Choosing the Right OEM Certification

It is the general consensus that in order to develop sustainability in the collision industry, your collision center needs to be certified by at least one Original Equipment Manufacturer (OEM). Choosing the right one is where I think most need help. Upon review of an updated OEM list, there are currently 32 OEM programs, 15 of which requires dealer nomination. You can also achieve certification for seven others through <u>Assured Performance Network</u>. The majority require your collision center to be <u>I-CAR Gold Class</u> while others require manufacturer-led training specific to their brand. Some even require training for your front office staff obtainable through <u>Automotive Management Institute</u>.

If you are still with me, I'll review some steps I use to coach shop owners on which OEM to select. The first thing I do is sort their management system by vehicle make to see which is the most prominent in their shop. I believe that is a good place to start because it generally reflects the depth in the market of that particular make. You can validate that information through a market analysis that identifies the number of vehicle registrations for the particular vehicle make you are interested in.

The next step would be to determine if there is another shop in your market that holds the certification for that vehicle make. Some manufacturers have limits on how many collision centers they allow in a market area to hold their certifications. Most OEMs have a search option on their website to help consumers find a certified shop. For example, a search of <u>Honda's</u> site shows there are three ProFirst collision centers in a thirty mile radius of the searched zip code. Assured Performance Network also has a <u>search option</u> for certification programs they manage. Completing those two steps should help you narrow down your selection.

Now that you have determined which OEM program you are going to pursue, it is time to see what you need to qualify for that certification. The Collision Industry Conference has developed a Collision Repair Provider Definition which will help with the basics, and each OEM has specific guidelines they require you meet to participate in their program. Some overlap with other manufacturers in equipment and training, but it is important to review each OEM's specific requirements. A review of the General Motors Collision Repair Network Core Requirements show you must subscribe to Mitchell Cloud Estimating, use a three-dimensional vehicle measuring system and have an approved refinishing system. When evaluating a shop for OEM certification, I like to use the core requirement checklist from Assured Performance Network. I have found that by using this checklist, I can show owners they are a lot closer to OEM certification eligibility than they think.

As I coach collision centers towards certification, I encourage them to evaluate the required equipment very carefully. What is most important is the need to identify which OEM programs require a similar piece of equipment. Equipment is often categorized as good, better and best. While "better" might work for one OEM program, an optional "best" would work for two more. It would be wiser to spend the extra money on the best option knowing it would meet qualifications for two additional OEMs, even though you might not pursue them at the current

time. Purchasing one more expensive piece of equipment would be more cost-effective than purchasing a second one later to meet other requirements.

The last consideration but certainly not the least is your employees. There is a lot of training involved to become OEM certified and you will need to choose the right person who has the mindset to excel. Not all people are the right fit for an OEM program; remember, the OEMs became involved to improve the customer experience of a collision repair. I encourage shop owners to interview people like they were applying for the job. Express your interest in the OEM certification and validate their acceptance of your investment in the training requirements. Through this interview you should be able to determine the success your employee will have as they go through training.

OEM certification programs are not for everyone and the decision should not be taken lightly. However, the collision centers that embrace them will enjoy opportunity for continued success and develop sustainability. From changing how the first notice of loss is communicated to modifying the vehicle repair process, I can say with confidence that OEMs will begin controlling these processes in the very near future. Over the next few years as OEMs ramp up their marketing efforts, create distinct shop locators and utilize telematics with direct consumers, participants in these programs will flourish. They will enjoy increased traffic to their businesses, sustain a competitive edge in their markets and reap the benefits of preparing themselves for the inevitable changes that will affect every collision center on the map.