

Small Town, Local Body Shop Competes Against Invading Franchises

Pop and pop business owners must adopt KPI and other techniques to stay competitive in an ever changing competitive landscape.

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[/EINPresswire.com/](http://EINPresswire.com/) -- As Bob Dylan put it, indeed, the times are changing. But we were not surprised. Change is predictable, even inevitable in the auto body industry.

Markets are consolidating. Skill sets are consolidating. [Body shops](#) are consolidating and offering more and more services to their communities.

Small Town Competition Invaded By Franchises

As an independent, you are probably seeing the bigger players attempt to take bigger slices of your market share. Doing things, the same old way will not cut it. So what is changing?

Consider The Former Norm

Mom-and-pop shops used to be the norm. Think about the local hardware stores that go under each year. Nobody thought the impersonal, corporate store could match these local stores in service or connectedness. Who was wrong? The same goes for most industries, including local body shops.

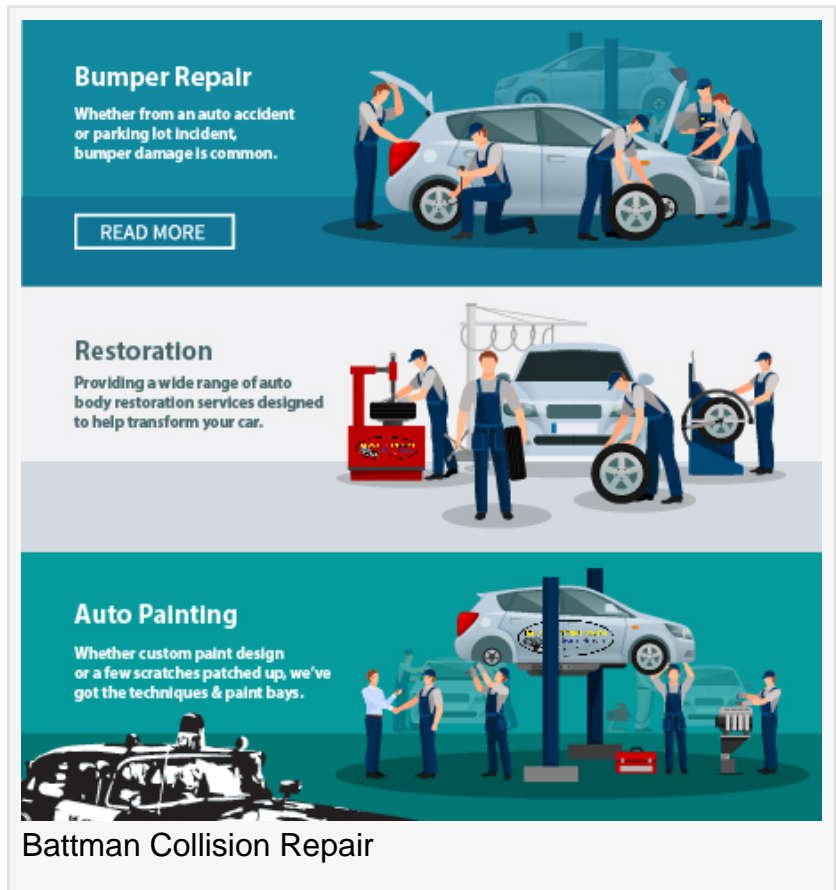
You Don't Have To Increase Your Physical Footprint To Survive

Carve out a specialty niche, like fleets, RVs, bed liners, window tinting, PDR, etc. Small markets, niches, and specialty services all have pockets of clients that can help you gain traction in your industry. These niches typically purchase by word-of-mouth, so you will be in the money even more so, with the ability to run fewer ads while increasing your market share.

Band together with other like-minded shops to create a network. No man is an island and same goes for a [body shop](#), you need peers that can pick your brain and vice versa.

Have KPI

As a small business owner, you really need to have as few handles on your business as possible. I



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mean, you are in the office, in the shop, ordering, calling clients, potential clients, and even possibly overseeing your online presence. So keep your key performance indicators (KPIs) to a minimum. They need to be measurable and easy to manage with every repaired vehicle.

What Happens When You Do Not Have KPI?

Without measurement, you have to focus on activity. Focusing on activity, pulls focus away from improvement. If you want to create improvement, you measure outcomes. This, in itself, will cause improvement for those who know they are being measured. The second phase is comparing peer-to-peer, and then performance improves. The final phase is implementing incentives to the measurements, which results in more improvement.

Online Reputation is a KPI

For instance, one of our KPI is our social media reviews (Google, Facebook, YP, BBB, etc). These reviews tell us how we are doing in our customers minds. We stay on top of new reviews daily and when something is said that is a red flag, we use that information to investigate and improve (negative reviews rarely happen).

We Are Fortune To Nearly Have All 5 Star Experiences, Why?

Our branch owner is always in the store, so before a disgruntled client gets home in order to give us an unfavorable review, our owner has already done a 5-star job attempting to fix, and exceed those customers' expectations. Not the most scalable model, but as we said earlier, you do not have to increase your physical footprint in order to have great success in our industry. You do need to be measuring some KPI's.

Other KPI For The Auto Body Industry

Production key performance indicators (KPIs) include cycle time, touch time, & labor efficiency.
Cycle Time

How long does it take your shop to complete a process. More specifically, the time from drop-off to delivery (keys to keys).

How Do You Measure Cycle Time?

You can measure cycle time manually, but the best method is to use a computerized shop management system.

A good practice is to measure overall cycle time for driveable and non-driveable vehicles separately. If you are not currently measuring cycle time, start today. You need to know where you are so you can decide where you want to go. This will help you measure the effect of changes you make in your systems. Different projects may require unique cycle times, but first thing is first, start measuring it.

Touch Time

Touch time is simply the average number of billed hours produced per day per RO. You need to measure your touch time and use that number to determine how you are doing at improving your processes. Touch time can be measured manually, but its best done with a computerized shop management system.

Efficiency

Efficiency percentages have long been used to measure shop production capabilities and can be measured by technicians, teams or the shop as a whole. They might even apply to equipment, such as a spray booth.

The basic math for measuring efficiency remains the same:

Efficiency % = Sold Hours / Worked Hours x 100

Efficiency is also measured manually, but this KPI is best measured with a computerized shop management system.

Body Shop Success in the 21st Century

First, be good at what you do. Secondly, have measurable outcomes, it is the key to consistent growth and improvement. If no one is looking at anything, then you have no idea what you are doing. What is working, not working? You will have no idea how to improve the profitability of your shop without KPI. Get a handle on your KPI and compete with national brands that will be entering your turf more and more as the years fly by.

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