Effective Estimating
Essential KPI's

expert analysis

educational expertise

BASF
We create chemistry

Effective Estimating
Essential KPI's

Estimate Analysis

Estimate	Estimate Sub-Total	B/M/F Labor Sales	B/M/F Labor Sales as a % of Total	Paint Labor Sales	Paint Labor Sales as a % of Total	Paint Hrs Per RO	Total Labor as a % of Sales	Part Sales	Part to Labor Sales %	Paint Material Sales	Paint Mat as a % of Sales
692645	$2,975.58	$794.10	26.7%	$391.60	13.2%	8.9	39.8%	$1,509.88	127.34%	$267.00	9.0%
695597	$1,226.60	$488.40	39.8%	$431.20	35.2%	9.8	74.97%	$13.00	1.41%	$294.00	24.0%
691087	$1,978.63	$651.20	32.9%	$409.20	20.7%	9.3	53.59%	$601.40	56.71%	$279.00	14.1%
Driggers	$2,574.20	$343.20	13.3%	$347.60	13.5%	7.9	26.84%	$1,593.90	230.73%	$237.00	9.2%
Fields	$3,756.38	$659.70	17.6%	$479.60	12.8%	10.9	30.33%	$2,284.08	200.48%	$327.00	8.7%
693902	$1,012.20	$158.40	15.6%	$224.40	22.2%	5.1	37.82%	$476.40	124.45%	$153.00	15.1%
LAUTZEN	$2,382.95	$753.60	31.6%	$356.40	15.0%	8.1	46.58%	$818.50	73.74%	$243.00	10.2%
695290	$633.50	$215.60	34.0%	$246.40	38.9%	5.6	72.93%	$0.00	0.00%	$168.00	26.5%
694839	$2,926.85	$634.20	21.7%	$343.20	11.7%	7.8	33.39%	$1,715.45	175.51%	$234.00	8.0%
694824	$682.76	$338.60	49.6%	$123.20	18.0%	2.8	67.64%	$128.96	27.93%	$84.00	12.3%
Avg	$2,014.97	$503.70	28.3%	$335.28	20.1%	7.6	48.4%	$914.16	101.83%	$228.60	13.7%
Benchmark	$2,750		30%		20%	7.5 - 8.5	45 - 55 %		85 - 95 %		10%

KPI: Sales Per RO

BASF
We create chemistry

Value of this KPI:

- Gauges selling performance
- Indicates size of average repair
- Identifies mix of job sizes

National Average
$2750.00

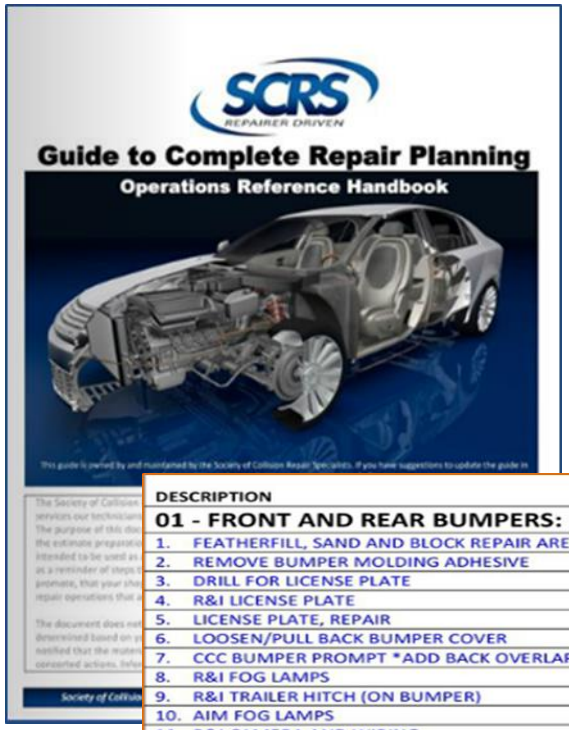
$$\frac{\text{Total Sales}}{\text{\# of RO's}} = \text{Sales per RO} \quad \frac{\$246{,}687}{122} = \$2{,}022$$

Poor Performance Indicators:

