



BUSINESSSENSE

‘There’s always someone willing to go out of business faster than you’

But Tim, you say, you don’t understand. Fred in the shed down the road is doing it cheaper and pinching my business.

Well, here’s why you need to focus on your own business rather than perceived competitors. Every time I hear any business, let alone vehicle repairers, talk like this I cringe. What I am hearing is that you have no idea of what your business is, and what services it provides.

The illusion of competition

In our industry, it may have been true that there once was another repairer who could do “similar” work and quoted cheaper. Those days are long, long gone – about 30-years-ago gone.

Unless there is another company with identical experience, skill sets, equipment, facilities, overheads, levels of customer service, attention to detail and a whole long list of other things, then you have NO competition. It is in your head. You are your own competition.

When you work on price as the only element of value, you have lost before you start. In our industry, you are not just repairing vehicles, you are selling “peace of mind”.

Never be afraid to be more expensive than someone down the road. *EVER*.

We have all had experiences where we “got what we paid for” and cheaper definitely doesn’t mean better. In fact, it seldom even means comparable.

You should actually take pride in representing a service that is priced above others – if it’s worth it. You must be able to justify and clearly communicate that price difference, but it takes no talent, skill or ability to be a repairer selling the cheap stuff.

Be proud that you represent a service that can command a premium price – it means you are selling something of value. That’s a huge mindset you have to grasp and hold with everything you have. You cannot fake it. You have to believe with every fibre of your being that you and your services are worth more than the others.

Don’t forget, cheap repairs are not *GOOD* repairs and *GOOD* repairs are *NOT CHEAP*.

Focus on your own business

You need to pay attention to every aspect of your own business. You need to know what your operating costs are to the penny, what your “break-even rate” is per hour. Depending how many staff you have in and productive hours you can sell, having one staff member off in a four-person shop means not only have you lost a quarter of potential productive hours, your operation cost is no longer divided by four people but three, and as such increases your break-even point.

Do you know your “recovery rate” per hour? Only when you know your profit should you think about “price”. If someone has lower overheads, or does a “poor” job, do you really want to compete?

Let others run to receivership, and remember that old industry joke: “What is the fastest way to become a millionaire in body repair? Start with a billion and work for 10 years.”

Reassuringly expensive

Would you rather have something that is “cheap” or “expensive”?

Stella Artois launched its “reassuringly expensive” ad campaign more than 10 years ago. It was an instant hit and has stood the test of time. It takes a confident brand to focus on its product’s high price as a unique selling point. But that’s precisely the approach Stella Artois took with its now famous campaign underpinned by beautifully shot press ads eulogising the brewing process and quality ingredients.

As repairers, I would suggest we focus on providing amazing, caring service and OE quality repairs.



[Click here to read more about the Dunning-Kruger effect](#)

Tim Kelly is founder of motorclaimguru.co.uk and an expert in insurance and assessing vehicles, a consumer advocate and bodyshop consultant whose goal is to change the industry and put repairers back in control of their profits.