

THE Perfect Blend

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A Publication of Micro Auto Paint

4th Quarter 2004

Matthews-Hargreaves Chevrolet's Collision Center Joins The Micro Auto Paint Network

Matthews-Hargreaves Chevrolet decided that it was time to drive their collision business forward. Since joining Micro Auto Paint's Network and changing to the BASF Glasurit paint system, productivity and profit have both improved.



Scott Webster

"Micro challenged me to increase my expectations, to set higher goals for my collision center's performance", stated Scott Webster, body shop manager at MHC Collision Center. "With their help, we have already made good progress towards reaching these new goals."

MHC Collision Center is a 10,000 square foot facility with two bake drive-thru spray booths, two frame racks and a hydraulic hoist. All the technicians are State and I-Car Certified. The friendly office staff are pleased to help customers with their insurance claim and car rental.

"We are located just west of I-75 on Twelve Mile Road", added Scott. "And because of the expressway, many people find us more convenient than other shops that are closer to their home!"

"Color match and cycle time is great with BASF Glasurit," commented Scott. "BASF's Color Max has really helped my paint department. It's a complete library of sprayed reference colors. Now we don't need to make test panels. This saves me material and my painters time."

"I was also impressed with MICRO's commitment to help me with my marketing", added Scott. "Marketing is important

and I never find time to do it. But now, I'm meeting with a marketing specialist from MICRO to implement a series of marketing campaigns. They do the heavy lifting, I just need to give them some direction. It's great".

Scott was also looking for a computer based management system that would help him manage his material usage, paint and material profit, and generate monthly performance bench marks for his collision center.

"MICRO introduced me to Mick Fetter, from Micro-Mix Management Systems", stated Scott. "Mick spent a lot of time in the shop and in my office to analyze our business activity. His recommendations were insightful and result oriented. Mick's programs were easy to implement and simple to use. After only 60 days, we have already turned things around. I am looking forward to even greater success in the coming year!"

The Aluminum Challenge

Carmakers are creating a new generation of vehicles that are lighter and stronger than their high strength steel cousins. Can you say aluminum?

Aluminum is not a new material to the automotive industry. The 1897 Clark was a three wheel vehicle that used aluminum in the vehicle's crankcase.

In 1923, L.H. Pomeroy, a British engineer built the first aluminum intensive vehicle, which weighed about two-thirds as much as a standard vehicle.

Over the years, aluminum has emerged as the metal of choice for the carmakers. In 1976 only 87 lbs. of aluminum

was used per car. By 1999 the amount of aluminum used had grown to 248 lbs. per car.

Carmakers find aluminum attractive because it's lighter and stronger than steel, thus improving fuel economy. Aluminum also resists corrosion and is almost totally recyclable.

Aluminum usage has moved from crankcases and engine blocks to tubular frames, hoods, doors and trunk lids. Setting the standard for aluminum usage is the new all aluminum Jaguar XJ. The vehicle uses construction techniques borrowed from the aircraft industry. Over 3,400 special self-piercing rivets are used in conjunction with epoxy adhesives to assemble the XJ's aluminum panels.

And it is not only the BMWs Jaguars, Audis and Mercedes of the world that are using aluminum. The Fords, General Motors and Chryslers of the world are also using aluminum.

Repairing these new aluminum rich vehicles will require special training, separate vacuum systems, special tools, special welders and separate workstations. When working on an aluminum vehicle, you must avoid contaminating the aluminum with steel, which will cause corrosion.

It's estimated that the cost to become a certified repair center

Top 25 U.S. Auto Insurers

| Rank | Insurance Group | 2003 % Market Share |
|------|--|------------------------|
| 1. | State Farm Group | 16.5 |
| 2. | Allstate Insurance Group | 8.9 |
| 3. | Progressive Insurance Group | 6.5 |
| 4. | Zurich/Farmers Group | 5.4 |
| 5. | Berkshire Hathaway Insurance Group | 4.5 |
| 6. | Nationwide Group | 4.4 |
| 7. | Liberty Mutual Insurance Companies | 3.0 |
| 8. | USAA Group | 3.0 |
| 9. | American International Group | 2.6 |
| 10. | Travelers P&C Group | 2.4 |
| 11. | American Family Insurance Group | 1.9 |
| 12. | Hartford Insurance Group | 1.7 |
| 13. | Safeco Insurance Group | 1.4 |
| 14. | CNA Insurance Companies | 1.2 |
| 15. | Erie Insurance Group | 1.2 |
| 16. | MetLife Auto & Home Group | 1.2 |
| 17. | Mercury General Group | 1.1 |
| 18. | Auto-Owners Insurance Group | 1.1 |
| 19. | Auto Club of Southern California Group | 0.9 |
| 20. | California State Auto Group | 0.9 |
| 21. | GMAC Insurance Group | 0.9 |
| 22. | Commerce Group, Inc. | 0.8 |
| 23. | Allmerica Financial P&C Companies | 0.7 |
| 24. | Auto Club Group | 0.7 |
| 25. | St. Paul Companies | 0.7 |