- High proportion of small jobs
- Need for improved damage writing
- Increase negotiation skills

KPI: Sales Per RO

Improvement tips



DESCRIPTION
01 - FRONT AND REAR BUMPERS:
1. FEATHERFILL, SAND AND BLOCK REPAIR AREA
2. REMOVE BUMPER MOLDING ADHESIVE
3. DRILL FOR LICENSE PLATE
4. R&I LICENSE PLATE
5. LICENSE PLATE, REPAIR
6. LOOSEN/PULL BACK BUMPER COVER
7. CCC BUMPER PROMPT *ADD BACK OVERLAP + CLEAR*
8. R&I FOG LAMPS
9. R&I TRAILER HITCH (ON BUMPER)
10. AIM FOG LAMPS
11. R&I CAMERA AND WIRING
12. TRIAL FIT BUMPER
13. R&I TRAILER HITCH (FRAME BOLT-ON TYPE)
14. R&I OR R&R SENSORS (SRS-AMBEINT TEMP- ETC)
15. REPAIR BUMPER BRACKET AND/OR OTHER COMPONENTS
16. REPAIR BUMPER BRACKET MOUNT AREA
17. REPAIR ELECTRICAL WIRING TO LAMP LIGHTS
18. REFINISH O.E.M "RAW" BUMPER
19. REFINISH, SECOND COLOR ON BUMPER COVER
20. REFINISH, BLACK-OUT ON BUMPER COVER
21. PAINT PREP & CLEAN UP USED BUMPER
22. MASK UNPAINTED AREAS ON BUMPER COVER
23. MASK BUMPER COVER FOR PRIMER APPLICATION
24. FLEXIBLE PARTS ADHESION PROMOTOR APPLICATION
25. REPLACE MINI BULBS

1. Upsell Unrelated Damage!
2. Effectively utilize Procedure Pages!
   - Audit all insurance estimates
   - Write proactive supplements
   - Negotiate
3. Maximize labor type opportunities!
   - Body
   - Mechanical
   - Structural
   - Frame
4. Track average RO monthly!

KPI: Repair Labor Sales

Objective: Reach 30% body/frame/structural/mechanical labor

Value of this KPI:

- Measures how well you are selling labor
- Improves productivity
- Identifies missed opportunities

Poor Performance Indicators:

- All labor categorized as "Body"
- Labor rate reductions
- Labor hour adjustments

Calculation

Body/Frame/Structural/Mechanical Labor ÷ Estimate Sub Total = %

KPI: Repair Labor Sales

Improvement tips

BASF
We create chemistry

1. Maximize labor type opportunities!
   - Body
   - Mechanical
   - Structural
   - Frame
2. Validate “incl” labor!
3. Increase knowledge of P-Pages!

LABOR TIME DOES NOT INCLUDE:

SPECIAL NOTATION: The items listed below apply to all labor procedures.

- A/C system, Evacuate & Recharge
- Alignment, check or straightening related parts
- Alignment check of front or rear suspension/steering
- Aftermarket & OEM accessories
- Anti-corrosion material restoration/application
- Battery D&R/recharge
- Brakes, bleed and adjust
- Broken glass removal or clean up
- Caulk (non-OEM), undercoat or sound insulate on paint inner areas
- Clean up or detailing of vehicle prior to delivery
- Clean or recondition parts or assemblies
- Component, R&R or Transfer (bolt-on, riveted or welded)
- Computer control module D&R/relearn
- Conversion Vans (special components, equipment and trim)
- Cutting, pulling or pushing collision damaged parts for access
- Damaged or defective replacement parts
- Drain & refill fuel tank
- Drilling, modification or fabrication of mounting holes
- Fabricate templates, reinforcing inserts, sleeves or flanges
- Filling, plugging and finishing of unneeded holes in replacement parts
- Information labels, Install
- Material costs
- Pinch weld clamp damage repair
- Refinishing
- Removal of emblems, nameplates, trim, etc. from donor part or assembly
- Removal of outer panel from salvaged replacement assembly
- Reset electronic memory functions after battery disconnect
- Road test vehicle
- Rusted, frozen, broken or corrosion damaged components
- Salvaged replacement assembly, preparation, Trim, fit and/or modify
- Scan tool clear/reset electronic module
- Scan tool diagnostics
- Steering Angle Sensor recalibration
- Straighten or align used, reconditioned or non-OEM parts
- Structural damage diagnosis and vehicle set up time
- Structural foam removal or application
- Test for water leaks
- Test panel/Spray caulk
- Undercoating, tar or grease removal
- Waste disposal fees (all types)
- Weld through primer
- Welded seam surface finishing finer than 150 grit sandpaper
- Welder set-up or preparation
- Wheel or hub cap locks R&I

