

# AutoHouse Technologies

## ATA & MMDA's Manitoba Provincial Benchmark Q4 2020



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# INTRODUCTION

## To Provincial Benchmark

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How efficiently repairs are processed determines financial results for the repairer. Whether the goal is to maximize profits, to satisfy external partners, or to analyze internal operations, tracking key performance indicators (KPIs) is a critical tool in today's collision repair organization. The intent of this report is to assist repairers by providing an overview of ATA members' KPIs and repair mix as well as a comparison of ATA member performance to other regions in Western Canada.

We trust that you will find this report useful. If you have any comments or suggestions on how to improve future versions of this benchmark, please feel free to contact us at [benchmark@autohousetechnologies.com](mailto:benchmark@autohousetechnologies.com).



### **About this Benchmark Report**

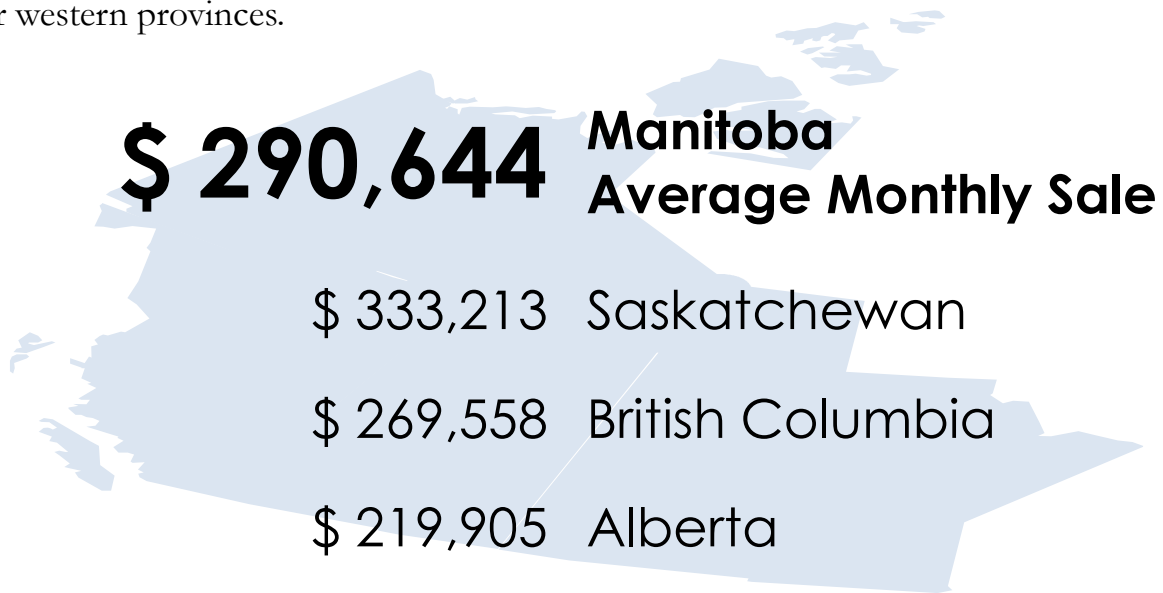
This benchmark is derived from Canadian collision repair locations' operational data. Data contained within this report has been normalized and variance thresholds have been applied to eliminate anomalies that may impact data integrity. AutoHouse has applied its best efforts in statistical validation of data contained within this report.

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# SALES

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Monthly sales revenue varies greatly based on location, facility size, and mix of business. Monthly sales revenue would not typically be considered an indicator of performance, however it provides some context of the data aggregated to create this benchmark. The average repair sale figures provide an interesting comparison of the four western provinces.



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**MB Avg Insurance Repair**

**\$ 3,691**

**MB Avg Customer Repair**

**\$ 1,709**

|                  | <u>Insurance</u> | <u>Customer</u> |
|------------------|------------------|-----------------|
| Saskatchewan     | \$ 4,339         | \$ 1,755        |
| British Columbia | \$ 3,890         | \$ 2,019        |
| Alberta          | \$ 5,271         | \$ 1,976        |

Note: due to the wide variety of non-insurance repairs (warranty, fleet, customer pay, etc.), all subsequent KPIs and calculations from this point forward are based on insurance repairs only.

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# AVERAGE RO SALE BREAKDOWN

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The breakdown of the average insurance-pay repair provides insight into the influence of hourly rates paid, replacement parts policies and paid vs. non-paid procedures within a repair.



## Average RO Labour Sales

Total labour includes all non-refinish labour operations such as body, frame, mechanical and other. We have listed body labour as a sub-category of total labour because it is the largest segment. Refinish labour includes all refinish related labour categories.

|                  | <u>Total Labour</u><br>(excl. Refinish) | <u>Body Labour</u> | <u>Refinish Labour</u> |
|------------------|---|--------------------|------------------------|
| <b>Manitoba</b>  | <b>\$ 888</b>                           | <b>\$ 789</b>      | <b>\$ 573</b>          |
| Saskatchewan     | \$ 1,148                                | \$ 1,025           | \$ 742                 |
| British Columbia | \$ 1,051                                | \$ 968             | \$ 620                 |
| Alberta          | \$ 1,251                                | \$ 1,097           | \$ 718                 |



## Average RO Materials Sales

Body and paint materials represents the average compensation allocated to consumables used in the repair process.

|                  | <u>Paint Materials</u> | <u>Body Materials</u> |
|------------------|------------------------|-----------------------|
| <b>Manitoba</b>  | <b>\$ 267</b>          | <b>\$ 81</b>          |
| Saskatchewan     | \$ 444                 | \$ 83                 |
| British Columbia | \$ 368                 | \$ 85                 |
| Alberta          | \$ 308                 | \$ 110                |

