

THE ORGANIZATIONAL STRUCTURE OF THE BODY SHOPS CONNECTED TO GENERAL MOTOR'S COLLISION PARTS

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The selling of collision parts represents 28% of General Motor's business. The main customers of collision parts on the market are the international dealership and the independent Body Shops. The successes of these shops have a direct relation with the sale collision parts through the dealership Parts Department. For optimize the collision parts sales it's important that the operations of the dealership Parts Department meet the needs of both internal and external Body Shops. It is important to know the organizational structure of the body shops and the main factors which influence the activities such as: shop volume, expense budget, available skills, facility size, and production methods. The Collision Parts Marketing Group of General Motor's made an independent market research related to survey dealership and independent Body Shops. This research provided insight to General Motor's as to how and why decisions are made to purchase collision replacement parts.

Key words: body shops, satisfaction, collision parts

M: Business Administration and Business Economics; Marketing; Accounting

M11: Production Management

1. INTRODUCTION

Organizational structure of the Body Shops must be based on the presume that all the revenues are resulted from labor. It is fain to say that when the labor is produced, part sales, point and material sales and sublet sales will follow.

Two groups of employees are involved in production of labor.

- The technicians who perform the labor operations on vehicles and makes up the production staff.
- The managers, administrative and maintenance personal make up the support staff.

The objective for a staffing ratio is one support person for each three production employees. The organizational structure of support and production staff and collaboration may be different from shop to shop. The factors which influence the staff's structure are:

- shop volume;
- expense budget;
- available skills;
- facility size;
- methods of production.

This study lists job positions commonly found in production and support staffs. Production and compensations methods on different types of shops are included.

2. THE INVESTIGATION OF ORGANIZATIONAL STUCTURE

2.1. Production Staff

Production staff is made from professional technicians in different disciplines. These range from basic skills like prepare the vehicles through technical skills like paint spaying on frame straightening. Many shops are stopped with technicians passing a range of disciplines.

Paint technicians – usually has experience in all the phases of the refinishing process. His or her skills range from vehicles preparation, to paint mixing, to color matching, to paint spraying and blending.

Detailer – has experience in cleaning the vehicle or recondition process. These include inside and outside cleaning, buffing, polishing and paint touch up.

Paint Prepare Technician – have experience in prepare painting like cleaning, sanding, taping, mashing. This is sometimes an entry level or apprentice position.

Metal Technician – has experience in damage car. These include disassembly, component replacement, and sheet metal alignment, cutting and welding.

Frame Technician – has experience in frame and chassis damage repair. They can use specialized frame straightening equipment and measuring equipment.

All technicians are named qualified persons and can perform several different tasks.

2.2. Support Staff

Support staff performs management tasks, administrative tasks and other miscellaneous tasks in support of the production staff.

Manager is responsible for Marketing, Sales, Production, and costs control and customer satisfaction. Duties that are exclusively performed by managers include: marketing strategy development, inspect quality of workmanship, review actual sales, gross and profits to forecast, set goals.

Estimator is responsible for preparing and writing the estimates of repairs and securing the customer's approval to perform repairs. Knowing the process of repair is obligatory and communications and selling skills.

Dispatcher coordinates the flow of work in shop and serves as a liaison between estimators and technicians. His primary responsibility is to assign jobs to technicians in coordination with receipt of parts and support services. He can possess strong organizational skills.

Shop Foreman serves as a liaison between technicians and support staff through coordination the work flow and providing technical support to technicians and estimators. He assigns jobs to technicians, recommends repair processes to technicians, assists them, identify training needs, substitute for Dispatcher.

Secretary (clerical) Receptionist supports both and communicates information to clients, estimators and insurance companies.

3. ORGANIZATIONAL STRUCTURE

Sample body shop manager description

Position Profile. Responsible for the profitable operation of the body shop.

Objective of Position. Will carry responsibility by operating the shop at maximum production while controlling cost, setting and obtaining profit objectives, and insuring customer satisfaction through quality workmanship. Minimum performance standards include maintaining and estimate shop closing ratio of 70% or higher, and maintaining a minimum net profile level of 8%.

Overview of duties & responsibilities. Allocate work to the body and paint staff. Prepare estimates on all work. Work with insurance adjusters. Schedule work on daily basis. Flag all work. Maintain payroll and productivity records. Handle expenses. Hire and train necessary manpower. Complete perform tracking.

Reports to. Service director/dealer/general manager

Schedule for Task Completion:

Daily

- Maintain body shop appearance to company standards.
- Review work in progress.
- Inspect quality of workmanship.