KPI: Paint Labor Sales

Value of this KPI:

- Measures how well you are selling paint labor
- Improves productivity
- Identifies missed opportunities

Objective: Reach 20 % paint labor $

Poor Performance Indicators:

- Inaccurate color verification
- Paint labor caps by insurer
- Basecoat reduction paint times

Calculation

Paint Labor $ ÷ Estimate Sub Total = %

KPI: Paint Labor Sales

Improvement tips

BASF
We create chemistry

Inquiry Details

Submission Information

Tracking #: 10051 **Date Submitted:** 11/07/2016 **Status:** Resolved (IP Change)

Inquiry Resolution

IP Explanation

Estimated Release Date: Closed
Proposed Resolution: MOTOR stated:

4 stage colors may be developed as a 3Stage formula, 4Stage formula, or both 3Stage and 4Stage formulas depending on the paint manufacturer. In general a 4Stage formula will require the application of a ground coat in addition to the base coat and mid coat application while others may use a tinted clear coat in addition to the final clear coat (non-tinted). The use of a ground coat or tinted clear coat has not been considered in MOTOR's THREE-STAGE FINISHES (Base/Mica/Clear Coat) and is not included.

estimated refinish time:

1. Test spray-out panel or let down panel to match color.

2. Application of a tinted clear coat (only if it is in addition to the non-tinted clear coat)

3. Application of a ground coat (only if it is in addition to base coat and mid coat)

4. Sanding the tinted cleat coat or clear coat to match the texture of the adjacent panels.
MOTOR suggests using an on-the-spot inspection for any additional refinish steps required for a 4Stage formula.

According to the Guide To Estimating, material costs are not included in any labor operation.
MOTOR will add the suggestion of developing a 4Stage formula or making revisions to the MOTOR Guide To Estimating REFINISHING PROCEDURES THREE-STAGE FINISHES (Base/Mica/Clear Coat) for its next scheduled review process.

No changes required.

www.degweb.org

1. Identify multi-stage processes!
   - Base/clear
   - Three Stage
   - Four Stage
2. Include associated paint times!
   - Inner structures
   - Validate overlaps
3. Determine blend times!
   - Reduce blend within panel

KPI: Paint Hours Per RO

Value of this KPI:

- Measures selling of paint labor hours by estimators
- Ensures you are keeping up with increased paint complexity
- Improves paint shop productivity

Poor Performance Indicators:

- Missed non-included items
- Basecoat reduction paint times
- Paint labor identified as body

Data needed:

- Total Monthly Paint Hours (all paint hours produced by your techs)
- # RO's (count only those RO's with paint time)

$$\text{EX:} \quad \frac{\text{Monthly Paint Hours}}{\text{\# RO's}} = \frac{630}{75} = 8.4$$

KPI: Paint Hours Per RO

Improvement tips

BASF
We create chemistry

1. Understand P-Pages!
2. Keep abreast of changing color trends!
3. Include painters in blueprinting process!
4. Identify/Itemize clear coat times!
5. Negotiate insurer paint time adjustments!

