



# Data Proves ROI of Collision Repair Training

COMPLETE, SAFE, QUALITY AND  
AFFORDABLE REPAIRS

WHITE PAPER

I-CAR® invested three years to prove without a doubt that training delivers benefits beyond complete, safe and quality repairs. Data was needed to help the industry understand that investing in training produces incremental gains in business performance such as better profits and customer loyalty along with less costly repairs for insurers and consumers.

In 2012, I-CAR initiated a KPI [key performance indicators] study with 28 shops to measure the correlation between training and business improvements over time. In this search for excellence, we quickly discovered that the biggest gains in KPI performance came from collision repair facilities that placed the highest value on education, learning and training, or knowledge.

Following the I-CAR study, partnerships with 3rd parties who have credible measures of industry performance were established. I-CAR worked with Enterprise and CynCast capturing data metrics that further supported and validated I-CAR's research findings. This data complements other related I-CAR data that shows the positive impact a commitment to training has on shop KPIs, and the further performance benefits that accrue to shops that possess a culture of learning or as I-CAR refers to it, a "Learning Culture."

This paper explores the multi-prong approach I-CAR used in understanding the connection between training and business performance and ultimately sets out to answer these questions:

1. Does an investment in learning and training translate into improved business performance and thus ROI for the business?
2. Is the length of vehicle rental and ultimately, the cost to repair a vehicle influenced by the training collision repairers invest in?

The answers are immensely important to repairers, insurers and OEMs alike, as the ROI of training benefits the entire collision repair ecosystem and ultimately the consumer.

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THE I-CAR VISION



*That every person in the collision repair industry has the information, knowledge and skills required to perform complete, safe and quality repairs for the ultimate benefit of the consumer.*

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## The Technical Tsunami™

This data demonstrates that education and training can make a profound difference in the quality and success of collision repair shops and their technicians. Warning signs appear, however, when the rapidly approaching Technical Tsunami, referring to the rapid evolution in vehicle technology we are and will be experiencing, is considered in the reflection of the collision repair industry's current level of education and training commitment.

The industry is beginning to see a tsunami of new vehicles, new technologies and new materials – like aluminum, magnesium, carbon fiber and advanced high-strength steels. This is principally being driven by CAFE. A major fuel economy shift is required between now and 2025 when 54.5 mpg is required, and significant changes will be made across the entire vehicle. Advances in safety systems and electronics are also a major driver of change in our industry. Cars and trucks rapidly are becoming more connected, with new electronic safety systems, networks, infotainment devices, radar, cameras, lasers and other systems not found in earlier models.

In 2014 alone, automakers introduced 136 new or redesigned models, and that number was anticipated to increase to 142 for 2015. Many of these vehicles incorporate advanced or novel architectures, materials and technologies.

All of this is leading to rapidly accelerating repair complexity, which in turn leads to the need for new levels of information, knowledge and skills. Technicians must learn the appropriate—and frequently very different—techniques for working on these advanced materials and vehicle systems, including welding and assembly. Yet, 69% of auto-body technicians who weld have not achieved I-CAR's industry-standard certification in basic steel welding. And I-CAR further estimates that 66% of the industry may not be training at all. Poor training is a risk to the industry. Specific to welding training alone, a lack of training or inadequate training leads to poor welds and potentially dangerous structural integrity that can cause safety issues in future collisions.

## The Value of a Learning Culture in Collision Repair Shops

More than ever, collision repair shops of every size must at a minimum make a commitment to education and training. Those that want to truly differentiate their performance should be seeking to create a Learning Culture throughout their organizations. Shop owners must become business leaders who value learning and knowledge as strategic assets that should be managed, developed and maintained. Initial and continuously updated training should be the foundation for their business operations.

CAFE: A DRIVER OF RAPID CHANGE



## DATA PROVES ROI OF COLLISION REPAIR TRAINING

In too many shops, training programs are considered an annoyance—a necessary “chore” that must be endured, a box that must be checked. Managers apologize for “sending” technicians to training and do nothing to transfer that learning to applications on the job. That attitude lays down a path that strays from success.

Instead, dealerships, collision repair centers and small shops should be encouraging every employee to value knowledge and learning. Those who reach particular training milestones should be celebrated and their accomplishments rewarded by the organization. Those who attain the highest levels of education through training should be valued as role models, passing along the most valuable techniques they have learned and serving as an inspiration for their colleagues. And these organizations should urge these individuals to share the knowledge they have gained with their fellow workers. All of this works to instill a culture that embraces learning and compounds the ROI of training.