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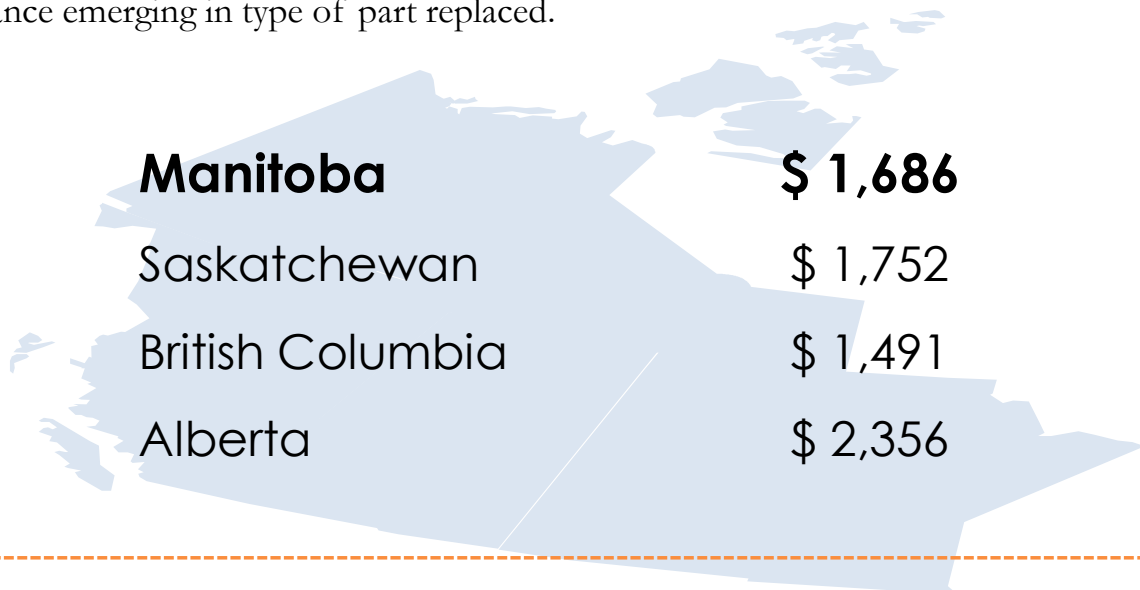
# AVERAGE RO SALE BREAKDOWN

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## Parts

An analysis of the parts purchased in each province shows that Alberta spends a substantially higher amount on parts than comparative regions. Some potential factors that could influence these findings are repair vs. replace, mix of work and private vs. public insurance. The three other provinces are similar in overall parts spend with some variance emerging in type of part replaced.



|                  | <u>OEM</u>      | <u>AM</u>     | <u>LKQ</u>   | <u>Other</u>  |
|------------------|-----------------|---------------|--------------|---------------|
| <b>Manitoba</b>  | <b>\$ 1,322</b> | <b>\$ 215</b> | <b>\$ 49</b> | <b>\$ 101</b> |
| Saskatchewan     | \$ 1,381        | \$ 296        | \$ 74        | \$ 1          |
| British Columbia | \$ 999          | \$ 396        | \$ 84        | \$ 6          |
| Alberta          | \$ 1,866        | \$ 372        | \$ 67        | \$ 42         |

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# AVERAGE RO SALE BREAKDOWN

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## Sublet

Sublet captures all average sale dollars that are not allocated to the previous categories (labour, parts and materials). Insurer scanning policies may be a substantial influencing factor.

|                  |               |
|------------------|---------------|
| <b>Manitoba</b>  | <b>\$ 140</b> |
| Saskatchewan     | \$ 157        |
| British Columbia | \$ 278        |
| Alberta          | \$ 441        |



## Average RO Hours

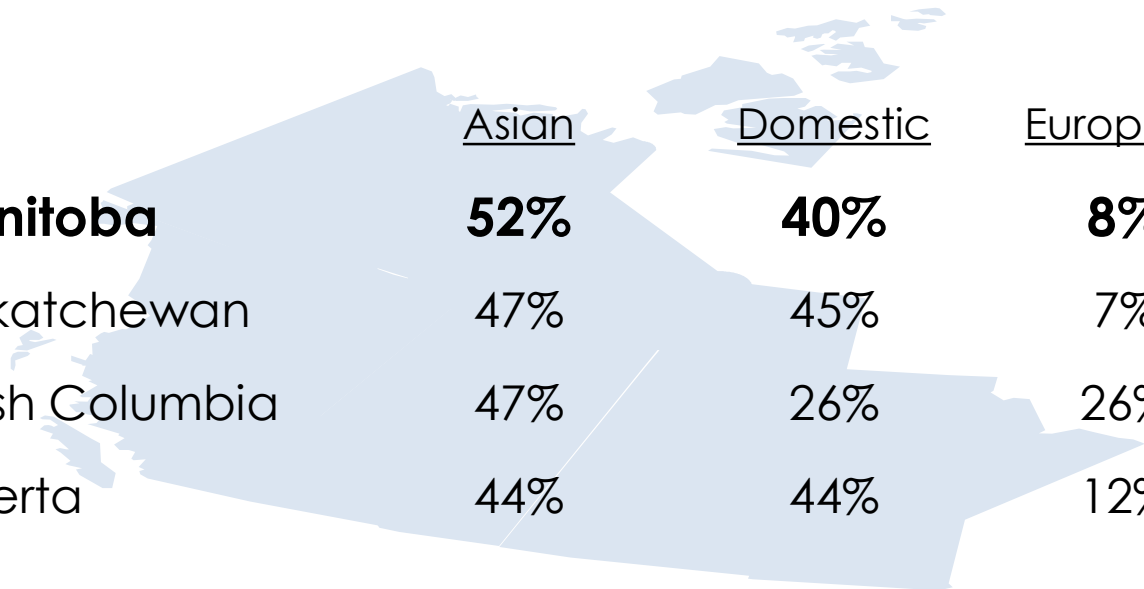
Average hours per RO includes total labour hours and refinish labour hours. The average hours per RO is higher in SK and Alberta, which could be attributed to a larger European repair mix and larger light truck influence, respectively.

|                  |             |
|------------------|-------------|
| <b>Manitoba</b>  | <b>19.7</b> |
| Saskatchewan     | 20.4        |
| British Columbia | 22.5        |
| Alberta          | 25.3        |

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# REPAIR MIX

Repair mix by manufacturer origin provides some interesting insights. The highest average percentage of domestic repairs correlates with the highest average repair sale. One could assume this is influenced by a higher percentage of light truck repairs.