Weekly

- Review individual productivity to forecast.
- Review actual sales, gross and profits to forecast.

- Check parts on backorder.
- Review work completed and compare to work scheduled.

Monthly

- Forecast sales, gross, controllable expenses and profits.
- Review work in progress.
- Perform routine shop equipment maintenance.

Sample estimator job description

Position Profile. The Estimator functions as the communications liaison between the customer, insurance companies, technicians and management.

Objective of Position. Satisfying the insurance company, the employees, and the customers. Minimum performance standards include an estimate closing ratio of 70%, average estimate sold equaling \$1,500, supplement 80% of all estimates sold, and 90% customer satisfaction.

Overview of duties & responsibilities. Responsible for insuring each of the person's needs are communicated clearly to each other. Duties include writing estimates, repair orders, supplements, making appointments and answering phones.

Reports to. Body Shop manager/owner

Schedule for Task Completion:

Daily

- Write estimates
- Write repair orders
- Follow-up on job promises

Weekly

- Update next week's appointment log
- Follow-up on open supplements

Monthly

- Prepare open repair order list for management.

Sample lead technician (Team system) job description

Position Profile. Diagnoses and repairs vehicles

Objective of Position. Serves as a liaison to the estimator for 3 – 5 technicians. Assists estimator and assistant manager in maintaining proficiency levels and CSI. Minimum performance standards include achieving profit level for group of 90 – 110% while maintaining CSI level of 93% or better.

Overview of duties & responsibilities. Supervise activities of the team, distribute work, and coordinate activities with Assistant Collision Center Manager. Insure quality control standards are met.

Reports to. Assistant Collision Center Manager/Collision Center Manager

Schedule for Task Completion:

