

Jim Compton for ABRN November 2015

First a little disclaimer, I am an I-CAR instructor so I have a positive attitude towards training, my first I-CAR class was in 1987. Let's just say the I-CAR of today just barely resembles the I-CAR of years past. If you send your techs, but you haven't been to an I-CAR class in a while, stop in and sit through a class. More dynamic material, more challenging tests a vast array of new technology to discuss, all combine to bring a real learning environment. Even industry veterans can learn something new.

I have found basically two types of students come to my I-CAR classes: Those that question, why am I here (*I got to go*)? And those that say this is great, I am going to learn new things that will help me earn and increase my value. My company must care about me they are investing on me (*I get to go*). With the first group, the why am I here types, it can be a challenge to help them be open to the idea of finding the value. I actually had one technician tell me; I am the best ... (*in their role*) and have been doing this for xx years, what can this class possibly teach me? I was taken back a little that anyone would consider themselves "The Best" with nothing new to learn. I suggested that they were stuck here and committed to be there for the class anyway so they might as well relax, try and enjoy and just see what the class was all about. (*I'll tell what happened at the end of this article*)

I didn't want to include my own bias into this article so I asked a variety of people in the industry for their thoughts and how they see training impacting their business and the business of their customers.

Ron Stazonni, the owner of D & R Auto Paint a PPBE jobber in Omaha NE has long been a supporter of training on all levels. I have joined Ron at many industry meetings, and can always find him either taking a class or two or leading/instructing a class or two. Ron now travels around the country, and does jobber training.

I asked Ron what he hears from his body shop customers, Ron related, "I'm regularly asked by my customers, why do some shops seem to be growing and my shop is flat or declining?" Ron's observation, "One constant differentiator is always training."

Ron sees this as a sign of the times and elaborated, "... we are in a world of instant gratification. If we pay for something today we want results tomorrow. It's difficult for many shop owners (*and others in the industry*) to see the long term positive effects, the increase in profitability, and the positive culture extensive shop training creates."

I asked Ron for a real world example to support his thoughts. "Any business will get the best results from training if you also measure results. As an example, I recently had a shop owner tell me the estimator training that he sent his office staff to has done nothing. He did not have pre and post measurements, but rather a gut feeling. Once we dove deeper into his labor sales, we found a 5% gain in sales. In this shop, that would result in an additional \$42,000.00 per year sales."

You can't manage what you don't measure, so how do you measure the value of training? Ron and many of the others I spoke with agreed, any changes you make in your business will benefit from measurements before and after, providing a comparison. Not all benefits of training are immediately measureable in purely numeric terms; more on this later in this article.

Ron's final words "In today's collision repair industry, training isn't just a good idea. It's mandatory for success!" Ron and his staff not only provide regular training for their customers, but also attend regular training themselves in all aspects of the industry.

Speaking again with Craig Seelinger, the BASF VisionPLUS Program Manager, I asked if his body shop clients see any measurable ROI from training. Craig cited three classes in particular where shop feedback has repeatedly been "these classes pay for themselves very quickly." Specifically our Advanced Production Management class (VPU-001) and Estimating for Profit (VPU-002) both get high scores from attendees who see not only higher touch time and technician efficiency but also an increase in capacity. (Attendees are asked for their feedback after they return to work and have a chance to implement changes spurred from their training.)

Craig went on to shine a light on Measuring and Improving Performance (VPU-003) which discusses and provides VisionPLUS OnLine for collecting both financial and non-financial data to produce the critical KPIs for the entire business and what impacts them. Discussions on methods to improve specific KPIs are also part of the class which helps to improve production and profitability.

I-CAR CEO John Van Alstyne has shared these findings (*see below*) and elaborated about the large increases I-CAR is seeing in the demand for continued education. Last year, 8,822 businesses and 59,460 students trained on 82 I-CAR live courses, 87 online courses and 17 virtual ones. John is among the first to state that as an industry we still have a long way to go. John and many others feel that the answer is a paradigm shift for many of us. Seeing learning as a part of the culture of each business, not a periodic thing we do to meet someone else's demands.

