

**Consolidated Parts Group – Parts Trader Collision Industry Survey Results and Comments – February, 2013
Grand Rapids, MI – Initial Test Market**

Do you believe Parts Trader is designed to improve your shops efficiency? YES=17.7% NO=82.2%

Comments:

The administrative burden deflected to the shops, makes a shop anything but efficient.
collusion between insurer and part vendors. and weaken american market place
FROM THE INFORMATION RECIEVED, DOES NOT SOUND POSITIVE
I believe it is designed to have more control over our business.
I believe "they" designed this program with the intention to improve shop efficiency however at this stage, sadly it does not.
LESS TIME SPENT ON THE PHONE MORE TIME SPENT BEING PRODUCTIVE
I BELIEVE IT IS DESIGNED TO DECREASE PAYOUTS FROM INSURANCE COMPANIES TO BODY SHOPS. THERE MAY BE A WAY TO MAKE IT WORK TO IMPROVE EFFICIENCY, BUT IT IS UNLIKELY THAT REPAIR SHOPS WERE THE FOCUS OF THE DESIGNING PROCESS.
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It can't. It takes up too much time to input the info and then wait for someone to contact us or call back.
Too slow, wrong parts, bad parts, out of state parts,this has slowed us down
Parts Trader is designed to shift more of the work load to the body shops and to make more money for State Farm Insurance company period.

Do you believe Parts Trader is designed to improve your shops Parts Profits? YES=6.6% NO=93.3%

Comments:

It is designed to improve State Farms profits.
any design to take away the control of the repair specialist is to undermine and corrupt the system
MORE OF A LOSS
Our profits already suffer. Material costs have escalated, when you request the additional amount, their response in you are not suppose to make money in materials. Really, since when? I believe that have the same attitude towards parts.
For the record I do not believe it is designed to take from my profits either.
ONLY IN THAT IT WILL MAKE ME MORE EFFICIENT
I dont think that was the plan it has inproved repairtime in the shop
IT WOULD BE HARD TO PROVIDE A REDUCTION IN INSURANCE COMPANY PAYOUTS AND IMPROVE SHOP PROFITS AT THE SAME TIME.
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It eats into our profits. It takes too much labor to use.
Takes away my discretion on parts use, slows down the repair,turn over is too long,lowers my mark up
Parts Trader is designed to save millions of dollars for State Farm Insurance company by forcing shops to buy used parts, aftermarket parts, and as a last choice o.e.m. but only if they can beat up the suppliers on price and get a price match.

Do you believe Parts Trader offers benefits to Collision Repair Shops? YES=22.2% NO=77.7%

Comments:

No benefit to the shop, or to the consumer.
no and is only temporary while insurers find other ways manipulate the market place
Not to anyone I know, but then we are not suppose to communicate with each other. Kinda like them.
At this stage, No. Maybe some day.
TIME SAVINGS
with truput it has slowed down office you are looking at 20min added to each repair in office
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None whatsoever.
it may save me a few phone calls
Too slow, lowers profits, too many venders, too many month end bills
The only benefit is to State Farm. Shops have been using their own ordering systems without problems. Now they are forced to use Parts Traders system so State Farm has control over parts ordering ensuring them higher profit margins.

Do you believe vehicle owners will benefit from shops using Parts Trader? YES=8.8% NO=91.1%

Comments:

See above

educating everyone never hurts

vehicle owners benefit from shops that work for their best interest!

DOES NOT BENEFIT ANY ONE BUT INSURANCE COMPANIES

No. The customer is being left out of the repair loop with the repair shop. Besides, there will be no benefit to the shop. We will lose the ability to deal personally with and for their own customers. It takes another bite out how a job is being repaired. As well as being able to have suppliers one on one. People buy from people and develop a business relationship. we all are going to be screwed in the long run, and we are the ones who will be legally responsible, not the insurance.

Insurance companies already dictate the parts you can put on a customers vehicle.

I do not see how it will ever affect the vehicle owner.

IF IT HELPS TOO COMPLETE REPAIRS IN A TIMELY FASHION THE VEHICLE OWNER ALWAYS BENIFITS

truput has improved

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Too slow,must wait for complete estimates

Owners are the ones who really get no benefit from this program. Used, aftermarket parts are being used to make repairs on one and two year old vehicles.....bad for shops and customers, good for State Farm.

Do you believe an insurer should be able to mandate the usage of any parts ordering program?

YES=13.3% NO=86.6%

Comments:

If collision shops allow it to happen.

NO WAY.....

Absolutely not! the insurer has no business dictating any portion of the repair process or parts usage

But they will . They are like a God.