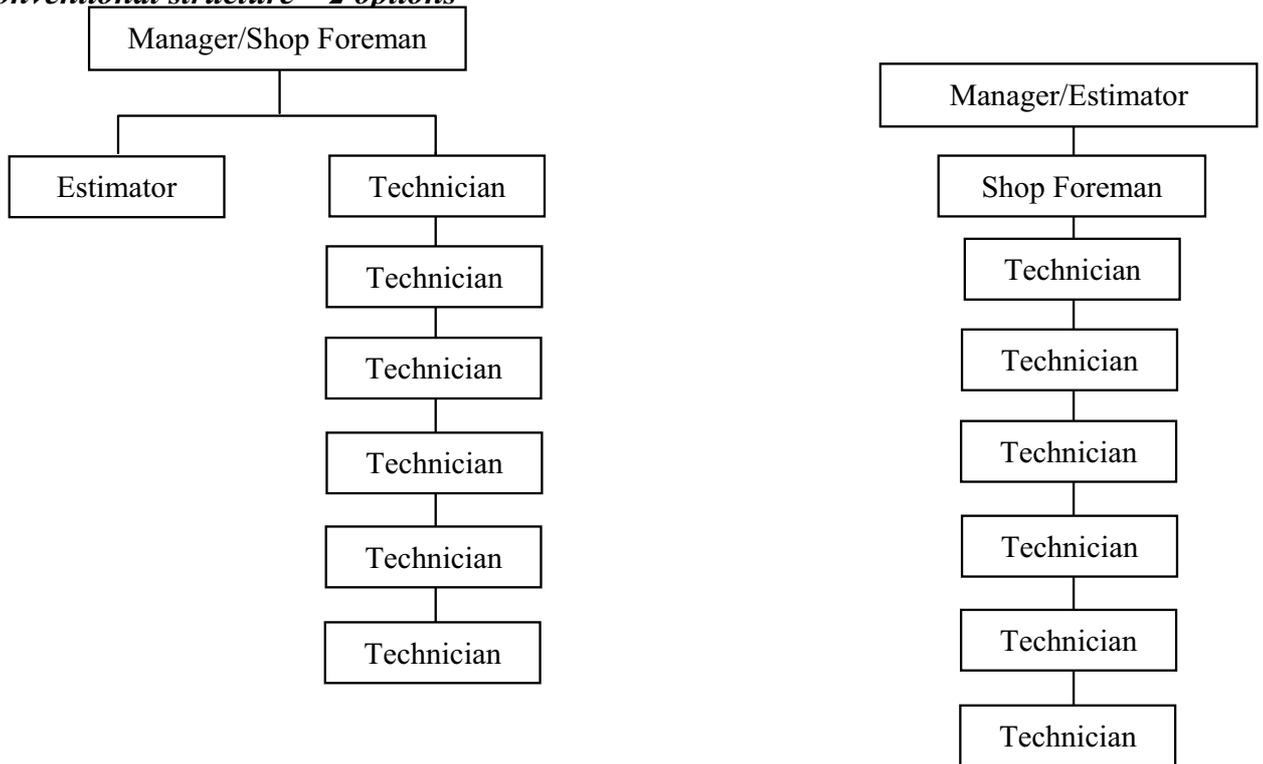
Daily

- Report daily activities to assistant Collision Center Manager
- Assign individual job to team members and assure satisfactory completion
- Assist and train team members as required
- Punch in and out the time clock, morning, noon and night.

Organizational charts

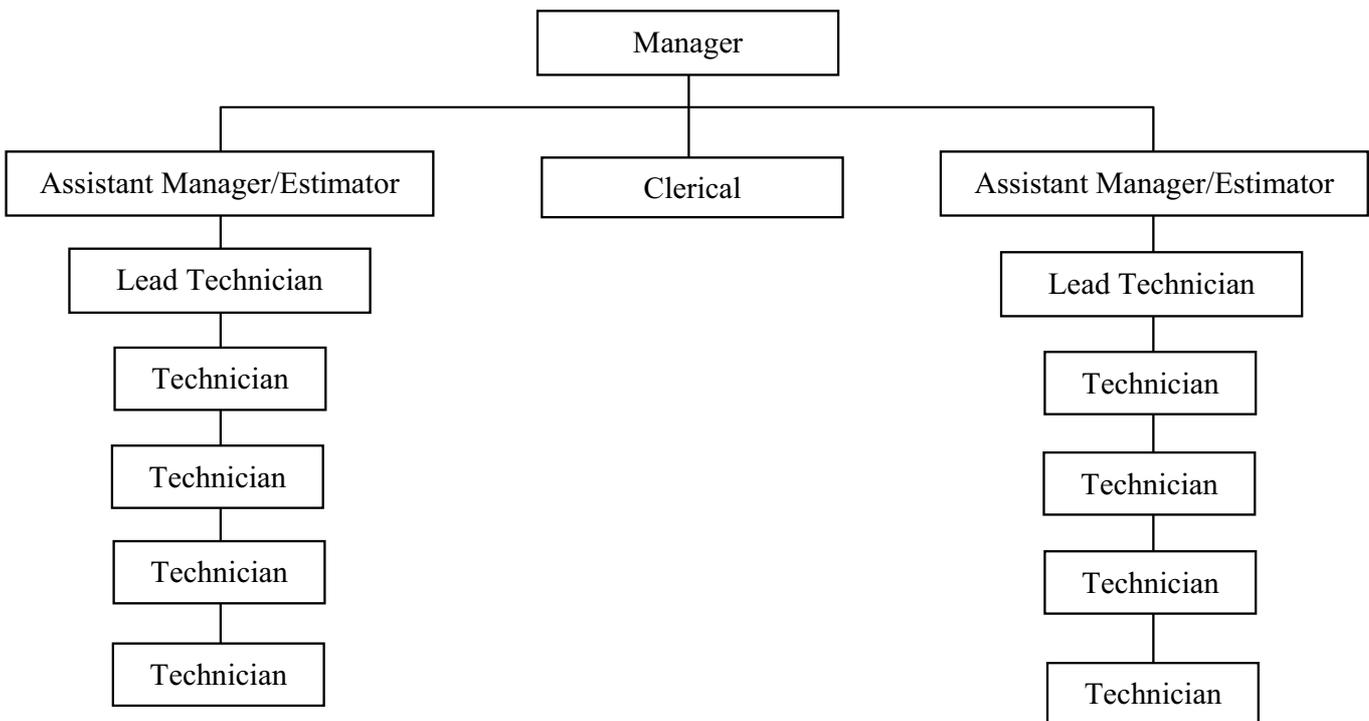
The structure of the organization is usually based on the number of technicians employed. Technician staffing requirements for the Body Shop are dictated by many factors, including: facility size; technicians capability; expense structure; market size; sales and profit goals

