

**Issue:
November
2024**



Wisconsin Collision Repair Professionals

The Body Shop Advocate

~ WE ALL DO BETTER TOGETHER ~



FROM THE DESK OF OUR PRESIDENT

Well, it's November already. In Wisconsin that means it's the time for deer hits, freezing rain, the first snowfall and bald tires! This month The Advocate is packed with information that we can all use. Andy Grundman from Pat's Body Shop starts off with an article on the pitfalls of the Partstrader app, and how it affects you, your customers, and your local parts supplier. Also, see Sue and Leah's comments immediately following. Then Ryan Struve from Fox Valley Technical College has a great article on the importance of investing in your employee's financial literacy.



We concluded our annual Labor Rate Survey at the end of October and are now compiling the results. Stay tuned next month for the results! In the meantime, click the link below for Labor Rate Hero and enter your rates. Hardly a day goes by where we don't hear, "you're the only one charging that much!" If we all enter our rates in Labor Rate Hero, we will then have valuable information for our negotiations with insurance adjusters.

This month's Legislative Statute Tip is on getting paid for O.E.M. required procedures. Don't forget to click the link at the end of the article and fill out a complaint form every time you run into this issue. This is the only way we are going to let the Insurance Commissioner know that this is a problem!

We also have a very good article from Repairer Driven News on Diminished Value from Washington State. Did you know that Wisconsin is a diminished

value state? Do you know the difference between immediate diminished value and repair-related diminished value? Should you inform your customers about diminished value? The answers to these questions and many more are explained here.

We wrap up this month with an article by Drew Bryant from Fender Bender on "Seeing Through the Smoke." Drew does an excellent job of describing insurance companies' illusion of trust, and he explains their true motivations and how to deal with them. This article made me think about our recent Insurance Satisfaction Survey ([click here](#)), and the difference in results between the top-rated companies (think Acuity) and some of the bottom ones.

Hopefully we have something this month that you can use immediately. As always, if you have any questions or comments contact any one of the board members. Happy November and look out for those bald tires!

Larry Terrien
President



Spring 2025 Industry Event
April 4th, 2025
Osthoff Resort, Elkhart Lake, WI

**** Follow the [WCRP Facebook](#) page for more details ****

*Please be aware that Auto Owners Insurance will not provide discounts to members - (as of 2024).
Rest assured the board is looking into different companies willing to extend a discount.*

Introducing Andy Grundman from Pat's Body Shop in Wausau



Partstrader.com... At what risk?

The collision repair industry has faced numerous challenges over the years, but the introduction of platforms like Partstrader.com has shifted the balance of profit away from repair shops and into the hands of insurance companies. This article explores how Partstrader.com has negatively impacted the collision repair sector, undermining the rights of shops to choose their parts vendors and diminishing profit margins across the board.

The Right to Choose Parts Vendors

One of the foundational principles of the collision repair industry is the shop's right to select parts vendors based on established relationships, quality of parts, and reliability. Collision repair professionals often have longstanding partnerships with suppliers, built on trust and mutual understanding. Partstrader.com disrupts this dynamic by centralizing the parts procurement process, forcing shops to adhere to a standardized system that prioritizes cost over quality.

This shift has profound implications. When shops are compelled to source parts through a platform that may not prioritize their needs or the quality of the products, it can lead to subpar repairs. Ultimately, this compromises the integrity of the repair work, affecting customer satisfaction and, potentially, the shop's reputation.


Impact on Parts Vendors

Partstrader.com does not only affect collision repair shops; it also imposes significant challenges on parts vendors. The platform's model typically favors the lowest-cost options, squeezing profit margins for parts suppliers who invest in quality and service. As shops are incentivized to seek the cheapest options available, established vendors find it increasingly difficult to compete, leading to a race to the bottom.

This diminishes the overall quality of parts in the market, as vendors unable to adapt to the low-cost paradigm are forced out of business or compelled to cut corners. The ripple effect harms the entire industry, as shops are left with limited options and less reliable products.

Lower Profits for Repair Shops

The profit margins for collision repair businesses have always been thin, and the advent of



Partstrader.com has exacerbated this issue. With insurance companies often dictating terms and conditions, shops find themselves in a precarious position. The pressure to cut costs in parts procurement inevitably leads to reduced profits on the repair side of the business.

