



The Future of Collision Repair

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by John Halstead

The collision repair industry is on the cusp of a truly unprecedented transition. New automobile technology; likely reduced repair volume; changing repair methods, standards, and referral sources; increased capital investments and training; and a new generation of employees are all contributing toward this transformation.

While Covid-19 temporarily reduced auto mileage and accidents, and changed how we interface with customers, there is a light at the end of the tunnel and hopefully a robust economic recovery.



However, the following market factors will be with us for years to come and are likely to permanently change the competitive landscape. Every collision repairer must anticipate and plan for these upcoming changes:

ADAS will reduce accident frequency, but increase severity. While collision centers will see fewer repairs, the increase in severity will be in parts, sublet operations, and highly skilled diagnosis and repair. There may be a declining demand for traditional labor and materials.

A 2019 study indicated that ADAS equipped mid-sized vehicles had 14% fewer crashes than identical non-ADAS equipped models. The same study projected that as more ADAS vehicles are on the road, accident frequency could decline 25% by 2035 (15 years from now) and reach 30% by 2041.

[The Impact of Advanced Driver Systems \(ADAS\), January 17, 2019](#). [Repairer Driven News](#) focused on western European countries and the far-reaching impact of ADAS on the automotive and repair markets in a [2018 article](#). Click here for additional [RDN/ADAS](#) articles.

OE Certification and OE approved repair procedures will be a must for repairing “late model” vehicles. Making smart capital investments, selectively seeking the right OE Certification(s), learning to quickly access repair procedures; and effectively negotiating with insurers will be critical.

Referral sources will change with an equal emphasis on OE's as insurers. Effective marketing and outreach to your existing customer base will help you compete for a shrinking pool of business. Having completely satisfied customers that are willing to refer you to others has never been more important.

I-CAR has developed training for an **ADAS specialist**. This role will be an important element of your customer service / damage appraisal process, regardless of whether you perform ADAS repairs and calibrations in-house or through sublet contractors.



New technology will drive a **transformation in the workforce** creating both the need and opportunity to attract new entrants with desired aptitudes and attitudes. This will be your chance to recruit younger, more tech-savvy, purpose-driven employees at all levels of the business.

Consolidation of repairers and suppliers will continue, again creating both challenges and opportunities. Collision Centers that can effectively capitalize on market disruption will be positioned to gain market share.

At a time when everything seems to be changing, **TRUST** may be the rarest commodity. Job #1 must be to gain the trust of current and prospective customers by showing that you understand their concerns; and then demonstrating that you have the requisite knowledge, skills, and capability. **Your competitive advantage** will be personal service, the delivery of empathy, and the ability to show prospective customers how you will meet their needs **BETTER** than your competitors.

A Tip to Remember

“Winning” collision centers share common characteristics that include positive ownership attitudes and habits, an exemplary customer experience, growing referral relationships, the willingness to reinvest earnings in the business, and the development of people.

Those who are prepared to embrace change, and the foresight to prepare for it, will continue to prosper. We are prepared to help you meet these and the other challenges that lie ahead.



This TIPs flyer was written by John Halstead & edited by Georgia Thorson of RDA

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