



signalling that bodyshops sell labour and not parts (parts discounts are expected now anyway). But more and more often now they are told, “I can only allow XX hours for that repair”. The insurer gets the discounts they set out to achieve i.e. free recovery, free storage, supplemented replacement vehicle, reduced parts cost and the repair over replace model that was initially sold to the bodyshop owner as the saviour for their business. But the sting in the tail is the strictly controlled repair time allowance, frequently not even covering the true time duration required to carry out the repair. More and more bodyshop owners are asking if it’s correct that they should allow their client to create or dictate the requirement for them as a business owner to be unrealistically demanding of their employees. They don’t find it easy to recruit quality technicians, and are not happy that technicians aren’t adequately remunerated for the intensity of their role. They are telling me that it’s not by choice

that they cannot offer the correct remuneration.

The repair-over-replace model can work for all stakeholders, bodyshop owners, insurers and vehicle owners, but not when all aspects of the transaction are seemingly dictated by only one party. Shop owners are telling me that they have to push their panel-beaters to breaking point every hour to achieve 85/90% productivity on these repairs.

So, what does all this say about Insurance companies? That they exist only to exert financial pressure on bodyshops? No, of course not – but pressure is very much the driving force in their relationships with other stakeholders.

The big-name insurance companies are behemoths in the business and investment world. In the world of investing this means they are companies that not only consistently seek to pay a dividend to shareholders, but annually

increase the size of the pay-out. I am not sure I can even conceive of the pressure that these companies are under to deliver.

There are now a growing number of shops that have established that they can make more by doing less. A smaller, highly skilled team can produce better repairs whilst achieving 100% productivity without the requirement to run a marathon every day. This can be achieved using the insurers’ selected estimating system Audatex, provided they don’t get sucked into the “repair everything” model just to buy the next job. The opportunity for agile repairers to opt out has never been better, the opportunity that exists today is based on a number of influencing factors which are aligning in favour of the repairer rather than the insurer - a situation which has not occurred in the last twenty years. The technology in cars today requires specialist repairers which the insurer appears to not want to pay for under the current approved repairer schemes.

The same number of vehicles will still require repairs regardless of the number of services given away for free. Social media has greatly enhanced the ability to communicate to a vehicle owner the advantages of coming directly to a repairer rather than to an insurer approved bodyshop. The bodyshop that can prepare an estimate and carry out the repair free of the insurer influence to repair everything, and the fear of exceeding the “average repair cost threshold” will be taking control over the quality of the repair. Franchised motor dealers could take advantage of this opportunity for accident repair management, but they first must align with well-invested bodyshops. If bodyshops take advantage of the lessons learned through the apparent flaws that are now evident in the insurance-approved contracts when negotiating new manufacturer network contracts, the ability for bodyshops to thrive again could become a reality in the near future.