Obviously training can be expensive, I-CAR Gold Class®, ASE or OEM certifications can cost a shop thousands of dollars. As any good business person will tell you ROI (*Return on Investment*) is a critical measure of most purchases or expenditures. What measures can we use to see if training is really an investment or if it is just an expense? Can we quantify the value or ROI of training? Are there measurable performance KPIs that clearly show training is worth the money? Recent studies commissioned by I-CAR seem to confirm several higher KPIs by Gold Class® shops compared to non-Gold Class® shops.

Even shops making only one change, that of introducing I-CAR training, saw significant results, here are their results. "Across the board, key performance metrics improved significantly. On average, after just six months of I-CAR training (*compared to the same six-month period in the previous year*):"

- Cycle times fell 14.35%
- Touch time rose 33.75%
- CSI scores rose 5%
- Supplement frequency fell 11%
- Reworks and come-backs fell as low as 80%

Maybe a better measure should be the cost of not doing training, longer cycle time, lower CSI scores and more come-backs. These are real world KPI values that benefit the shop, the insurer and the consumer.

How do these figures come out if they are measured by a third party, one that does not provide training? For instance what does a rental car company see in the market? Enterprise Rental Car did just that: "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". Perhaps not surprising the Gold Class® shops showed an 11% improvement in "LOR (*Length Of Rental*) days. Top shops had an even greater improvement.

The I-CAR vision states: "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." Directly from the ASE website: "ASE, is short for the National Institute for Automotive Service Excellence. Since 1972 our independent non-profit organization has worked to improve the quality of vehicle repair and service by testing and certifying automotive professionals." These sound like impact statements to me, these (and other) training organizations seek to positively impact the automotive repair industry.

Whether it is OEM, I-CAR, ASE, or other training, it seems that one thing is clear, top performer's value training; perhaps that is why they are top performers? Many have spoken about a "learning culture" including Jeff Peavy President of AMI (*Automotive Management Institute*). It seems that just doing the training may not be enough. It seems that training needs to be part of what we do, not merely the occasional attendance of a required class.

Many other industries have seen and documented the benefits of not just learning, but a learning culture. A term often used is HILO (*High Impact Learning Organization*). According to a study by Bersin & Associates, titled "High-Impact Learning Culture: The Best 40 Best Practices for Creating an Empowered Enterprise" (*June 10, 2010*), HILOs that have a strong learning foundation in place tend to significantly outperform their peers in several areas:

- They have 37 percent greater employee productivity.
- They have a 34 percent better response to customer needs.
- They have a 26 percent greater ability to deliver quality products.

- They are 58 percent more likely to have skills to meet future demand.

Looking at the above list (*pared down from the original 40*) I can see several areas that repairs shops as well as other segments of the industry would like to excel at.

Impact! I like this word, how does training Impact individuals and businesses? It's not just the training it is also the value a business places on training and learning. We need to stop saying ... "You need to go to this class..." How about presenting the class (*whether required or not*) as an investment, an opportunity for both the individual and the organization to grow and improve to be better prepared for the future! Where do we start? Perhaps one place is at the beginning, with the onboarding of a new hire we have an opportunity to explain our culture and goals including that all employees grow and continue to learn so there will be a positive impact on their growth, the company's growth, that they will make a difference!

I was talking to a friend of mine, Billy Walkowiak; Billy is the President of Collision Safety Consultants, in North Carolina. Doing post repair inspections and diminished value reports, I was sure Billy would have seen the correlation between training and quality repairs. I asked Billy if he could draw any conclusions along these lines. Billy clearly and without hesitation said NO! He quickly explained further; "Jim, even the best trained technicians can only do so much without the proper equipment. With the complexity of many of today's vehicles, proper repairs just can't be done without the right equipment." Billy went on to discuss, scan tools, frame equipment and specialized welders needed on many new vehicles. Billy stated that he firmly believes that training is needed and that shops will get a ROI (*Return On Investment*) from thorough hands on training. So I asked again; What about those shops that are trained or even OEM certified that have invested in the proper required equipment? Surely we can see a correlation now? Again Billy patiently replied NO! "Jim, there is a third element needed, one that I too often find missing. It is the support and follow-up by management, the quality control part of the repair. It is more than just the certificates on the wall and more than the shiny new equipment, management needs to insist, verify and promote the proper repairs during all phases of the process. Only when all three are combined to we truly realize the full value of training."