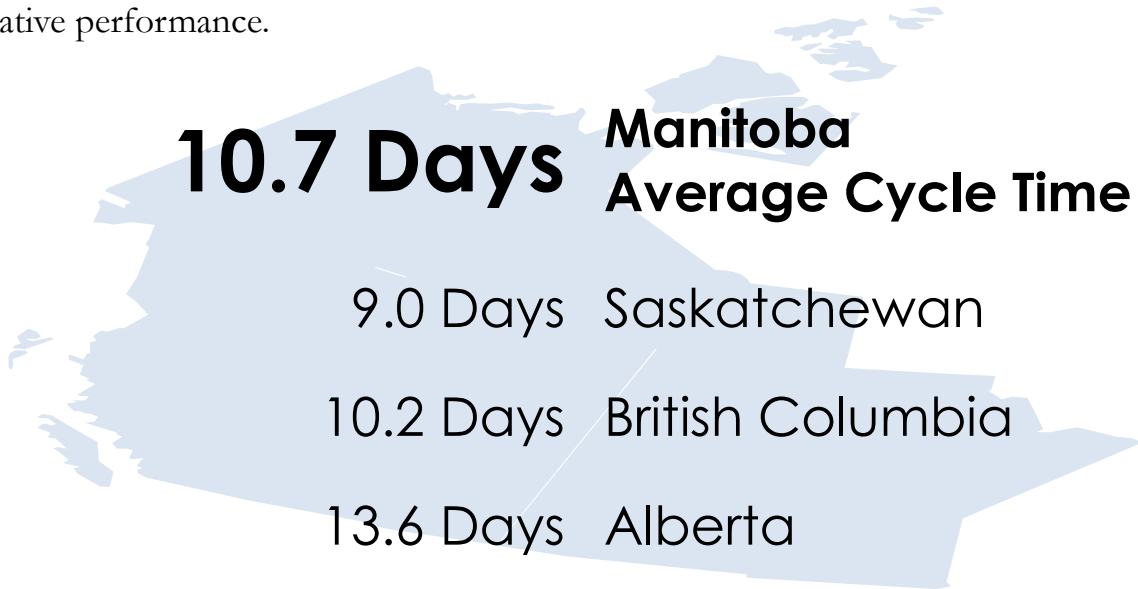
|                  | <u>Asian</u> | <u>Domestic</u> | <u>European</u> |
|------------------|--------------|-----------------|-----------------|
| <b>Manitoba</b>  | <b>52%</b>   | <b>40%</b>      | <b>8%</b>       |
| Saskatchewan     | 47%          | 45%             | 7%              |
| British Columbia | 47%          | 26%             | 26%             |
| Alberta          | 44%          | 44%             | 12%             |

The table below segments repairs by total repair order hours. Repair size influences average repair sale and, in most cases, other operational performance indicators such as touch time and cycle time. On average, over 60% of repairs are 20 hours or less. Shops that have processes in place to efficiently handle small repairs are typically the strongest performers in touch time and cycle time.

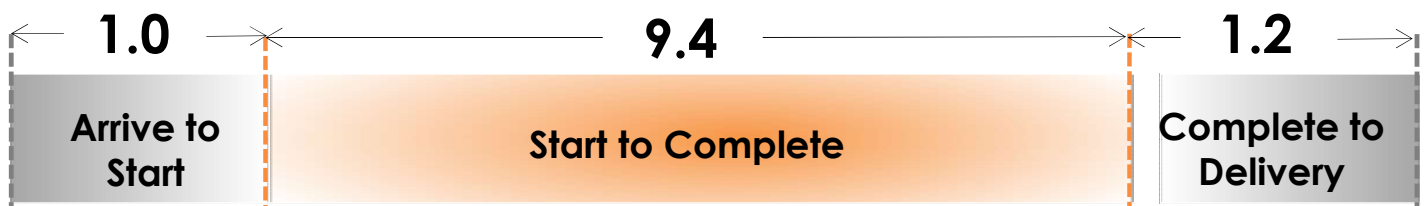
| (Hours)          | <u>.1 &gt; 10</u> | <u>10.1 &gt; 20</u> | <u>20.1 &gt; 40</u> | <u>40.1 +</u> |
|------------------|-------------------|---------------------|---------------------|---------------|
| <b>Manitoba</b>  | <b>27%</b>        | <b>35%</b>          | <b>29%</b>          | <b>8%</b>     |
| Saskatchewan     | 23%               | 37%                 | 32%                 | 8%            |
| British Columbia | 20%               | 36%                 | 33%                 | 12%           |
| Alberta          | 16%               | 32%                 | 36%                 | 16%           |

# CYCLE TIME

While cycle time remains a commonly used key performance indicator, it does not consider work mix (OE brand and repair size) and geographic location, therefore is not an effective metric for measuring true comparative performance between repairers. Only when these factors are considered can cycle time be used to provide effective insight into relative performance.



## MB Cycle Time Breakdown



|                  | <u>Arrive to Start</u> | <u>Start to Complete</u> | <u>Complete to Delivery</u> |
|------------------|------------------------|--------------------------|-----------------------------|
| Saskatchewan     | 0.4                    | 8.3                      | 0.8                         |
| British Columbia | 0.8                    | 8.8                      | 1.0                         |
| Alberta          | 3.8                    | 11.7                     | 1.1                         |



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# TOUCH TIME

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Touch time is defined as the average number of hours produced per day per repair order. We suggest that touch time is the most appropriate measure when comparing overall performance as it measures how efficiently repairers process available work regardless of repair size.

## **2.4 Hours/Day** **Manitoba** **Average Touch Time**

2.8 Hours/Day Saskatchewan

2.8 Hours/Day British Columbia

2.4 Hours/Day Alberta



## **Top 10% of Touch Time Performers**

In a prior study, we found a direct correlation between touch time and gross profit. Repairers with the best touch time performances also had the highest overall gross profits.

## **3.7 Hours/Day** **Manitoba**

3.5 Hours/Day Saskatchewan

3.8 Hours/Day British Columbia

3.7 Hours/Day Alberta

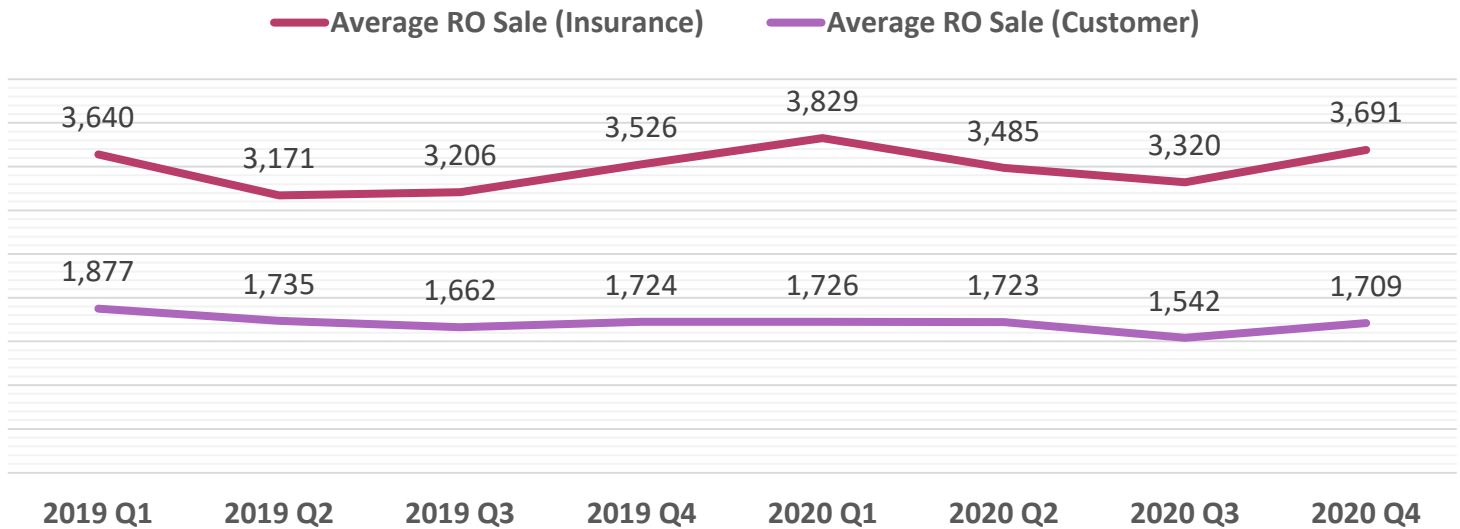
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# 2019-2020 SUMMARY (by Qtr.)