DEPENDS ON HOW THIER POLICY IS WRITTEN

Conflict of interest. The shops contract is between the customer and the shop owner/business.

We are suppose to have the insureds best interest at the core of our businesses. The insurance companies do not have bean counters around for that reason. No, no it is save and make money for them. Not to think of what is best for the customer. The Exception is Auto Owners/Homeowners Insurance Company. We wish all of the insurance companies would go back to operating legally like Auto Owners.

They are not in your shop, they do not see the vehicle, besides the fact they have no business dictating to me where I purchase parts, that is our job.

ABSOLUTELY NOT, unless a DRP shop is taking advantage of said insurance company but if that is the case then it should be on an individual basis, not across the board.

not unless they bought a policy that gives them that right

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I'd say ins. co. can do whatever they want, but it's up to shops to tell them NO, we won't use this program. Then stand firm.

It will come

Insurance companies have no business forcing any shop to use a parts ordering system over the one they already have. They need to stick to selling insurance and stay out of the body shop business.

Insurance companys are not in the business to repair cars. They need to insuring them and let the professionals repair the cars

Do you believe Parts Trader will increase or decrease your overall Parts Profit Dollars?

Increase=2.2% Decrease=97.7%

Comments:

I can't believe any program undertaken by an insurance carrier, and mandated to be used by a direct repair shop will do anything to increase the shops bottom line.

yes much as the same way that insurers negatively influenced the times in the major estimating systems

LESS OF MARK UP

Dah...Insurance owned or have the majority of stock and sit on the board. Since Keystone/Lkq have joined forces and own a very large piece of the pie the prices have gone up, the employee's wages have not. As to others not so much...The insurance companies are seeing how much they can get away with and for how long they can keep buying off Washington with the billion they invest via the lobbist. It will depend on how dumb, and how much the independent repairers will allow.

stay the same.

At this stage decrease due to unneeded wait times and efficiency ESPECIALLY when most of the parts that are quoted are a no-quote at which point I still have to pick up the phone and "go around" parts trader.

I WOULD LIKE TOO THINK THAT IT WOULD HELP

we have less then .003% change in parts profit over the last 6mo on the program

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Definitely decrease because of the extra labor involved using the program.

Bids are lower, optional OE mark ups lower profits

see answer to question two.

There will be a cost involved and we would have to absorb that cost

Would you use Parts Trader if you were free to choose without fear of retribution from any insurer?

YES=8.8% NO=91.1%

Comments:

Fear of retribution is only part of the problem. The program makes the estimator less efficient, and is a disservice to the customer...who now gets no estimate, or an estimate that only shows all OEM parts when they leave a facility. They don't get an estimate that truly reflects what type of parts are going to really be used to do their repairs.

I AM IN NO FEAR OF INSURANCE COMPANIES, AT ALL..... I WILL USA WHO I WANT REGARDLESS OF WHAT THEY TRY TO PULL.....

i like to be free to use my vendors

WOULD HAVE TO TRY THE PROCESS FIRST

We deal with the people we know and trust for new or used parts or aftermarket parts. We really do not like to go to certain mandated suppliers for a reason. We usually find it the same quality and etc. with less hassel, less damage and a warranty to go with it or they will work something out with us. We enjoy our freedom of choice and what it means. We will not allow someone to take that away from us.

We already have several means of locating parts on computer search, by our choice.

At times and on big jobs, yes. Jobs with few parts that I know I can find locally, no.

but not on all jobs

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There is absolutely no value for shops to use Parts Trader.

Too slow, parts come from too many venders,it interferes with the relationships I have made over the years

Can you honestly believe there would be no retribution?

We use collision link and are VERY happy with that system

Do you believe State Farm is requiring the use of Parts Trader to improve claims efficiency or to improve their profits?

Claims Efficiency=4.4% Increase Profits=95.5%

Comments:

YES

the only thing that state farm should be looking at is how much their worthless over paid CEOs are being paid and adjust their rates according to the losses

BOTH, MAKES THEM MONEY, BY PAY OUT AND SAYS TIME FOR MAIN CLAIMS

Anti trade, anti trust laws, ownership/board members of the parts yard is a conflict of interest as it is with them owning a repair facility. They do not run their companies with out million or billions of dollars of profits each year. Yet, the shops have not received a raise in labor or etc. for the last 15 years.

I think it is a stepping stone to something bigger. When has a insurance company done anything to help the collision industry?

I believe they have interest in both. It makes them look good to their customers when WE, (ie DRP shops) get the insureds vehicle quicker AND at a lower cost.