for aluminum vehicles could be anywhere from \$50,000 to \$150,000. And that is if you can get the specialized factory training, tools and replacement parts.

The European carmakers strategy to service these new aluminum vehicles is to train the trainers. They have teamed up with I-Car to provide stateside training centers. For example, I-Car's Tech Centre Staff is providing a customized two-week certification program for the new aluminum rich Audi A8. However, potential students must enter into the program through Audi of America.

Mentors At Work

Mark Claypool's Mentors At Work partners with automotive and collision repair facilities to build and maintain effective, in house apprenticeship programs.

"True apprenticeships require commitment from the top down, proper selection of mentors and apprentices, training of mentors, a road map to follow and a tracking system," Claypool added. "Anything less and shops usually end up losing more than they gain when trying to grow their own talent. That's why so many shops don't even try anymore, but that won't solve our long term challenges with human resources."
(www.mentorsatwork.com)

IN THE NEWS

House Committee Hears Arguments for Right to Repair

AAA continues to press Congress to pass the "Motor Vehicle Owners Right to Repair Act". The legislation requires that all service and repair information be made available to qualified, independent service technicians.

"When critical safety systems or other components fail, consumers may be stranded many miles from a dealership, or left to wait until the only dealership in town opens up. Not only does this represent an unnecessary inconvenience, it can also put the safety of the motorist at risk," said Ed Donovan, AAA mid-Atlantic Director of Automotive and Technical Services. **(More at www.micropb.com/inthenews/003.htm)**

Effective Direct Repair Programs: What Insurers Are Looking For

Insurance companies have both general and very specific requirements that autobody repairers must provide in order to participate in their Direct Repair Programs. These program elements should be weighed relative to how appropriate, competitively beneficial and financially feasible they are for the collision repair provider.

Creating DRP value for the insurance industry will likely improve the collision center's short term business interests and will also decrease the chances of moving the insurance industry toward becoming collision repair owner/operators in the future. **(More at www.micropb.com/inthenews/002.htm)**

Is Program Down Under Troubled Waters?

Insurance provider in Australia is experimenting with new program that requires repair operators to compete against each other. Selected repair operators are invited to submit a sealed estimate to repair a vehicle. The insurer reviews the estimates, selects a facility and ships the car to the collision facility. **(More at www.micropb.com/inthenews/004.htm)**

Comments & Suggestions: cliffbelleau@sbcglobal.net

Upcoming Events

MICRO Training Schedule

(4th Quarter 2004)

Painting Graphics With An Airbrush:

Micro now offers a new training program at our Highland Park Training Center. The class is designed for experienced automotive painters that want to learn how to paint cool graphics with an airbrush. More details at www.micropb.com/training.htm

Introduction To Carizzma:

Unique program designed to help collision centers tap into custom paint market. Successful completion of Introduction To Carrizzma is a prerequisite. More details at www.micropb.com/training.htm

Carizzma Certification Program:

Carizzma is BASF's new custom color system. The class will teach you how to use Carizzma dyes with BASF toners to make "candy colors". You will also learn various spray techniques used with Carizzma. More details at www.micropb.com/carizzma.htm and www.micropb.com/training.htm

NACE 2004

Make your plans to attend NACE during the Automotive Aftermarket Industry Week, November 3-6, 2004. The convention is in Las Vegas, Nevada. www.naceexpo.com

BASF Automotive Refinish Training Schedule

(4th Quarter 2004)

- * R-M Certification Program (Oct. 12-14)
- * R-M Color Adjustments Techniques (Oct. 15)
- * Cycle Time Reduction Repair System (Oct. 18-19 and Oct. 20-21)
- * Paint & Material Profitability (Dec. 8)

(www.micropb.com/basf.htm)

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