In the I-CAR report on KPI improvements in shops where training was implemented, the average figures actually understate the value of a Learning Culture. In the locations where training was seen as merely a task, KPIs improved, but modestly. Shops that valued and nurtured knowledge as an asset, however, showed the greatest gains in performance indicators.

The good news is that an ever-growing number of collision repair shops are recognizing the importance of the extensive knowledge and skills development embodied in I-CAR’s Gold Class® designation. The number of Gold Class shops and businesses pursuing Gold Class status reflected an annual growth of 14 percent in 2014, from 5,264 locations in 2013 to more than 6,000 one year later. Only 10 percent of collision repair shops currently meet the comprehensive Gold Class Standard, and I-CAR is working with the industry to increase this number.

The I-CAR Professional Development Program™ (PDP) supplies collision repair and insurance companies with a reliable framework for building requisite knowledge and acquiring Gold Class. The PDP also provides a framework for continually updating the knowledge and skills that produce proper repairs, improved business performance and reduced risk. Separate training tracks are available for collision repair professionals and insurance professionals.

An expanding number of insurers are either recommending or compelling shops in their Direct Repair Programs (DRP) to obtain training on the industry’s new vehicles, materials and techniques through a training program like Gold Class. Automakers are adopting similar Gold Class requirements for shops in their own collision repair networks.

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### LEARNING CULTURE



*Shops that valued and nurtured*  
**KNOWLEDGE AS AN ASSET**  
*showed the largest gains*  
*in performance indicators.*

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## Education, Knowledge and Training Improve Business Performance – I-CAR® Research Data Proves

In fact, earlier research has demonstrated the specific value that education, knowledge and training can have on the business performance of collision repair shops. In 2012, I-CAR undertook a research project with 28 shops to establish the connection of training to shop KPI performance and prove the ROI of a commitment to training. I-CAR provided training through its Professional Development Program (PDP), which serves as the standard of knowledge across the entire collision repair industry.

Before the training, I-CAR experts assessed the knowledge of technicians in each of the shops. Then I-CAR closed their knowledge gaps with the appropriate classes. Before offering this learning experience, I-CAR measured each shop's KPIs, which are common across the industry. Then, KPI performance was tracked during and after the training.

The impact of role-relevant education and training were unmistakable, as demonstrated by the following averages:

- Shops improved cycle time (how rapidly they completed safe and quality repairs) by 14.35 percent.
- They improved touch time (the number of hours a technician worked on a vehicle) by 33.75 percent.
- Frequency of supplements for necessary repairs overlooked in the estimate dropped by 11 percent.
- Customer satisfaction scores rose by 5 percent.

Improvements were even greater than the averages in those shops that approach training strategically, or those shops that possess a true "Learning Culture." For example, these shops realized a 28.9 percent improvement vs the average group of 14.35 percent.

## The Best Collision Repair Shops Save Customers and Insurers Money – Enterprise Data Proves

An April 2015 report from Enterprise Rent-A-Car provides answers for technicians and shop owners in the collision-repair industry.

The analysis examined all Collision Repair shops with which Enterprise does business in the United States. In the first quarter of 2015, Enterprise compared the market average Length of Rental (LOR) for repairable vehicles to those shops that have earned Gold Class recognition from I-CAR.

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### IMPACT OF TRAINING



14% Improved Cycle Time



34% Improved Touch Time



11% Reduced Supplement Frequency



5% Improved CSI Scores

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## DATA PROVES ROI OF COLLISION REPAIR TRAINING

For point of reference, Gold Class shops have technicians who have received the standard of training, specified by the collision repair industry, required to perform complete, safe and quality repairs. The collision repair industry is comprised of over 34,000 shops, whereas the total number of shops in the report that earned Gold Class numbered 1,700, or 5% of the total industry.

While Enterprise reports the national industry-wide average LOR was 11.5 days, Gold Class shops in their network averaged just 10.2 days, an 11% improvement. Further, the top 500 Gold Class LOR performers turned those repairs around in only 7.9 days, or a 31% improvement. Isolating the 100 top-performing Gold Class shops, the average LOR dropped to 6.5 days for a 43% improvement.

