peak at all paint systems, and their advantages. After careful consideration, Metropolitan Collision made a change to BASF.



Micro Auto Paint attends SEMA 2006

The SEMA Show is the premier automotive specialty products trade event in the world. It draws the industry's brightest minds and hottest products to one place, the Las Vegas Convention Center. As part of the AAIW, the SEMA Show attracts more than 100,000 industry leaders from over 100 countries for unlimited profit opportunities in the automotive, truck and SUV, marine and RV markets. SEMA Show 2006 drew over 50,000 domestic and international buyers through two million square feet of exhibits. The displays are segmented into 11 sections, and a New Products Showcase features more than 2,000 newly introduced parts, tools and components. In addition, the SEMA show provides attendees with educational seminars, product demonstrations, special events, networking opportunities and more.

[See Photo Gallery Next Page](#)

Subscribe to this Newsletter @ www.micropb.com/newsletter_form.htm

The Perfect Blend
A publication of Micro Auto Paint
221 Victor
Highland Park, Mi. 48203
(800) 656-4276
Return Service Requested

Autorama

Come see Micro's Exhibit



Admission:	Adults	\$16.00
	Children 6-12	\$ 5.00
	Children 5& Under	Free

Location: Cobo Hall

Discount Tickets Available - Murray's Auto Parts Stores

Friday, March 9th 12pm - 10pm Saturday, March 10th 10am - 10pm Sunday, March 11th 10am - 8pm

Metropolitan Continued

Metropolitan Collision made their decision based on four reasons: Superior Technology, the Lowest Sprayable Costs, Unbelievable Color Matching Tools and the added Value offered by Micro Auto Paint. Jason Ellsworth, shop manager states, "I don't look at them as another paint distributor, they reinvest their dollars to offer all the other benefits which are not available elsewhere. Micro Paint is interested in our success. How can you beat that? Doing business with Micro Paint is a win/win for everyone."

"Micro's technical service representatives Steve Gruchula and Shane Sisk promised to made this transition very painless." Jason continued.

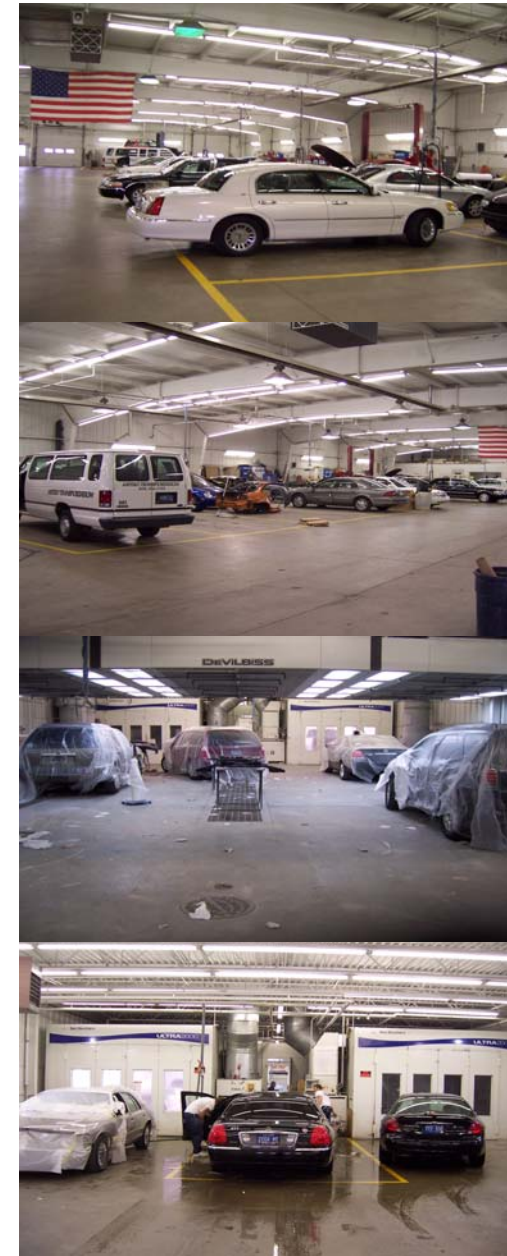
Howard Hicks, owner of Micro Auto Paint, explained how being a ColorSource™ Distributor truly has it's advantages.

ColorSource™ is the trademark name for a unique program developed by BASF Corporation. The ColorSource™ concept was developed to provide assistance to BASF distributors who choose to distribute only one paint product, BASF, through their distribution channel. Membership in the BASF ColorSource™ program is by invitation only and membership automatically qualifies that BASF distributor to support programs created specifically for the ColorSource™ program which are not offered to other BASF distributors.

BASF requires that all ColorSource™ employees complete rigorous training so that they are ready to handle any questions that might occur. Extensive training in one product line, compared to limited training in multiple lines, has its obvious benefits.

ColorSource™ distributors are able to provide a much greater degree of technical support because of BASF's financial commitment to support a Technical Support Specialist (TSS). This benefit allows the ColorSource™ distributor to employ an in-the-field technical support specialist who can assist the collision centers using BASF products. Their expertly trained employees provide their customers with consistent and accurate information,

which is crucial as each jobber's success depends upon the success of its customers.



