

AutoHouse Technologies

ARA's British Columbia Provincial Benchmark Q1 2021



INTRODUCTION

To Provincial Benchmark

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 ARA members' KPIs and repair mix as well as a comparison of ARA 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.



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.

SALES

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.



\$ 251,510 **British Columbia**
Average Monthly Sale

\$ 250,577 Saskatchewan

\$ 196,176 Manitoba

\$ 189,133 Alberta

BC Avg Insurance Repair

\$ 3,873

BC Avg Customer Repair

\$ 2,243

	<u>Insurance</u>	<u>Customer</u>
Saskatchewan	\$ 4,441	\$ 1,850
Manitoba	\$ 3,793	\$ 1,657
Alberta	\$ 5,230	\$ 2,099

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.

AVERAGE RO SALE BREAKDOWN

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> (excl. Refinish)	<u>Body Labour</u>	<u>Refinish Labour</u>
British Columbia	\$ 1,040	\$ 953	\$ 606
Saskatchewan	\$ 1,161	\$ 1,049	\$ 740
Manitoba	\$ 899	\$ 794	\$ 578
Alberta	\$ 1,219	\$ 1,067	\$ 707



Average RO Materials Sales

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

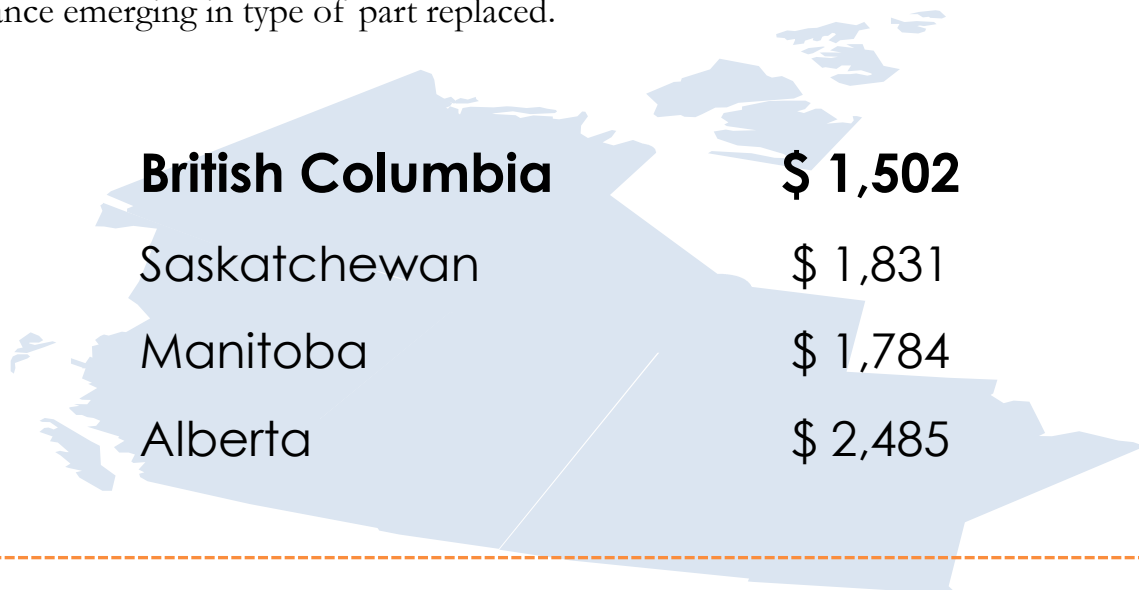
	<u>Paint Materials</u>	<u>Body Materials</u>
British Columbia	\$ 364	\$ 84
Saskatchewan	\$ 440	\$ 84
Manitoba	\$ 273	\$ 83
Alberta	\$ 309	\$ 106

AVERAGE RO SALE BREAKDOWN



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>
British Columbia	\$ 1,029	\$ 379	\$ 83	\$ 5
Saskatchewan	\$ 1,411	\$ 353	\$ 67	\$ 0
Manitoba	\$ 1,317	\$ 283	\$ 83	\$ 98
Alberta	\$ 1,987	\$ 375	\$ 80	\$ 35

AVERAGE RO SALE BREAKDOWN



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.



