Physical Damage
Market
Transformation

ATA General Meeting
Oct 07, 2015
Introduction

• There are many challenges that we need to address together to adapt to the changing business landscape and establish the business conditions for a healthy collision repair industry in Manitoba.
Pace of Change in Vehicle Design

Complex Metals - Repairability: Body & Frame

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<tbody>
<tr>
<td>84% of metal parts repairable with established welding/repair methods</td>
<td>60% of metal parts repairable with established welding/repair methods</td>
<td>96% Aluminum &amp; 4% Steel On Pillars; new welding methods/repair techniques needed (rivets)</td>
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Metal Parts Repair Method:
16% Replacement Only
44% May be Welded per Mfg Instructions
40% Can be Welded per Std Practices

Mixed Steel in the Body means more complex repair
OEM Programs

- OEMs are introducing certified repair facilities
  - Limits customer choice
  - Setting tighter requirements for OEM warranty and lease conditions
  - Impacts tools, equipment, materials, training, etc
  - *Fragmenting the heterogeneous market*
Qualified Repair

• MPI’s mandate includes reducing risk on the road through safe, quality repairs
  – Quality of Repair includes assessing the degree to which an individual shop meets OEM standards for collision repair
  – Details matter on a per make-model basis. Each shop has to be properly equipped and trained to handle each unique repair
The Journey

• As our environment changes, we need to work together to adapt to a new reality
  – New technologies need additional tools, skills and methods

• Businesses will need to make decisions on their strategy
  – Need to balance investment with cost effectiveness/market demand
  – Scale up and achieve economies or find a niche and specialize?
### What Does This All Mean?

<table>
<thead>
<tr>
<th><strong>Structural Change in the Auto Industry</strong></th>
<th><strong>Investment</strong></th>
<th><strong>Consumer Protection / Awareness</strong></th>
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<tbody>
<tr>
<td>• Pace of change in vehicle design</td>
<td>• Tools</td>
<td>• Customers access mobile app that informs him/her which shops can repair their vehicle</td>
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<td>• Specifics of repair methods</td>
<td>• Training</td>
<td>• Shops cannot create or download an estimate if they are not qualified or certified to fix the vehicle</td>
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<td>• OEM programs</td>
<td>• Facilities</td>
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<tr>
<td>• Qualified repair</td>
<td>• Equipment</td>
<td></td>
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<td>• Certified repair</td>
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-顾客可以访问移动应用程序，该应用程序告知他们哪些商店可以修理他们的车辆。
-商店不能创建或下载估计，除非他们已经合格或认证可以修理车辆。
Shop Distribution Across Manitoba

- **Manitoba** 177
- **Winnipeg** 144

Totals (2013 activity)

- WPG: 144
- Other: 177
- Total: 321
Shops doing more than 5 jobs per week

- Manitoba 50
- Winnipeg 82

Totals (2013 activity)
WPG: 82
Other: 50
Total: 132
Shops doing more than 10 jobs per week

- Manitoba: 14
- Winnipeg: 48

Totals (2013 activity)

WPG: 48
Other: 14
Total: 62
Shops doing more than 20 jobs per week

- Manitoba: 0
- Winnipeg: 21

Totals (2013 activity)
WPG: 21
Other: 0
Total: 21
Shops doing more than 30 jobs per week

- Manitoba: 0
- Winnipeg: 9

Totals (2013 activity)
- WPG: 9
- Other: 0
- Total: 9
Creative Approach to Repairs
Creative Approach to Repairs

- http://www.youtube.com/watch?v=JUbVF7C0E8
Discussion