Nationally, BASF ColorSource™ distributors are able to provide immediate assistance to collision shops which expect help when it is needed rather than wait for a factory representative.

Ken, Head Painter has been employed at this facility for over 20 years. After speaking to him about BASF products, he states, "I have always been a BASF fan. It's hard finding a paint system that offers an all around great product for performance. The Diamont system is very stream lined and is fast and user friendly. This makes everyone involved in the paint department able to work more productively. Diamont is the best paint product I have ever used. My cycle time is very fast which allows me to paint more cars. The gloss and flowability of the 5300 and 5600 clears is excellent and the polish time is minimal."



Sterling learns a lesson

This past summer Sterling Collision in Dearborn, Michigan closed its doors for good. This was unusual because at one time this had been Sterling's premium location in Michigan. The store was huge and highly successful under its former owners Roy and Kevin Mott. It is a sad day when a shop with the reputation it had under the previous ownership closes its' doors.

In the 70's Roy Mott owned Westborn Collision, a good size shop west of Telegraph in Dearborn, Michigan. He decided to relocate his business across Telegraph. When renovation and additions were completed there was 40,000 sq. ft. of workspace.

Westborn Collision became the first shop in Michigan and one of the first in the country to turn \$1 million a month in revenue.

Westborn Collision became a showplace for visitors from around the country and the state. Roy was always willing to give a tour of the facility to any person or group that showed any interest. He probably doesn't even know how many people he helped by sharing his ideas.

Some time later a consolidator was sniffing around Westborn, Kevin felt they had reached an agreement to sell to Car Quarters, a recent new player in the consolidation game. The terms of the agreement weren't important. What was important was that the finest shop in the area was going to be owned by a consolidator with lots of money to spend. Roy had a ton of business. Most came from DRP agreements with major insurers, plus a significant amount of work off the street with other insurers. He had worked long and hard to build the reputation he had in Dearborn. Was Car Quarters with their national contacts going to be able to maintain this business, was the big question. They managed to sign up many new DRP accounts, but they did hang on to the old ones while making every attempt to steal employees from other shops by making them huge promises. The pay plans and the promises changed all to often and Car Quarters had a tough time finding real good help. While all this was going on Car Quarters bought Sterling Collision in the Chicago area and within a short period of time the name Car Quarters became Sterling Collision Centers. The industry was panicky as more local shops found it hard to attract business because for some reason insurers seemed to prefer doing business with the consolidator. It wasn't long before the owners of Sterling Collision stuck it rich when they sold out to Allstate Insurance. Now the collision industry's concern became reality because other insurers continued to do business with Sterling just like they did in the past. Shops in the area were empty while you couldn't get another car in Sterling's storage lot. It was obviously a big mistake for insurers to allow Allstate /Sterling to repair their policyholder's vehicles so one after another

Has **PPG** made a mistake getting involved in the claim process? The LYNX network is disliked by most glass companies. After their Certified First program, it was only a matter of time before they entered in the insurance business. How can any shop purchase paint from a company that actively is cutting their estimates an average of 12%, and then attempts to send customers to their network shops because they choose to pay PPG \$2,000 a year to be “certified”. Most shops are not going to purchase paint from PPG, knowing that they are now trying to get involved in this business. PPG states that they are a different division than LYNX, but all you have to do is look at who is running LYNX, a former PPG person from the paint division. Would you believe the insurance companies that partner with the Certified First Program actually have material caps with some of them as low as \$250.00. A bodyshop owner quoted “I will not purchase any more PPG paint product, I want to let them know that I for one will not stand for this, I believe I must make this decision before it is too late.

Sterling continued

they stopped using Sterling at all. Competing insurers discontinued using a shop owned by their competition. In fact over the next few years, except for an effort to have legislation passed, that would not allow Insurers to own body shops, not too many people got excited about what Sterling was doing.

At the peak of production Roy and Kevin Mott employed between 40-50 people. When Sterling closed their doors at the old Westborn location there were only 14 people employed in the store. It was reported by a Sterling employee “There was not enough work to keep it going.” It is obvious for a variety of reasons their business model didn’t work.

Farmers Follows Suit

Farmer’s COD shops now have to follow the Most Favored Nations clause that started with State Farm’s new agreement. So if you were foolish enough to give up State Farm while hanging onto your farmers DRP agreement you can kick yourself. Farmers now wants the best pricing also. I wonder when the industry is going to realize that these type of changes are going to continue.

Two California shops file suit against GEICO

Two California collision repair shops have filed suit against GEICO alleging that the insurer set artificially low labor rates and then used those rates to steer customers away from their shops. G&C Autobody and Dibble’s Autobody filed the suit in California Superior Court and are asking for money damages, an injunction against GEICO to stop the alleged rate-setting and steering violations, and for repayment of any earnings GEICO had as a result of the alleged violations.

After 2 price increases in 2006

PPG

Reports Record Sales

For the first six months of 2006, PPG recorded net income of \$464 million, or \$2.79 a share. Sales for the first half of 2006 were \$5.46 billion. For the first six months of 2005, PPG recorded net income of \$326 million, or \$1.89 a share. Sales for the first half of 2005 were \$5.15 billion.