



800-DENT WIZ
800-336-8949

WWW.DENTWIZARD.COM

The Auto Dealer's Original Fixed Operations Resource

Vol.4, No.11 November 2007

Fixed Ops

Magazine

It's Raining Profits

Effective post-hailstorm management presents opportunity and challenge in fixed ops departments.

It's Raining Profits

Effective post-hailstorm management presents opportunity and challenge in fixed ops departments.

By Mike Morrison

If you think national newscasts are mentioning more major hailstorms in a greater variety of locations than in the past, it's not your imagination. While the increase has been a gradual one, year-after-year data are showing reports of more storms dumping large-sized hail more often, and in more states than in previous years.

From March 31, 2006, to the same date in 2007 (the most recent date reported by the National Climactic Data Center), there were 640 hailstorms with at least 2-inch hailstones falling in 35 states. The previous three years averaged 601 such storms in an average of 32 states.

During the same four-year period of the 1990s (1993 to 1997), reported 2-inch hailstorms averaged 418 per year, spread over an average of 31 states.

Surprise attack

Areas that we often think of as unlikely to have large hail have been hit repeatedly in recent years. The extent to which this trend will continue or grow is unknown. At least for the time being, however, it appears that in a given year a lot of vehicles in a lot of places will have a lot of hail dents.

The financial aftermath of a hail storm

can be astounding, even looking only at automotive damage. An Ohio Insurance Institute report from 2006, for example, estimated that a storm that tore through the state in October of that year, producing large hail and heavy winds, would result in 17,922 automotive claims at a total of \$50.7 million. Most of the vehicle damage was reported to be dents in car roofs and hoods.

When a hailstorm hits, will your shop be ready to take advantage of the opportunity?

Paintless and painless

Paintless dent removal is the most efficient and effective way to remove most types of hail dents from a vehicle. It's quick: Depending on the severity of the damage, one well-trained PDR technician can complete work on a heavily hail damaged vehicle in a fraction of the time required using conventional repair methods. And it incurs no product costs. It is convenient for the dealership body shop and cost-effective for the customer, making the customer and his or her insurance company happy.

PDR restores metal back to its original condition without filling or painting, and is widely used to repair dents and dings without damage to the paint finish. The procedure must be performed by a skilled technician who uses hand-

held tools to push the metal back to its proper shape from behind the damaged area. Damage size, sharpness and access to the affected areas are the biggest obstacles to doing a quality PDR repair. PDR is a craft that requires extensive training to develop a high skill level, and ongoing training as technological advances—such as specific vehicle tooling and schematics—are introduced.

The right vendor

To capitalize on the opportunity presented by widespread hail damage in your area, it is important to balance quality work with cost-effectiveness and convenience for the customer.

Many PDR vendors cut corners by freely drilling to gain access to the insides of vehicle panels. A skilled technician can and should access dents without drilling, so as not to compromise the structural integrity of the vehicle. Accessing the dented metal from behind without drilling may add time to the repair, but it is certainly worth it when the quality and professionalism of your dealership are at stake.

When a big hailstorm hits, PDR vendors who rely heavily on drilling to access panels may soon begin knocking on the doors of local dealerships and body shops. The high "facility fees" they offer can be tempting.

“ Customer acquisition, customer retention and high CSI scores are key goals of most dealership repair services today. ”

And the fixed ops manager has to make a fast decision when customers are lining up with their insurance checks already deposited in the bank. Looking at the big picture, however, it is critical to consider the long-term impact that the quality of work provided by a PDR vendor can have on your operation. Failing to partner with a skilled PRD vendor can cost a business in missed revenue opportunities and in compromised reputation.

Customer acquisition, customer retention and high CSI scores are key goals of most dealership repair services today. Automotive repair customers want everything: high-quality work, convenience, cost-effectiveness and assurance that every service you provide will produce a vehicle that runs well and will retain a strong trade-in value.

In the short-term, any customer might say, "Sure," when you offer PDR service that is a little cheaper than the other dealership in town, where the fixed ops manager chose a PDR vendor who usually forgoes drilling—but whose services cost a bit more. If the drilling on the customer's car at your shop results in problems with the vehicle down the line, though, the customer may then view his low-cost PDR job—and your shop—less favorably.

Don't risk the strong customer relationships, good will and trust that you've worked so hard to build by failing to ask the right questions when you choose a PDR provider.

Other issues to consider when choosing a PDR vendor include:

- Resources. Does the vendor have a

large contingent of well-qualified technicians who can be on site within a day or two and ready to work on the many vehicles that your shop has the opportunity to fix?

- Commitment to finish the job. Will the vendor stay with you until all hail repair opportunities are addressed, or will he pack up soon after volume drops off to move on to the next hail-affected town?

- Warranties and integrity of repairs. Will the vendor stand behind their repairs with written warranties? Warranties are critical to maintaining your operation's good CSI scores.

- Referral business potential. If the PDR vendor can bring a significant amount of business into your shop, that business will be gravy in terms of your over-

all profit from the hailstorm PDR operation. Several factors can contribute to a vendor's potential in this area, including local relationships with insurers and other relevant businesses, as well as toll-free number referrals if the vendor is a national or regional company. Documentation of third-party relationships is a key factor to look for when evaluating a vendor, as is referral lead generation data.

Keeping these guidelines in mind, PDR service for paint damage can work for your dealership.

Mike Morrison is vice president of hail at Dent Wizard, a developer of Paintless Dent Removal technology and supplier of PDR services to the automotive industry through its on-site services at auto auctions, rental companies and dealerships. ■