While insurance companies continue to enjoy robust profits from their involvement in the collision repair process, repair shops struggle to stay afloat. This discrepancy is troubling, as insurance profits in this sector have consistently outpaced those of collision repair businesses. The growing financial gap raises questions about the sustainability of the industry and the long-term viability of smaller repair shops.

Pressure to Use Subpar Parts

In some instances, Partstrader.com may inadvertently exert pressure on repair centers to choose lower-cost aftermarket parts. While shops have the right to choose, the convenience of these apps can lead to hasty decisions driven by price rather than value. This situation may arise especially when repair centers are trying to manage tight margins, ultimately leading to a compromise in repair quality.

Impact on Customer Trust

Ultimately, the quality of repairs directly affects customer trust and satisfaction. If collision repair centers are pressured into using parts that may not meet their standards, the repercussions can be significant. Poor-quality repairs can lead to customer dissatisfaction, increased warranty claims, and a damaged reputation for both the repair shop and the industry as a whole.

In conclusion, while Partstrader.com may promise convenience and cost savings, their implications for the collision repair industry are concerning. By stripping away the rights of shops to choose their parts vendors and forcing them into a low-cost framework, the platform has not only harmed repair businesses but has also negatively affected parts vendors. As the collision repair landscape continues to evolve, it's essential for repair centers to remain vigilant and advocate for their rights, ensuring they prioritize quality and customer satisfaction over mere convenience.


Andy Grundman

Visit this link to see what vendors are saying about Parts Trader [CLICK HERE](#)

SnL's Comments

(Sue and Leah)

The rise of Partstrader.com is reshaping the landscape of how collision shops purchase parts, often leaving traditional vendors feeling the pinch. While this option may offer convenience and competitive pricing, it's essential to recognize the invaluable role that local vendors play in our industry. They provide personalized service, foster relationships, support industry associations and contribute to the local economy in ways that online giants simply cannot replicate. Let's remain curious about how we can support our local businesses



and vendors. After all, a thriving community is one where we shop local!



Quick Tip: Employee Reviews

"The secret of change is to focus all your energy not on fighting the old but on building the new"