3.1. Conventional structure – 2 options



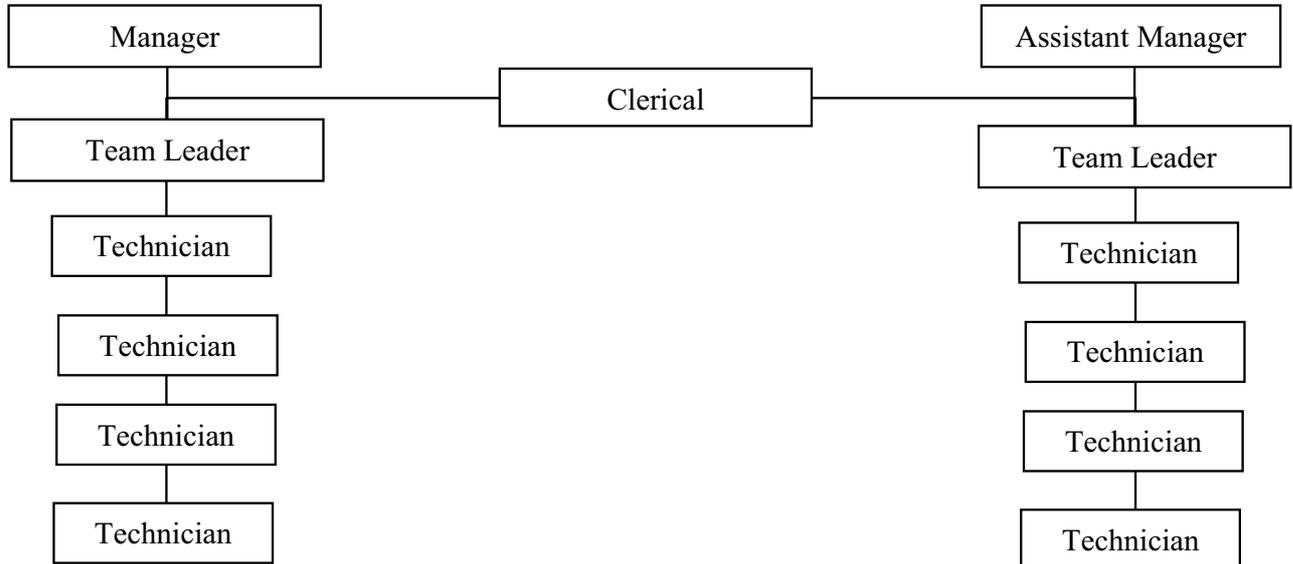
- Best applied in a 5 to 7 Technician shop
- Two person support staff
- Manager performs Estimator or Shop Foreman tasks
- Multiple options for Technician pay plans

3.2. Lateral support group structure



- Technician pay based on individual performance
- Assistant Manager perform Estimator and Dispatcher tasks
- Clerical support both groups

3.3. Team structure – Smaller shop



- Best applied to a 8 to 10 Technician shop
- Manager and Assistant Manager each perform the Estimator and Dispatch tasks for their teams
- Clerical support both teams
- Technician pay plans are based on overall team production

Production Methods

Methods of production are directly related to the various categories of labor performed in the process of collision repair. General labor categories most frequently performed are metal, paint, frame, and mechanical. These categories can be further divided into more specific disciplines such as tear-down, re-assembly, paint preparation, frame straightening, trim work, and glass installation. The two most commonly found production methods are the Combination Method and the Specialized Department Method.

Combination Method

This method requires that each Technician perform all categories of labor on an assigned vehicle, beginning with disassembly and ending with final paint spraying.

Advantages

Quality is usually very good; Performance is easily tracked; Responsibility is specific; Vehicle movement within the shop is minimal

Disadvantages

Rate of profit is usually low; Technicians must be qualified in all disciplines; Equipment requirements are higher

Specialized department method

This method requires that each Technician perform only certain categories of labor. The first level of category separation occurs between paint labor and metal labor. A shop using this

method employs specialized Paint Technicians and specialized Metal Technicians working in assigned areas.

A second level of specialization occurs when the labor categories are even more specifically divided. The following Technician Organizational Charts illustrate two levels of specialized shop.

4. Conclusions

Organizational structure is relevant even for compensation methods within the Body Shop industry include a variety of pay plans for both production and support personnel. Pay plans should be designed to motivate maximum production while maintaining high quality. They must be structured to meet financial benchmarks and achieve customer satisfaction. Evaluation of the Body Shop's financial performance is necessary in order to develop an effective business strategy. The operating report of financial statement, along with the repair order and estimate data, may be used to analyze performance. Specific performance indicators may be compared to industry benchmarks. These comparisons identify areas of opportunity and assist management with goal setting. Consistent goal setting in conjunction with routine performance tracking and feedback are effective techniques to improve overall financial performance.

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