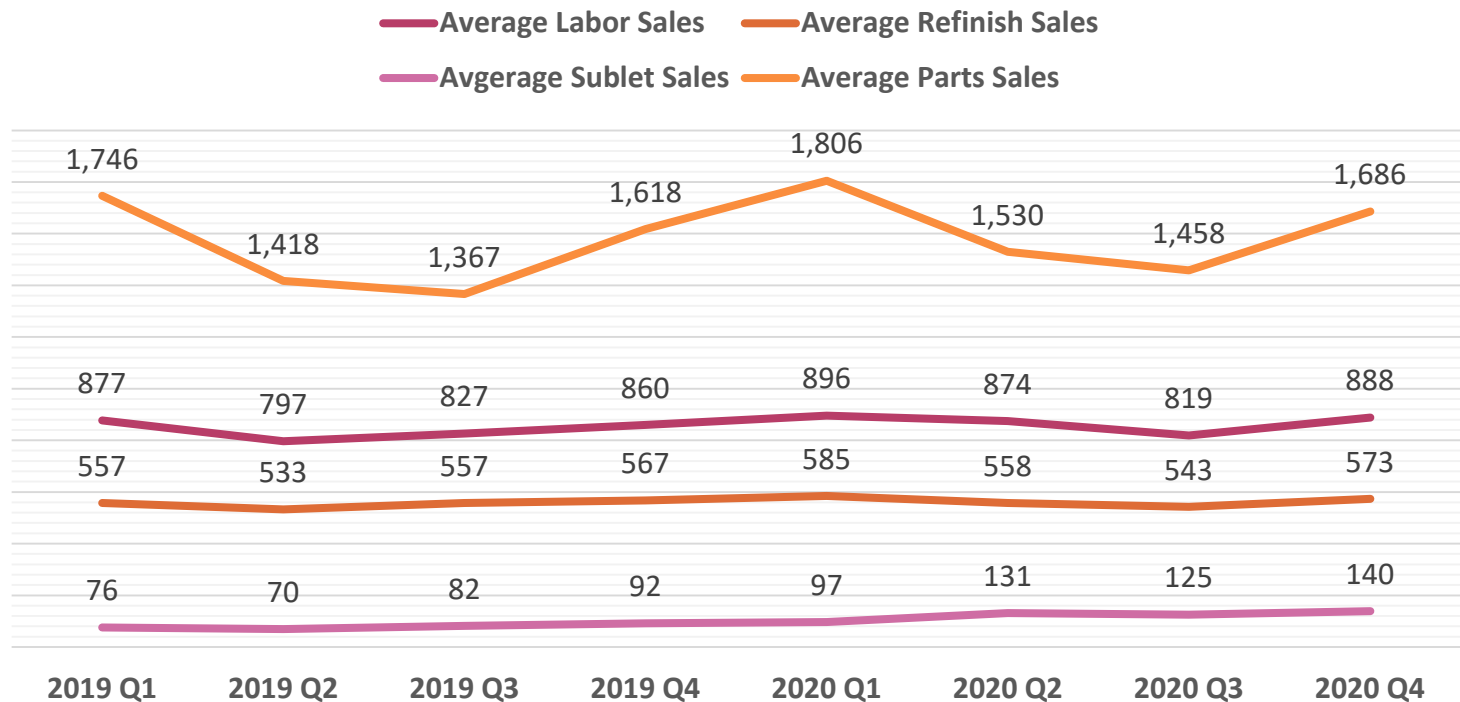
|                             | ATA     |         |         |         |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                             | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 |
| Average Monthly Sales       | 276,269 | 251,119 | 223,583 | 234,374 | 297,352 | 231,586 | 221,905 | 290,644 |
| Average RO Sale (Insurance) | 3,640   | 3,171   | 3,206   | 3,526   | 3,829   | 3,485   | 3,320   | 3,691   |
| Average RO Sale (Customer)  | 1,877   | 1,735   | 1,662   | 1,724   | 1,726   | 1,723   | 1,542   | 1,709   |
| Average Labor Sales         | 877     | 797     | 827     | 860     | 896     | 874     | 819     | 888     |
| Average Body Labor Sales    | 788     | 726     | 757     | 776     | 804     | 783     | 738     | 789     |
| Average Refinish Sales      | 557     | 533     | 557     | 567     | 585     | 558     | 543     | 573     |
| Average Other Sales         | 421     | 389     | 424     | 436     | 457     | 489     | 457     | 488     |
| Average Sublet Sales        | 76      | 70      | 82      | 92      | 97      | 131     | 125     | 140     |
| Average Parts Sales         | 1,746   | 1,418   | 1,367   | 1,618   | 1,806   | 1,530   | 1,458   | 1,686   |
| Average OEM Sales           | 1,423   | 1,197   | 1,134   | 1,325   | 1,412   | 1,243   | 1,169   | 1,322   |
| Average AM Sales            | 236     | 139     | 133     | 183     | 194     | 148     | 169     | 215     |
| Average LKQ Sales           | 68      | 57      | 63      | 60      | 62      | 58      | 51      | 49      |
| Average Other Parts Sales   | 23      | 26      | 39      | 53      | 141     | 82      | 67      | 101     |
| Average Paint Materials     | 267     | 250     | 270     | 268     | 281     | 275     | 258     | 267     |
| Average Body Materials      | 77      | 69      | 73      | 76      | 80      | 83      | 75      | 81      |
| Average Hours per RO        | 19.4    | 18.0    | 18.7    | 19.2    | 19.9    | 19.1    | 18.4    | 19.7    |
| Arrival to Delivery         | 10.3    | 9.4     | 9.9     | 10.7    | 12.1    | 11.4    | 10.9    | 10.7    |
| Arrival to Start            | 0.9     | 0.7     | 0.8     | 0.9     | 1.3     | 1.3     | 1.3     | 1.0     |
| Start to Complete           | 8.4     | 7.9     | 8.1     | 9.0     | 9.9     | 9.1     | 8.5     | 9.4     |
| Complete to Delivered       | 1.0     | 0.8     | 1.0     | 0.9     | 0.9     | 0.9     | 1.1     | 1.2     |
| Touch Time                  | 2.4     | 2.4     | 2.4     | 2.3     | 2.2     | 2.2     | 2.3     | 2.4     |
| Touch Time - Top 10%        | 3.3     | 3.4     | 3.2     | 3.3     | 3.4     | 3.5     | 3.7     | 3.7     |
| Asian                       | 51%     | 51%     | 49%     | 52%     | 52%     | 53%     | 54%     | 52%     |
| Domestic                    | 39%     | 40%     | 41%     | 38%     | 39%     | 39%     | 37%     | 40%     |
| European                    | 9%      | 9%      | 10%     | 10%     | 9%      | 8%      | 9%      | 8%      |
| Express (<10 hours)         | 32%     | 34%     | 31%     | 31%     | 28%     | 31%     | 31%     | 27%     |
| Light (10-20 hours)         | 34%     | 36%     | 35%     | 34%     | 34%     | 35%     | 37%     | 35%     |
| Medium (20-40 hours)        | 26%     | 24%     | 26%     | 27%     | 29%     | 26%     | 25%     | 29%     |
| Heavy (>40 hours)           | 9%      | 7%      | 7%      | 8%      | 9%      | 8%      | 7%      | 8%      |