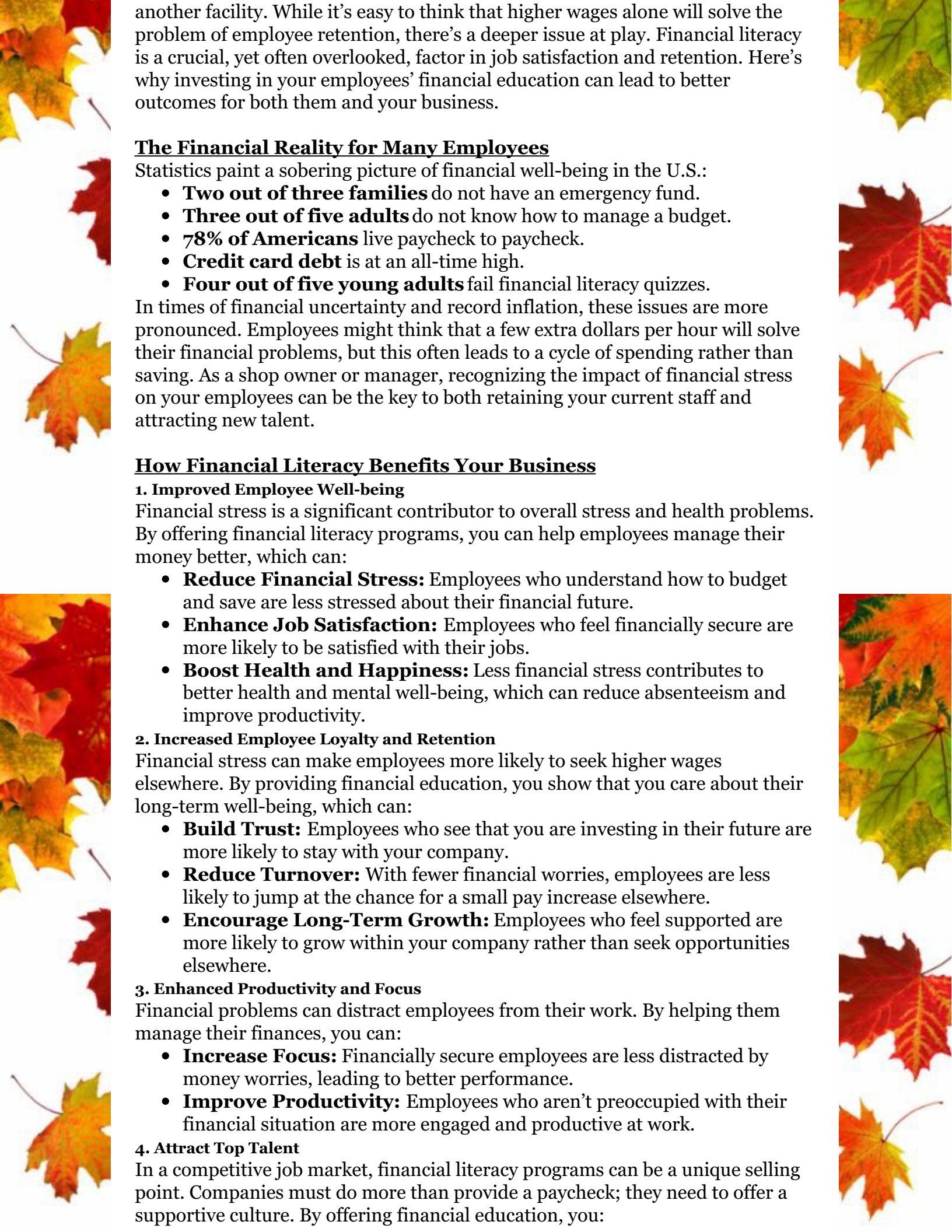
Socrates

Why Financial Literacy Matters: Boosting Staff Retention and Attraction through Employee Education

Guest Contributor - Ryan Struve



In conversations with shop owners and managers, a recurring theme emerges: employees are often lured away by the promise of a few extra dollars per hour at



another facility. While it's easy to think that higher wages alone will solve the problem of employee retention, there's a deeper issue at play. Financial literacy is a crucial, yet often overlooked, factor in job satisfaction and retention. Here's why investing in your employees' financial education can lead to better outcomes for both them and your business.

The Financial Reality for Many Employees

Statistics paint a sobering picture of financial well-being in the U.S.:

- **Two out of three families** do not have an emergency fund.
- **Three out of five adults** do not know how to manage a budget.
- **78% of Americans** live paycheck to paycheck.
- **Credit card debt** is at an all-time high.
- **Four out of five young adults** fail financial literacy quizzes.

In times of financial uncertainty and record inflation, these issues are more pronounced. Employees might think that a few extra dollars per hour will solve their financial problems, but this often leads to a cycle of spending rather than saving. As a shop owner or manager, recognizing the impact of financial stress on your employees can be the key to both retaining your current staff and attracting new talent.

How Financial Literacy Benefits Your Business

1. Improved Employee Well-being

Financial stress is a significant contributor to overall stress and health problems. By offering financial literacy programs, you can help employees manage their money better, which can:

- **Reduce Financial Stress:** Employees who understand how to budget and save are less stressed about their financial future.
- **Enhance Job Satisfaction:** Employees who feel financially secure are more likely to be satisfied with their jobs.
- **Boost Health and Happiness:** Less financial stress contributes to better health and mental well-being, which can reduce absenteeism and improve productivity.

2. Increased Employee Loyalty and Retention

Financial stress can make employees more likely to seek higher wages elsewhere. By providing financial education, you show that you care about their long-term well-being, which can:

- **Build Trust:** Employees who see that you are investing in their future are more likely to stay with your company.
- **Reduce Turnover:** With fewer financial worries, employees are less likely to jump at the chance for a small pay increase elsewhere.
- **Encourage Long-Term Growth:** Employees who feel supported are more likely to grow within your company rather than seek opportunities elsewhere.

3. Enhanced Productivity and Focus

Financial problems can distract employees from their work. By helping them manage their finances, you can:

- **Increase Focus:** Financially secure employees are less distracted by money worries, leading to better performance.
- **Improve Productivity:** Employees who aren't preoccupied with their financial situation are more engaged and productive at work.