It was a day or two later, I got another call from Billy, continuing our conversation: Learning can happen all the time for instance; "If there is not a written procedure on sectioning or the repair process you can NOT begin the blueprint or the repair procedure without the manufacturer's guidelines." Isn't this an opportunity for learning, obtaining, reading and following the OEM guidelines? Learning and training are not limited to the class room. Hands on training, working with a mentor can be a great method of training, although a bit hard to document we need to strive to value all forms of learning.

Ryan Cropper, Owner, Able Body Shops in Anchorage Alaska. With two shops and a Truck Accessory Center Ryan is a busy guy, but always willing to help out and support the industry, more than just another friend I reached out and asked Ryan just how serious he is about training? Ryan's response was: "You can train someone and they may leave, or, you don't train them and they may stay, which one is worse?" I have heard both sides of this from shop owners. Some have stated that they are reluctant to spend on training because an employee "might" leave and go work somewhere else. Ryan and many others agree that it is not worth having under trained staff and suffer the slower production, errors and potential come-backs. For Ryan and others it seems to be; spend a little to get a lot back!

This seems to echo what I-CAR found in their studies: "Perhaps most impressive was the fact that, among facilities that embraced training, during our study period these facilities experienced NO employee turnover – compared to 20% turnover for facilities that did not place the same high priority on training their employees." Ryan further states: "I'm a huge advocate in all aspects of training especially anything that helps our culture. I spend more money in training than advertising by far."

Ryan was not alone with this epiphany, Matthew McDonnell, owner of Big Sky Collision Center in Billings, Montana stated that: "We also spend 2% of sales for cultural training each year. We believe in treating all of our team members like owners. After all, we expect them to act like it. The results are huge and the ultimate work ethic we get is ownership in their work." This is above the weekly technical training that every employee receives. Sound like Matthew has also seen that there are some benefits that are not always easy to attach statistics to, including reduced cycle time, lower waste, high quality repairs and satisfied customers.

Several people I talked with also noted some of the less tangible benefits of training including Garry Sandt a District Sales Manager for NCS (*National Coatings & Supplies*) Garry was eager share his thoughts and lists three ways that training

benefits: "Training for oneself, as well of those around you is truly priceless. There are three ways that I have always felt training brings immeasurable positive value to an organization. Regardless of what the training topic and /or type is much can be gained. The obvious first benefit is the learning of the material at hand. Everyone needs to continue to grow their knowledge in what they are doing day to day in order to keep up and move ahead. The second is that it reinforces what you already know and do; as well as reminds you of what you may already know but don't practice. "

Garry reminded me that not all the benefits of training are directly related to the subject material covered: "The third and final way is that anytime someone is in a learning atmosphere it tends to stimulate the brain to be open and allows the opportunity for the individual to potentially come up with even more valuable thoughts, ideas, and suggestions that the training may not cover or has relationship to other areas beyond the material at hand."

Another underlying theme seemed to be some businesses enjoy a greater impact from training. Those businesses that make training part of their on-boarding with new employees, those that take a moment and ask about the training class attended the past evening with an employee. Those that embrace training seem to get more impact (positive measurable benefits) than those who approach training as doing what is required.

Ron, Craig, Billy, Ryan, Matthew, Garry and just about everyone I spoke with see training as having a direct measurable impact on sales as well as other KPIs. Is it too much of a leap to assume that those that don't see training as having a strong ROI and a strong positive impact on the business culture and the success of their business just lack the tools to measure the impact of training?

Remember that tech I mentioned earlier the tech that thought he should no longer be required to go to classes that there was nothing new to learn. I make a practice of asking students (*especially the "I got to go"*) at the end of class; "Did you learn at least one new thing that will help you in your job next week?" His response was yes he did, he smiled and said he wouldn't mind taking another class. I won or rather we won as an industry! Impact!

Is the idea of a learning culture one that we can adopt as an industry? The top performers will continue to see training as the first seeds of an investment followed with the addition of technology (*proper equipment*) which grows and brings returns only when it is watered with the follow-up, review (*quality control*) and the support of management. So yes training is an investment not merely an expense. Training does pay for itself, many times over. It appears that *High Impact Learning Organizations* are also impact their sales, KPIs, customer satisfaction and their bottom lines with training. If you're not doing regular positive impact training what is your excuse? I would like to hear your comments or ideas.