# TRENDS

## AVG SALE

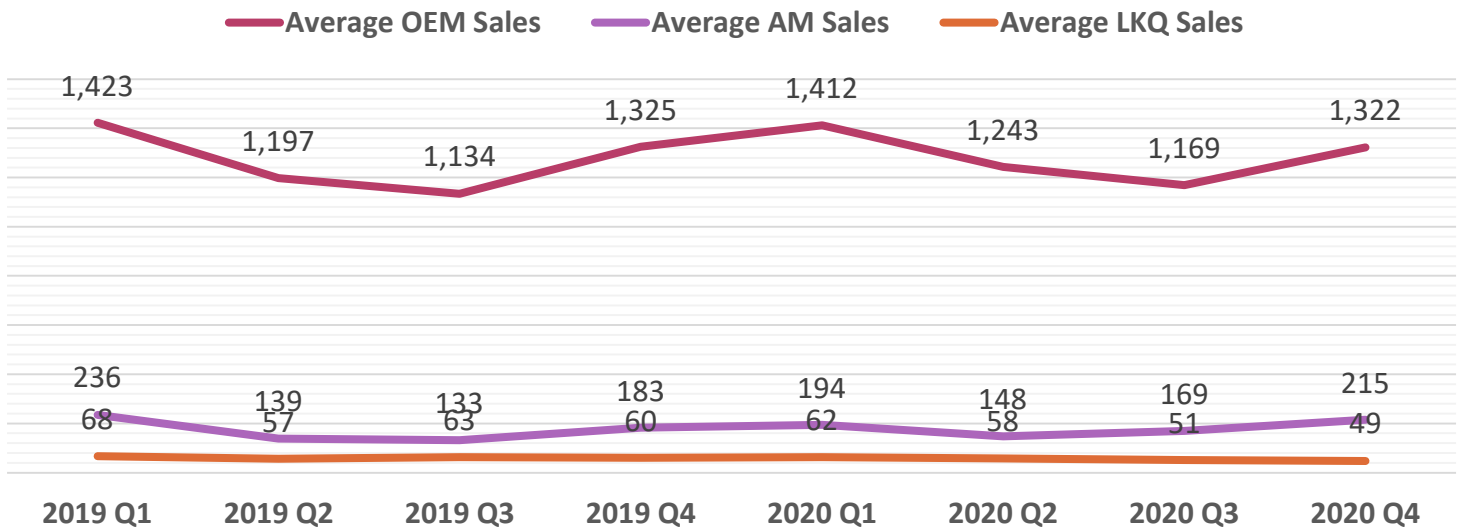


## AVG SALE BREAKDOWN

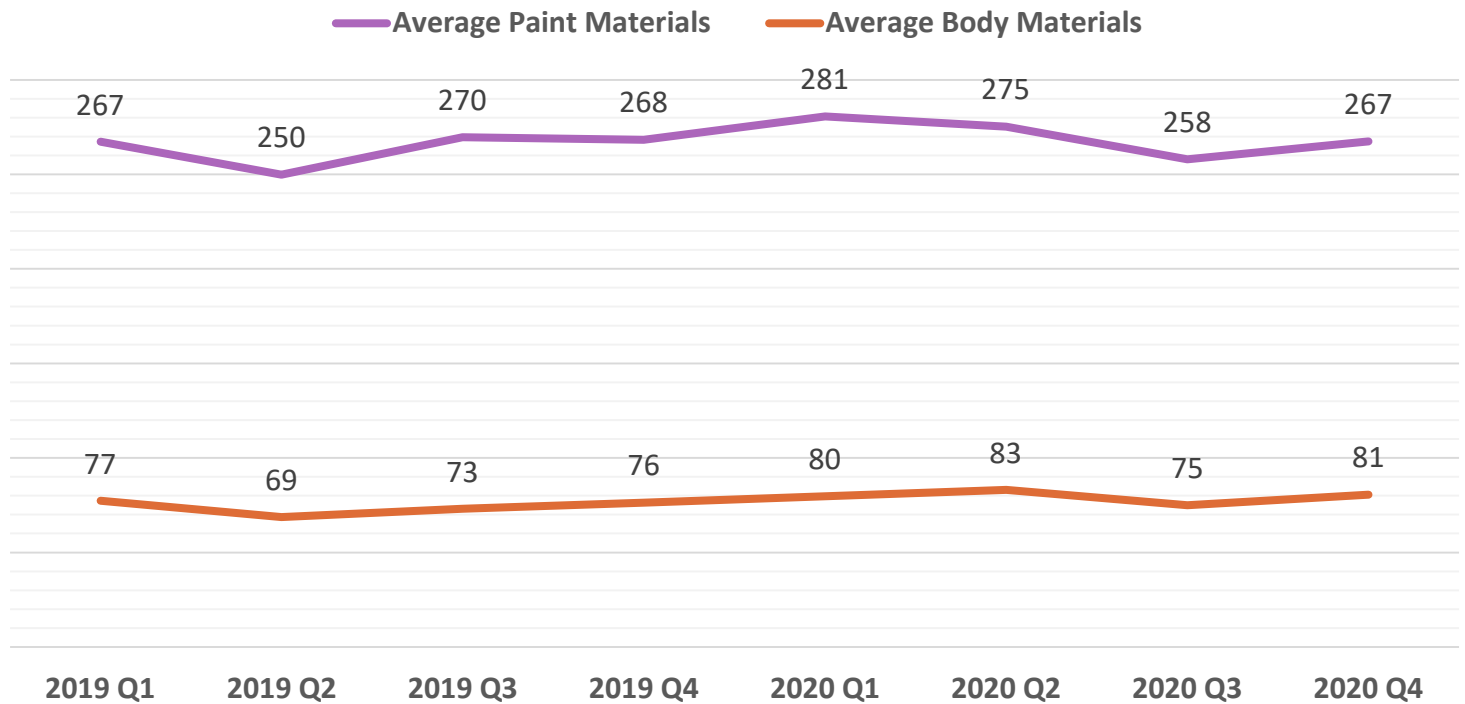


# TRENDS

## AVG PARTS BREAKDOWN



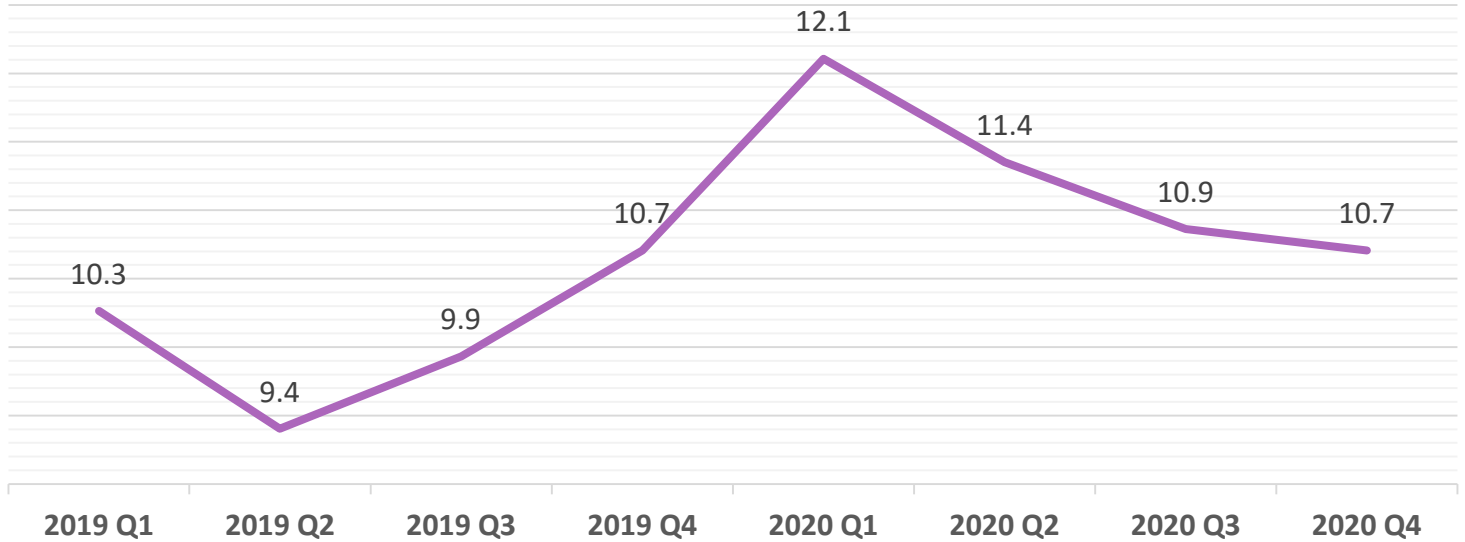
## AVG MATERIALS



# TRENDS

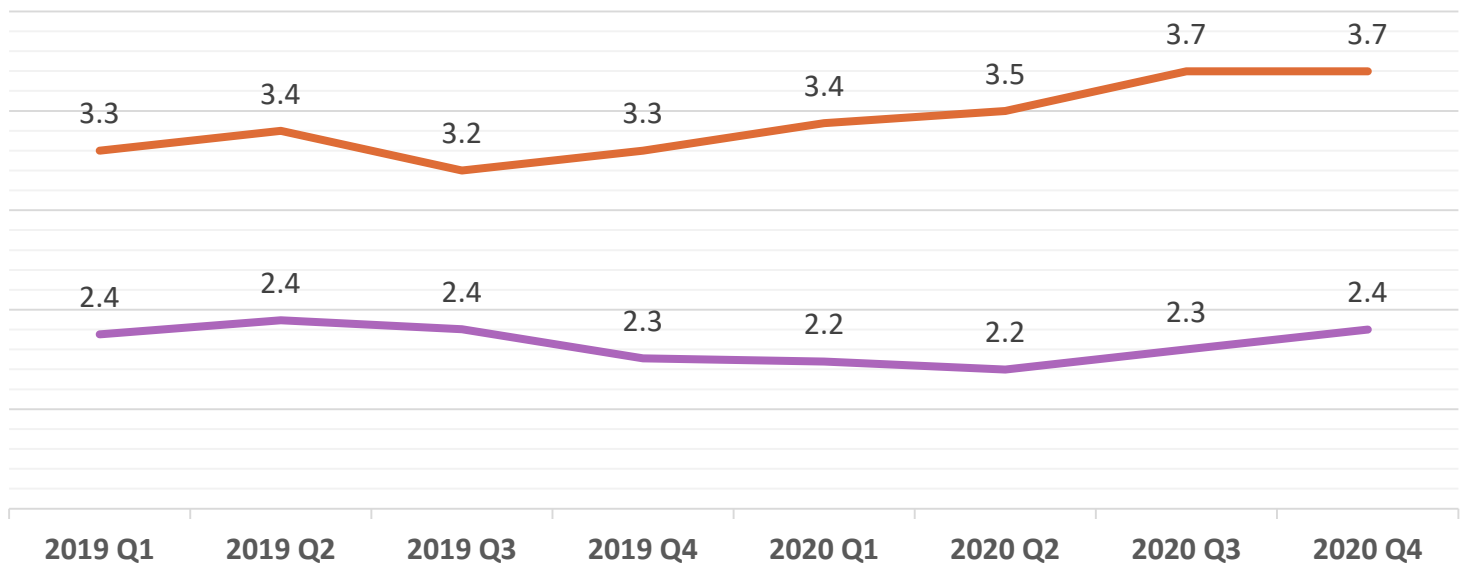
## AVG CYCLE TIME

— Arrival to Delivery —



## AVG TOUCH TIME

— Touch Time — Touch Time - Top 10%

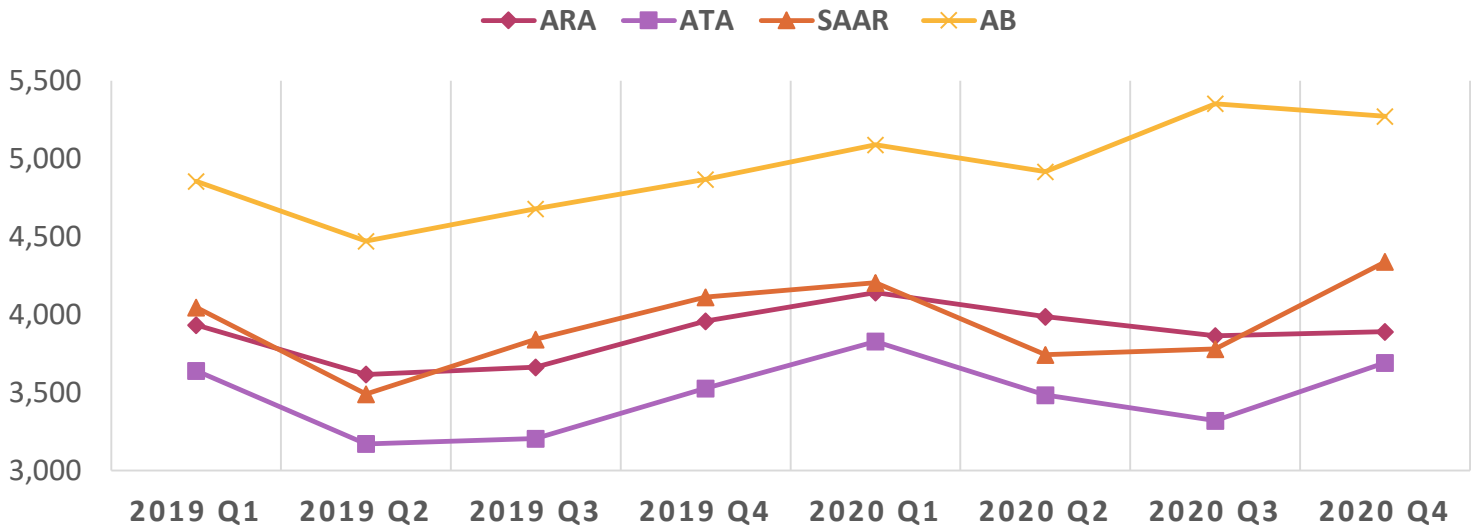


# Q4 - 2020 COMPARISON

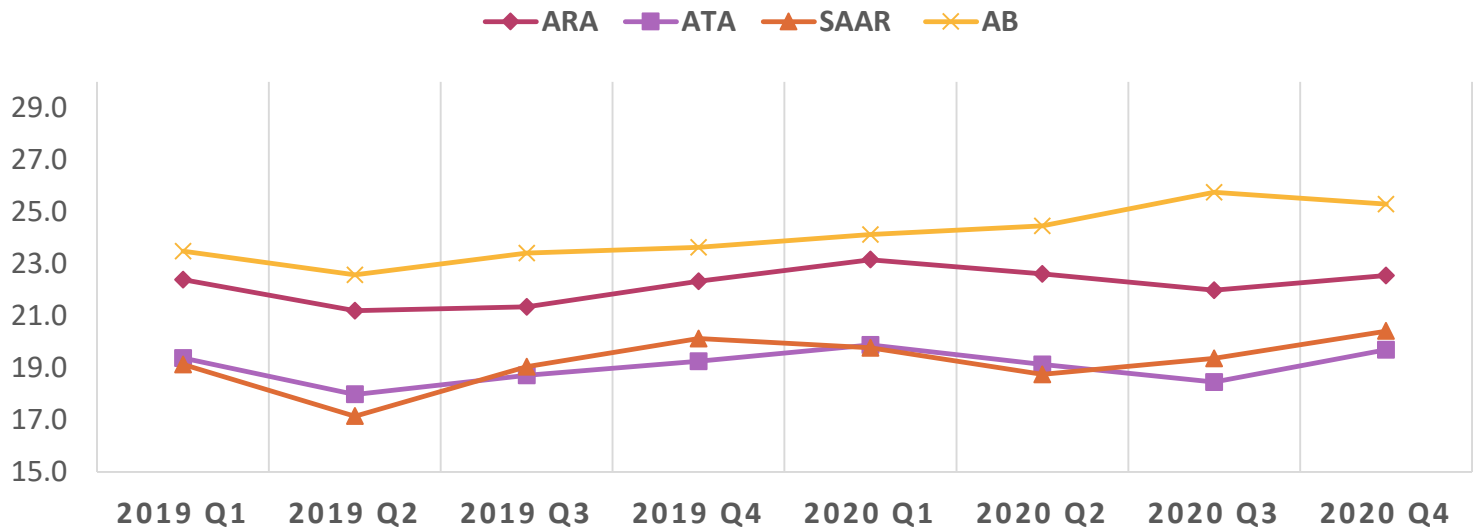
|                                  | <b>ARA</b> | <b>ATA</b> | <b>SAAR</b> | <b>Alberta</b> |
|----------------------------------|------------|------------|-------------|----------------|
|                                  | 2020 Q4    | 2020 Q4    | 2020 Q4     | 2020 Q4        |
| Average Monthly Sales            | 269,558    | 290,644    | 333,213     | 219,905        |
| Average RO Sale (Insurance)      | 3,890      | 3,691      | 4,339       | 5,271          |
| Average RO Sale (Customer)       | 2,019      | 1,709      | 1,755       | 1,976          |
| Average Non-Refinish Labor Sales | 1,051      | 888        | 1,148       | 1,251          |