BETTER EFFICIENCY IN CLAIMS WILL IMPROVE THIER PROFITS

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With all the time involved in using Parts Trader, there is no way it would improve claims efficiency.

It is much slower then it was to do estimates and final paper work

Knowing the shops that participate in this DRP driven program tells me they were already efficient way before Parts Trader came along. This is not about efficiency, this is about control and money.

there is no proof that it improves efficiency only slows the process and more work for the estimator

Do you believe Parts Trader will be mandated by other insurers in the future?

YES=84.4% NO=13.3%

Comments:

Its only a matter of time. Once S/F perfects it, there will be many that push some type of version of it.

this only proves the collusion that is going on in this industrie

They are still getting away with violating anti trust laws aren't they?

Liberty Mutual is currently using a similar system, they snuck it in under the radar.

Or at least a program equivalent.

this program can be used like a loaded gun its good to defend your self but in the wrong hands it can kill you

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To get rid of property and employees they all will look at this

God I hope not.

every one follows State Farms lead. If they can get away with it so will they

Do you believe Parts Trader will increase or decrease OEM parts vendors sales?

Increase=13.3% Decrease=84.4%

Comments:

it depends on how much profit they are willing to lose

In the end I have to believe it WILL force them to be more competitive and lower their bottom line.

BECAUSE USED PARTS VENDORS ARN'T PARTICIPATING AS MUCH AS THEY COULD

if nothig it will decrease there profet if they do price matching

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It will also decrease their profits.

Few yards are bidding anymore

State Farm has already said publicly that o.e.m. would decrease in the future as long as shops use parts trader. Some of the prices on aftermarket parts are so low (you get what you pay for) there is no way to even price match.

Do you believe Parts Trader will increase or decrease Used Parts vendors sales?

Increase=71.1% Decrease=26.6%

Comments:

the purpose should not be designed to destroy or undermine other industries that play a vital role in repairing vehicles that new parts are not available for.

WE WILL END UP USING BAD PARTS AND SLOWING REPAIR TIMES

If the insurance companies own the yards and or sit on the boards say of such companies as LKQ, and say no, you have to buy from us. How long is it going last before someone says hey, this is against our rights, freedom to choose, and non open market place. We just don't understand why it being allowed to go on now, and why these select service shops are not doing their homework...

Once again I believe it forces them to be more competitive however for used parts I believe it will have little effect.

BUT ONLY IF THEY PARTICIPATE

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As they do not bid their sales will fall

Shops have told us that used parts (recycled) are parts traders number one choice.

With State Farms mandate on the Select Service Shops (DRP's) use of Parts Trader, do you believe that will increase or decrease State Farms steering of work to their Select Service Shops?

Increase=91.1% Decrease=6.6%

Comments:

It is already an issue, and this will just continue moving the trend toward steering even more.

State Farm could operate allot more efficiantlly with out the unnescissary liability

In the last ten years all of the top large direct repair insurance companies have been pushing hard at steering the customer/insured to the direct repair shops. Hell, why not? They are making money, writing off the losses their shops they own (Allstate-Sterling Collision) for example. Directing a loss on their business taxes and still making tons of profit on the insurance end.

Believing that in the end they will succeed in putting the independents out of bussiness, and they have it all.

None. Not a fair question as locating parts has NOTHING to do with the insured OR insurer.

THEY WANT TO SEE IF THIS PROGRAM WORKS AND HELPS IN THE OPERATIONS

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Likely won't do either.

It will let them track costs without them having employees

Has the introduction of Parts Trader by State Farm changed your intention of encouraging customers to shop insurer's other than State Farm?

YES=66.6% NO=31.1%

Comments:

state farm is destroying families and their lively hoods with their steering practices. which is something a GOOD NEIGHBOR would NOT DO!

I DO NOT RECONMEND INSURANCE CO BUT IT DOES CHANGE HOW I AND MY EMPLOYEES LOOK AT THERE OWN INSURANCE

Yes, to some extent, we are sure they have. To the other extent, if enough other independents keep the word out that what they are doing is controlling the market place, and violating so many federal and state laws to the young on the net with this being put into their websites and keeping it active may prove to turn things around. Too many are not watching as much Tv as we do, and tend to scroll and listen to and spread it viral by their way of communicating.

I never encourage anyone to use them to begin with, I am not on a DRP so that would not make sense.

I have never steered anyone to a particular insurance company over another.

No as I believe they have the best of intentions at this time and I still believe in what State Farm represents.

Why not shop.....they do.

I am insured with State Farm and I will be switching ins. co. I am so disgusted with the direction State Farm has chosen to do business.