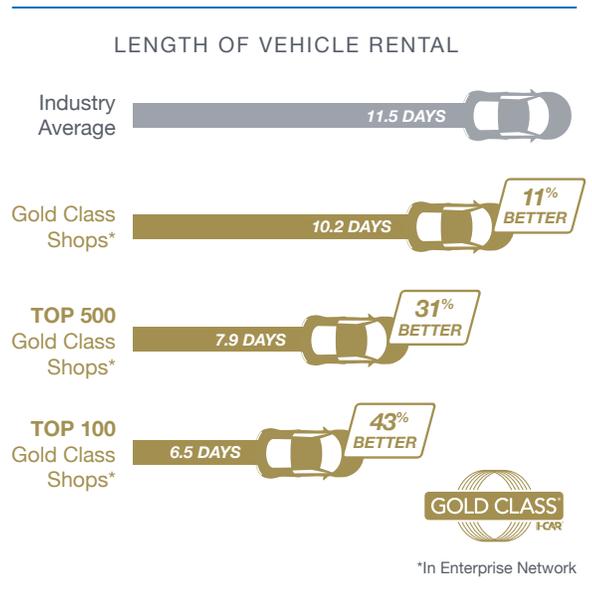
The findings from these studies are clear: shops with well-trained technicians are shortening the time during which drivers need to rent a car before getting their own vehicles back, reducing the overall cost to repair and providing significant reduction in indemnity expenses for insurers. While Gold Class shops often have a focus on business performance -- such as a commitment to strong operations, proper equipment, and related systems -- all share a common attribute: a commitment to training. Training is the foundation, as well as the glue, that holds all other good things together, and thus represents the platform for achievement of excellence.

I-CAR CEO and President John Van Alstyne sees even broader implications:

“This new data further supports the significant advantages of Gold Class shops,” said John Van Alstyne, CEO and president of I-CAR. “Not only are Gold Class shops better qualified to perform proper repairs and do so more cost effectively, consumers and insurance companies also save money. Plus, consumers gain peace of mind knowing technicians with updated industry-standard training are repairing their vehicles, which contributes to complete, safe and quality repairs.

## Gold Class® Makes a Difference – CynCast Data Proves

The significance of learning and training is evident in yet another objective evaluation that was carried out in 2013 by CynCast. In collaboration with I-CAR, Enterprise Rent-A-Car, Cal State University and other industry sources, CynCast developed a single value scorecard, called a Shop Performance Value Rating (SPVTM Rating).



The SPV furnishes a single score that blends key performance indicators and considers vehicle-damage severity, cycle time, estimate accuracy, CSI Net Promoter (would the owner recommend the shop to others), management systems and I-CAR Gold Class status. The rating compares a repair shop's performance to the market average in its metropolitan area.

The 2013 analysis of more than 18,000 collision repair shops gave an average ranking of 405 to Gold Class businesses, while non-Gold Class shops scored an average of just 268. Gold Class organizations outperformed their marketplace by a full 51 percent—and they continue to improve.

“Based on our data, it is clear that education not only helps collision repair professionals do a better job but also helps repair shops improve their business performance,” Van Alstyne observed.

## Translating Training into Results

In the face of the Technical Tsunami, education and knowledge are critical to the “Industry’s” vision... Complete Safe and Quality Repairs for the ultimate benefit of the consumer. Education and knowledge will help the collision repair industry Thrive, not just Survive! The combination of proper training and the application of a learning culture can deliver significant benefits for collision repairers, insurers and automakers and most importantly, the consumer. Investing in excellence drives better business performance and significant ROI.

Everyone is interested in improved business performance. While collision repairers thrive from improved KPIs across their business, insurers and automakers with network programs are able to realize lower cost to repair, faster repairs and generate improved brand loyalty and customer retention. The I-CAR Research, Enterprise LOR and CynCast SPV data confirm that Gold Class shops have the education and knowledge that drives better business practices, efficiencies and results.

**The debate is over.  
The ROI of collision repair training has been proven.**

### CYNCAST SPV RATING



Gold Class: **405** Average



Non-Gold Class: **268** Average

**GOLD CLASS 51% BETTER!**

### LET'S TRANSLATE THE ROI INTO MEANINGFUL BENEFITS FOR VARIOUS SEGMENTS OF THE INDUSTRY

	Collision Repairers	Insurers	Automakers	Consumers
Improved Cycle Time	✓	✓		✓
Higher Customer Satisfaction	✓	✓	✓	✓
Improved Touch Time	✓	✓		
Reduced Supplement Frequency	✓	✓		✓
Shorter Rental Car Days	✓	✓	✓	✓
More Affordable Repairs	✓	✓	✓	✓
Enhanced Brand Loyalty	✓	✓	✓	
Faster Repairs	✓	✓	✓	✓



I-CAR is a not-for-profit organization dedicated to serving the collision repair industry, providing and building the information, knowledge and skills required to perform complete, safe and quality repairs for the ultimate benefit of the consumer.

For more information on Gold Class, visit the Gold Class Professional Business Recognition site on [www.i-car.com](http://www.i-car.com).

To learn more about the I-CAR Professional Development Program, please see the PDP section on [www.i-car.com](http://www.i-car.com).

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