| Average Body Labor Sales         | 968        | 789        | 1,025       | 1,097          |
| Average Refinish Sales           | 620        | 573        | 742         | 718            |
| Average Other Sales              | 731        | 488        | 684         | 859            |
| Average Sublet Sales             | 278        | 140        | 157         | 441            |
| Average Parts Sales              | 1,491      | 1,686      | 1,752       | 2,356          |
| Average OEM Sales                | 999        | 1,322      | 1,381       | 1,866          |
| Average AM Sales                 | 396        | 215        | 296         | 372            |
| Average LKQ Sales                | 84         | 49         | 74          | 67             |
| Average Other Parts Sales        | 6          | 101        | 1           | 42             |
| Average Paint Materials          | 368        | 267        | 444         | 308            |
| Average Body Materials           | 85         | 81         | 83          | 110            |
| Average Hours per RO             | 22.5       | 19.7       | 20.4        | 25.3           |
| Arrival to Delivery              | 10.2       | 10.7       | 9.0         | 13.6           |
| Arrival to Start                 | 0.8        | 1.0        | 0.4         | 3.8            |
| Start to Complete                | 8.8        | 9.4        | 8.3         | 11.7           |
| Complete to Delivered            | 1.0        | 1.2        | 0.8         | 1.1            |
| Touch Time                       | 2.8        | 2.4        | 2.8         | 2.4            |
| Touch Time - Top 10%             | 3.8        | 3.7        | 3.5         | 3.7            |
| Asian                            | 47%        | 52%        | 47%         | 44%            |
| Domestic                         | 26%        | 40%        | 45%         | 44%            |
| European                         | 26%        | 8%         | 7%          | 12%            |
| Express (<10 hours)              | 20%        | 27%        | 23%         | 16%            |
| Light (10-20 hours)              | 36%        | 35%        | 37%         | 32%            |
| Medium (20-40 hours)             | 33%        | 29%        | 32%         | 36%            |
| Heavy (>40 hours)                | 12%        | 8%         | 8%          | 16%            |