4. Attract Top Talent

In a competitive job market, financial literacy programs can be a unique selling point. Companies must do more than provide a paycheck; they need to offer a supportive culture. By offering financial education, you:

- **Stand Out from Competitors:** Financial literacy programs can differentiate your company from others that only offer a paycheck.
- **Appeal to Candidates' Long-Term Goals: Prospective employees are drawn to companies that offer more than just monetary compensation.**

Implementing a Financial Literacy Program

To effectively support your employees, consider these steps:

1. **Partner with Financial Educators:** Bring in professionals who can offer workshops or one-on-one coaching.
2. **Provide Resources:** Offer access to budgeting tools, savings plans, and financial advice.
3. **Create a Supportive Environment: Foster a culture where employees feel comfortable seeking help with their financial issues.**

Conclusion

By investing in your employees' financial literacy, you're not just enhancing their personal lives; you're also fostering a more dedicated, productive, and satisfied workforce. Financial education is a powerful tool for improving job satisfaction, increasing retention, and attracting new talent. In a world where employees are often tempted by small pay increases, providing financial literacy can be the key differentiator that makes your company stand out as a supportive and forward-thinking employer.

By focusing on financial literacy, you're not just improving individual lives; you're strengthening your business from the inside out. It's a win-win scenario that can lead to happier employees and a more successful business.

Sources: LinkedIn – Darcy McLarty
Forbes advisor
Census.gov
Nerdwallet – managing money

Labor Rate
Hero Survey



If you haven't entered your rate on
Labor Rate Hero – do it right this minute!

[Click here](#) to enter your rates



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Legislative Statute Tip

Wisconsin Statute: 6.11(3)(a)4. Insurance company is engaging in unfair claims settlement practices by failing to attempt in good faith to effectuate fair and equitable settlement of claims submitted in which liability has become reasonably clear.



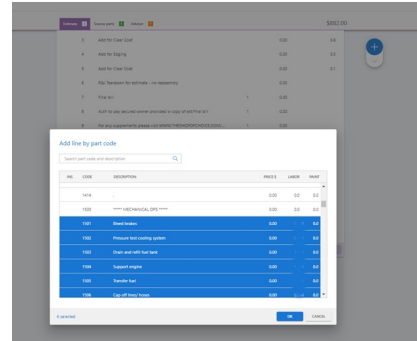
The denial of insurance coverage for essential OEM procedures can pose significant challenges for shops seeking required repairs. Such decisions often lead to improper and unsafe repairs not to mention the delays in cycle time, which could impact the relationship between the shop and the vehicle owner. It is imperative for owners and managers to ensure their shops are preparing repair orders per the manufacturer requirements. Not including sufficient documentation could lead to insurance denial. Engaging with insurance adjusters and utilizing OE recommended procedures can facilitate a resolution.

[Link to Complaint for O.E.M. Required Procedures](#)





Estimate Tip:
 CCC ONE Web users can quickly add multiple parts code table operations in a single sequence instead of creating a new line each time.



Do you need to update your "FIND A SHOP" listing on the WCRP website? [Check here..](#)



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State Farm settles Washington diminished value class action for \$2 million

By Lurah Lowery on October 16, 2024
Insurance | Legal



State Farm has agreed to pay nearly \$1.5 million to a class of Washington state policyholders who allegedly weren't paid for the diminished value of their vehicles following at least \$1,000 in damage.

A class action lawsuit was filed in 2018 by Anousack Sanith who was rear-ended in a hit-and-run collision in 2017, according to the complaint.

In addition to what State Farm will pay the class, it will also pay attorney's fees of \$627,360 plus \$13,000 for "costs" and a \$10,000 service award to Sanith, according to the final settlement agreement.

The vehicle was a 2017 Toyota Tacoma SR5, which had 8,278 miles at the time of the accident but State Farm didn't pay Sanith for the diminished value of his vehicle even though damages were extensive, adding up to more than \$17,700. Repairs of the vehicle included frame/unibody repairs, body work, and painting, according to the complaint.

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Better Together.



Bryant: Seeing Through the Smoke

Oct. 17, 2024

Together, we can unmask the realities of insurance claims to empower our customers and enhance the quality of our industry.

Drew Bryant



The Illusion of Trust

One of the most persistent and damaging myths in the world of auto

repairs is that insurance companies are on the consumer's side. Unfortunately, this belief often blinds consumers to the harsh reality that insurers are primarily driven by profit margins rather than customer care. For collision shop owners, this is an especially frustrating dynamic that can significantly impact their business and the satisfaction of their clients.

The reality is simple. Insurance companies leverage their economic power to maximize profits at the expense of working people. They are involved in a deliberate system that we all know and understand all too well. But why does most of our country remain ignorant of this? It's because the system expands far beyond our imagination. I'll explain.

[Continue Reading](#)

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[Applications can be found here.](#)

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