	Color Code: 17/WA636R/GAN Switchblade Silver Pearl
	Color Code: 28/WA502Q/GCR Inferno Orange Metallic
	Color Code: 34/WA9414/GCO Yellow
	Color Code: 37U/WA403P Imperial Blue Metallic
	Color Code: 41/WA8555/GBA Black
	Color Code: 50/WA8624/GAZ Olympic White
	Color Code: 57U/WA637R/GBV Cyber Gray Metallic
	Color Code: 58/WA501Q/GAR Carbon Flash Metallic
	Color Code: 74/WA9260/GCN Victory Red
	Color Code: 89/WA505Q/GBE Crystal Claret Pearl Tricoat

KPI: Total Labor Sales

Objective: Reach 45 - 55% in total labor sales

Value of this KPI:

- Measures selling of total labor hours by estimators
- Identifies repair vs replace concerns
- Validates accuracy of estimates

Poor Performance Indicators:

- Missed R&I operations
- Paint caps
- Labor adjustments

Calculation

Body/Frame/Structural/Mechanical Labor + Paint Labor ÷ Estimate Sub Total = %

KPI: Parts to Labor Sales

BASF
We create chemistry

$$\frac{\text{Parts Sales}}{\text{Labor Sales}} = \text{Parts to Labor Sales} \quad \frac{\$104{,}709}{\$114{,}436} = 91.5\%$$

Severity Description	% of RO's	RO Count (painted only)	Net Sales ($)	Cycle Time (keys to keys)	Touch Time (Keys to Keys)	Cycle Time (start - comp)
Severity 0-1500	40%	61	$47,974	6.0	1.6	5.7
Severity 1500-3000	29%	45	$94,432	11.0	2.2	9.0
Severity 3000-4500	12%	19	$67,621	16.8	2.4	16.1
Severity 4500-6000	5%	8	$42,684	20.1	2.4	18.1
Severity 6000-7500	3%	4	$26,146	37.0	1.9	31.5
Severity 7500-9000	3%	5	$40,528	23.4	2.4	25.6
Severity 9000-inf	8%	12	$156,254	36.6	2.1	51.8

Value of this KPI:

- Prime measurement of parts sales
- Validates parts to labor ratio
- Improves $ per tech hour

Poor Performance Indicators:

- High cycle time
- Low technician productivity
- Labor adjustments

Objective: Maintain 85 – 95% parts to labor ratio

KPI: Parts to Labor Sales

Improvement tips

1. Consider skill level of replacement vs repair!
2. Verify most economical repair!
3. Ensure seam sealer/adhesives are classified as parts!
4. Replace moldings vs R&I!

KPI: Paint Material Sales

BASF
We create chemistry

Objective: Reach 10% in paint material sales

Value of this KPI:

- Effectiveness of estimators
- Identifies paint caps
- Insures profitability

Poor Performance Indicators:

- Misclassification of flex additive
- Missed opportunities – stone guard
- Paint sales shifts - borrowing

Hours / RO	Body Hrs / RO	Paint Hrs / RO	Paint Mat. / Total Sales
28.8	17.8	9.8	7%
7.0	0.5	6.5	38%
17.6	10.8	6.4	12%
25.3	15.7	9.0	8%
23.0	13.9	7.9	10%
18.1	10.8	6.9	12%
31.2	20.1	10.0	7%

Calculation

Paint Materials ÷ Estimate Sub Total = %

KPI: Paint Material Sales

Improvement tips

BASF
We create chemistry

1. Eliminate paint caps!
2. Verify clearcoat calculations!
3. Negotiate insurer paint reductions!

Clearcoat Blending:

BASF recommends applying the specified amount of clear to the entire panel when doing Basecoat/Clearcoat repairs. This will make the repair eligible for the Glasurit or R-M lifetime warranty.

Because there are situations when clearcoating an entire panel is not possible, when a roof and a quarter panel have no break-off point for example, BASF has developed processes and products for blending clearcoats. These processes and products can be found in the Glasurit and R-M technical manuals.

Blending the clearcoat requires that the thickness of clear be reduced in the blend area. This can result in the clearcoat blend edge becoming visible after a period of exposure to sunlight and weather. The blend edge can also become visible if it is polished too aggressively.

For these reasons, BASF will not warrant the blended edges of clearcoats. Blending procedures recommended by BASF are intended as a cost saving measure in those instances where an economical repair is required.

Food for Thought

I reviewed estimates for a customer and after reviewing five estimates we came up with an average increase of $85.60 per estimate.

What do you think the value of that $85.60 is over the course of a year?

$111,280

John Shoemaker AAM, Business Development Manager Automotive Refinish
Mobile: 248.763.4375 john.a.shoemaker@basf.com