



An Open Letter from Charles Bryant to the New Jersey Collision Repair Industry

Dear Collision Shops:

I just don't get it.

Like many others in the collision industry across the country, I fight for the betterment of the collision industry on a daily basis. Like myself, collision industry advocates across the country all attempt to determine what the biggest problems are and then look for solutions for those problems. Based on my own personal experience and all of the research from as far back as I can remember, I can safely conclude that the number one problem in the collision industry is directly tied to the artificially suppressed labor rates. As a result, collision shops are being forced to repair expensive and technical automobiles for labor rates lower than lawnmower and bicycle shops are charging and being paid to repair lawnmowers and bicycles.

Labor Rates Clearly The #1 Problem of the Collision Industry

I don't think I am mysteriously exposing the best kept secret in the collision industry by pinpointing the number one biggest problem in the collision industry is artificially suppressed labor rates. In fact, I am of the opinion that the majority of the collision industry is well aware that artificially suppressed labor rates are the collision industry's number one biggest problem. All other problems seem minimal when compared to the labor rate issue. For years, people across the country have tried to address and resolve the artificially suppressed labor rate issue in every possible way, but to no avail. No matter what was been tried, nothing has worked. As the result of the extreme effort being directed at addressing and resolving the artificially suppressed labor rate issue, finally a system has been created that has the potential to actually solve this chronic issue. I am speaking of the Variable Rate System (VRS), which contains among many of its important elements in its technology, the VRS Real-Time Labor Rate Survey. This is where the VRS solution begins!

A System Surfaces to Solve the Labor Rate Problem

The VRS Real-Time Labor Rate Survey is a survey system that will continuously measure labor rates in New Jersey or anywhere else, in real time, and determine the range of market rates based on a shop's location, training, certifications and actual cost of doing business. The VRS Survey presents the opportunity the collision industry has have been waiting for. With the VRS Real-Time Labor Rate Survey, all collision repairers in New Jersey or anywhere in the Country can make their voices heard and help restore the free market to labor rate prices in their industry.

AASP/NJ Sponsors the Variable Rate Survey

The AASP/NJ saw this opportunity and has now sponsored the VRS Real-Time Labor Rate Survey to make it possible for New Jersey Collision shops to address and solve the artificially suppressed labor rate issue here in New Jersey. All the shops have to do is participate and filling out the survey is FREE. The VRS Survey is de-

signed to allow shops to enter two sets of labor and material rates, (1) their door or posted rates, and (2) the rates they would charge if insurers did not adversely influence their rates. The more shops that participate, the more accurate, representative, and statistically valid, the market rate ranges calculated by the VRS become.

Shops Must Participate for the System to Work

There are two levels of participation. One is to subscribe to the Variable Rate System and pay a monthly fee to be able to go in and do virtually countless searches in a market based on the shop's location and the shop's training, certifications, and equipment. Included in the monthly fee, subscribers will receive a calculation of labor rates based on their actual cost of doing business. That's right! As the result of the AASP/NJ Sponsoring the VRS Real-Time Labor Rate Survey, shops now have a valid method of determining a fair and reasonable labor rate range for their services and finally actually supply documentation to support the rates charged, all of this included in the monthly subscription fee. The other level of participation is to simply go in and enter the shops rates in VRS Real-Time Labor Rate Survey without actually subscribing to the system. This is FREE! The shop can then view the State and Regional market rate ranges without incurring any cost at all.

Wake Up Call to the Collision Industry

This is an opportunity for the collision industry to address and solve the number one problem of the industry; the Artificially Suppressed Labor Rates. Opportunity is defined as a set of circumstances that makes it possible to do something. Some say that opportunity only knocks once. I am not sure that is correct, but I am sure that an opportunity as great as this opportunity does not come every day and this is the first opportunity that has a realistic chance of addressing and solving the problem of Artificially Suppressed Labor Rates. That is why the AASP/NJ decided to sponsor the Variable Rate Survey. The Insurance Industry has worked hard for years to artificially suppress the labor rates through Steering and playing hard ball with shops and have been able to keep the rates artificially suppressed for as long as I can remember. No matter how the collision industry tried to solve the problem nothing has worked. As a result, the Collision Industry has a tendency to ignore any new efforts to solve this problem because so many attempts have failed. I am calling on the Collision Industry to WAKE UP and don't write off this opportunity.

If You Sit On Your Hands after this, Shame On You

The AASP/NJ has made it possible for collision shops in New Jersey to go into the Variable Rate Survey and enter their labor rates and then download labor rate survey results for free that can be used to support the shops argument for higher rates when an insurer attempts to limit the labor rate to what we all know to be an artificially suppressed labor rate. Once again, this is an opportunity that has the potential to solve the biggest problem in the industry and then keep it from happening again because the survey is live. That means that the shop can go back in and update his or her prices when his or her cost of business goes up and the results show up in the survey immediately. It is only too often that collision shop owners claim they are too busy to get involved or too busy to participate in things like this. It is those same shops that call the AASP/NJ Hotline and complain that the Association is not doing anything for them. Well, to be quite frank, that line is getting old. It only takes a few minutes to fill out the VRS Real-Time Labor Rate Survey and it is the efforts of the AASP/NJ that have made it available to the collision industry in the state of New Jersey so if you are a shop that is still not willing to take advantage of this great opportunity then all I can say is, SHAME ON YOU!

Stop What You Are Doing and Fill Out the Variable Rate Survey NOW!

I just don't get it when certain shop owners whine and complain about a situation and when a solution is presented they choose to ignore it or are not willing to put in a little effort to contribute to the resolution of the problem. It takes the wind out of anyone's sail when this happens. So, once again, I am calling on every member of the collision industry in New Jersey, AASP/NJ Member or not, go on the National AutoBody Research website, and fill out the VRS Real-Time Labor Rate Survey. If the members of the collision industry will unite on this issue I will be willing to bet that we can put an end to the long overdue issue of artificially suppressed labor rates.

How to Fill Out the VRS Real-Time Labor Rate Survey

To fill out the Variable Rate Survey, click on the link below:

<https://www.surveymonkey.com/s/AASP-NJ-VRS-Gunder-Survey>

If you would like to discuss anything in this message, please feel free to give me a call at directly on the AASP/NJ Hotline at 732-922-8909.

If you have questions or need assistance with completing the survey please feel free to contact the creators of the Variable Rate Survey Richard or Sam Valenzuela at 520-971-6110.

I would like to thank you all in advance. I know this plea will result in those that haven't yet filled out the VRS Real-Time Labor Rate Survey doing it right away. Please don't let me down.

Thank you,

Charles Bryant
AASP/NJ Executive Director