# TRENDS

## AVG INSURANCE SALE

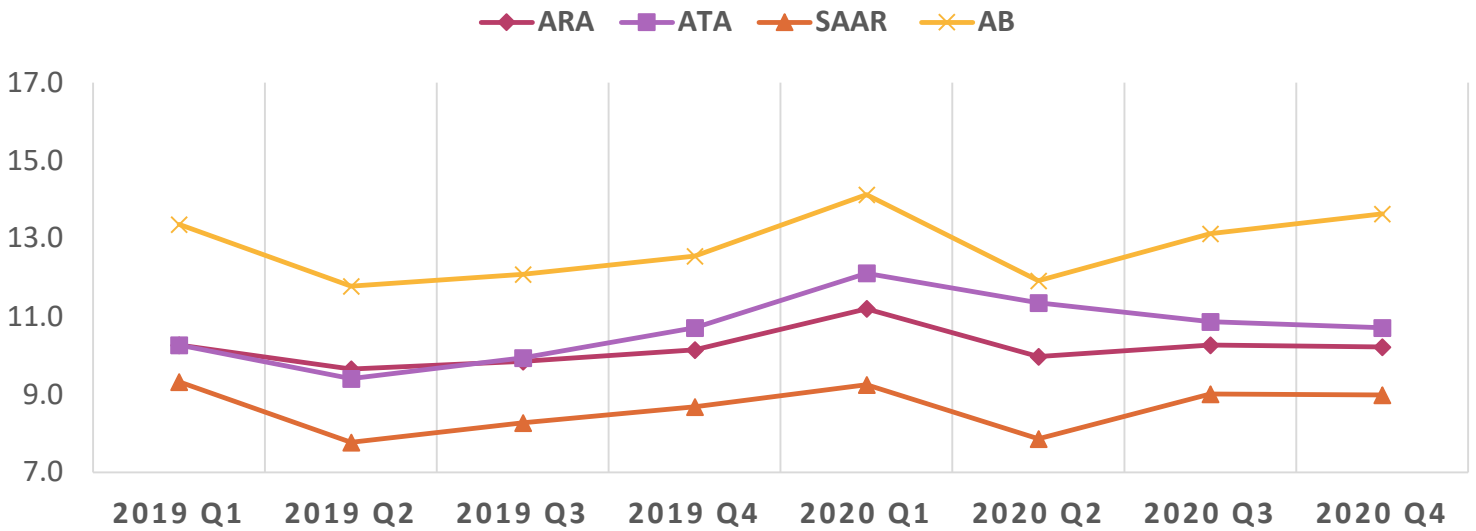


## AVG HOURS / RO

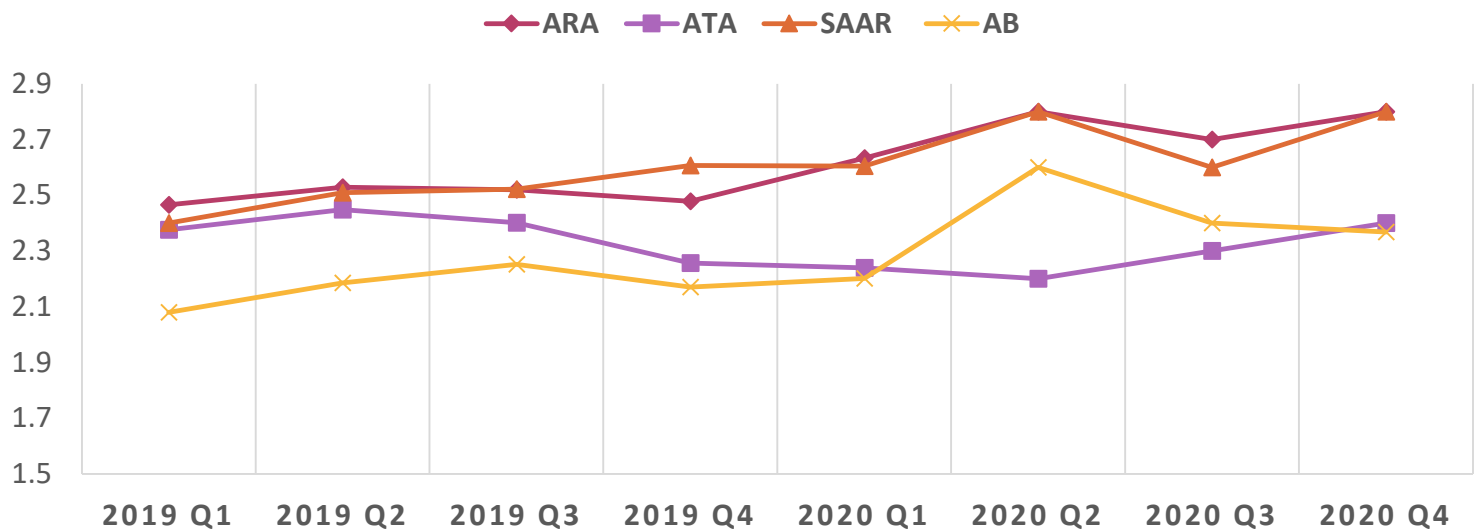


# TRENDS

## AVG CYCLE TIME



## AVG TOUCH TIME





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## **About AutoHouse:**

Based in Vancouver, BC Canada, AutoHouse is the leading provider of performance centered Business Intelligence solutions to world class collision repairers and their business stakeholders.