

Applying Group Power to Independent Body Shop Businesses



Assured Performance hosting a Network Workshop.

Scott, I know you've been around the industry a while. How did you get started?

By accident of course! I actually got involved with the collision industry without ever intending to. I became a partner in a fledgling computer management company back in 1984. We created a state-of-the-art computer management system that became the leading product of its time. When I joined the company and took over managing the operations they were essentially bankrupt, but didn't know it. We got that company turned around and eventually a paint company bought it. I got a crash course in collision repair dealing with many of the premier body shops across the US as our customers.

While I sold a lot of systems and helped fundamentally transform and improve these customer's business operations, the fact was that I didn't know how to manage a shop or even write an estimate." To get around that, I used to take potential buyers to another shop and let them see the computer system in real time. They loved seeing the other shop's operations and learning how they ran their businesses. The computer actually became secondary. I always felt that that more shops should be able to be a part of the sharing process. That gave me the idea to use video to share best practices and the best operation, but without the travel. I could also use the video to help everyone meet the industry movers and shakers, attend national meetings and workshops, and learn about key trends. Once the computer company was sold, I launched BodyShop Video Magazine. The idea for BodyShop Video Magazine was to bring best practices and management information to the masses of shops across the entire US in an efficient manner. We ended up with over 7,500 shops and approximately 75,000 viewers. I ran it from 1988 until 2000 with several additional business ventures added.

You mentioned working on video training, what were the challenges and issues there?

Our approach to video training was "Edutainment." The videos had to be entertaining and they also included real time examples and not just a lecture. We had to get good at making the content bite size, fast moving and interesting. With video and self-study programs, the subscribers could learn at their pace, and watch as often as they liked.



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We also complemented the video with classroom and executive retreat venues. I have actually delivered over 850,000 hours of management education. During that period, I actually traveled 210 days and did over 50 programs per year. We reached over 5,500 shops directly with our classroom and retreats during an 8-year run. It took an enormous toll in both family and personal relations, but the business boomed because of our efforts.

Over time we added consulting, marketing services, even shop management

services and created several new products and a new business. We launched Business Development Group in 1995 and ended up with 1,500 Member shops. We introduced EOM, the Electronic Operations Manual in 1998 and eBOSS in 2000. We sold over 2,500 copies of those software programs. We even opened into several other industries. All of that actually served as the basis for our business operations today.

What were the industry conditions that prompted you to create a network?

The biggest issues were the loss of control of the business, ownership of the consumer customer, and the lack of profits for independent collision repair businesses. Every part of the industry was grabbing for a piece of the pie and taking their taste of the profits, but no one was truly an advocate for the independently owned collision business.

Another major issue was the consumer. Somewhere in the last 15-year shuffle, the consumer was forgotten or worse. They have been manipulated. While insurers found more and more willing shops to work and repair for less and less, the consumer was being left out and so was their choice, treatment, and safety.

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What really lit the flame of passion was seeing all of the unfair trade practices go on and no one was offering a solution or better way to do business. We watched how the best in class shops continued to invest in their business, provide better and better service and treatment and play by all the rules with equipment, training, tools, etc., but the unqualified shops were being paid the same door rate! Unfortunately, the unknowing and uneducated consumer could not tell the difference between which were qualified and not ... that is, until it was too late.

We set out to create a solution that could and would fundamentally change the industry and address those issues.

Tell us about Assured Performance Network.

We actually built our business plan based upon two models: One was what we should do, and the other was what not to do. We used the business model of ACE and True Value Hardware, which are both Co-ops. They do so many things right by bringing the advantages of group and collective power to individually owned businesses. Most of us think of them as franchise or company owned and in fact they are all independently owned businesses working together collectively. By joining together in a co-op, they sell more, make more profits, and they are far better organizations than ever before.

The other model we followed was what not to do. We looked at all of the various initiatives attempted in the industry

before and tried to make sure we avoided making the same mistakes. That is how we came up with the formula of doing the opposite of our would-be competitors.

For example,

- 1) We set qualifying standards and only allow those that meet those to participate. We only allow best in class, independently owned shops to participate.
- 2) We focused on the consumer customer and not the insurer. We are consumer focused and insurer friendly. This means we do not pander to insurers. We want to provide a unique and special experience for the consumer and own them for life!
- 3) It is not a pay to play program. Shops must qualify to participate and then instead of charging them, we pay them to be a part

of the program through "Assured Performance Financial Rewards".

- 4) We also set out to make sure we had a qualified shop in every community and have complete coverage of the entire US! That has never been done before.
- 5) We want to collectively harness the buying and marketing power of the critical mass of the industry representing tens of billions.

Part 2 of this interview will appear in ABN-May. Scott Biggs can be contacted at biggs@assuredperformance.net. Biggs is the author of Break On Through (2007), a book on reinventing Body Shop Marketing, Sales and the Customer Experience. It is available from Assured Performance Network, www.assuredperformance.net, 949-221-0088. •