British Columbia	\$ 271
Saskatchewan	\$ 147
Manitoba	\$ 128
Alberta	\$ 333



Average RO Hours

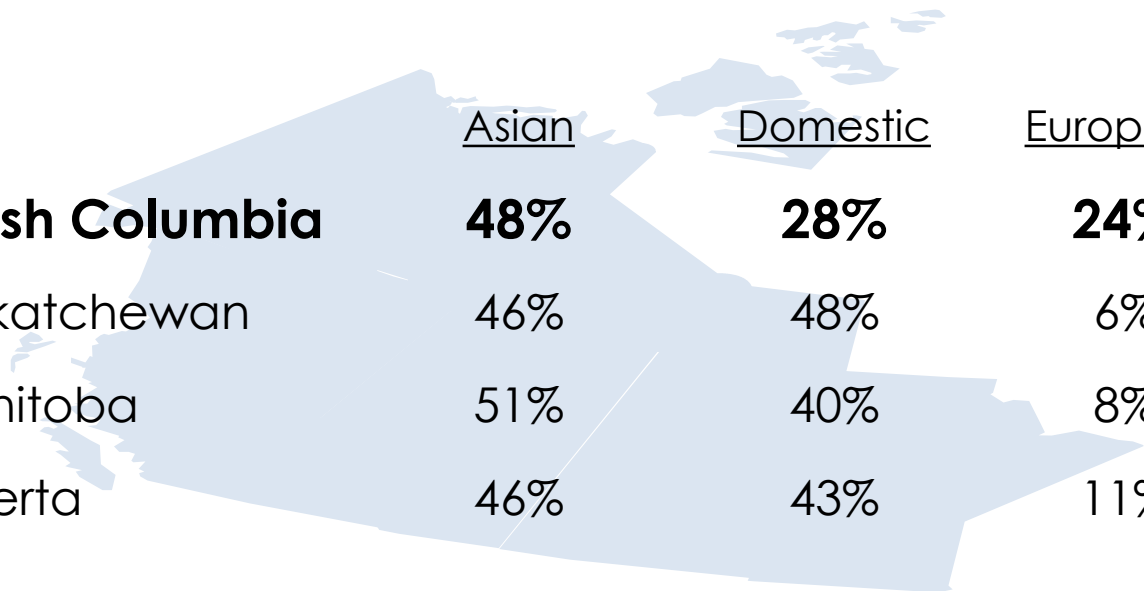
Average hours per RO includes total labour hours and refinish labour hours. The average hours per RO is higher in SK and Alberta, which could be attributed to a larger European repair mix and larger light truck influence, respectively.



British Columbia	22.2
Saskatchewan	20.6
Manitoba	19.9
Alberta	24.7

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.



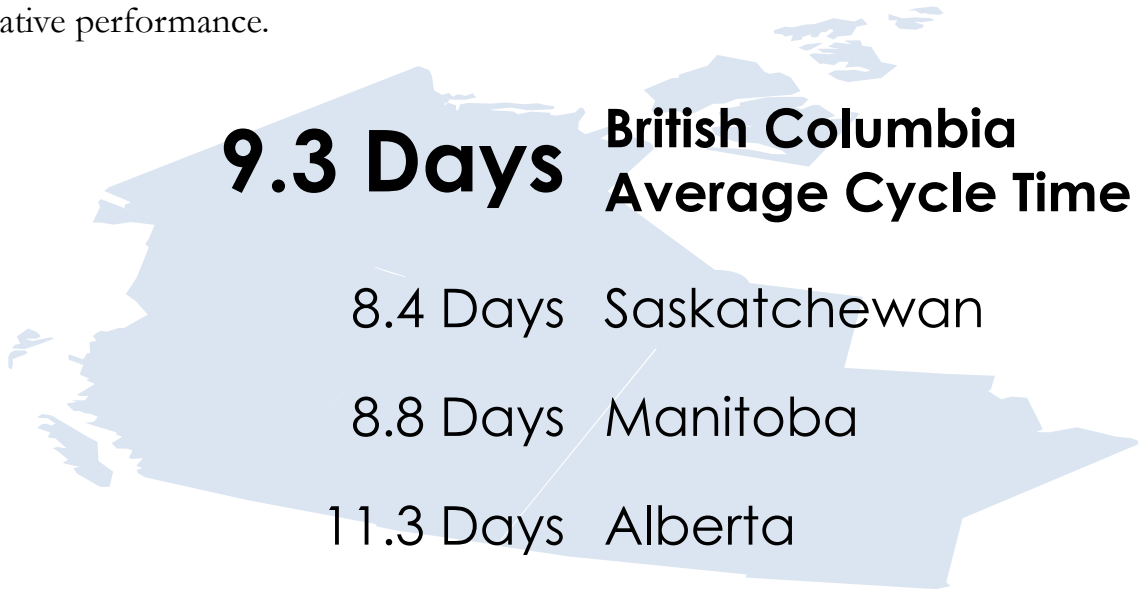
	<u>Asian</u>	<u>Domestic</u>	<u>European</u>
British Columbia	48%	28%	24%
Saskatchewan	46%	48%	6%
Manitoba	51%	40%	8%
Alberta	46%	43%	11%

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.

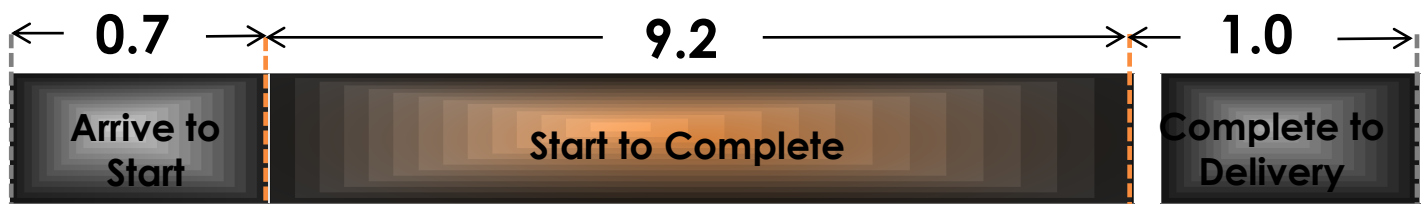
(Hours)	<u>.1 > 10</u>	<u>10.1 > 20</u>	<u>20.1 > 40</u>	<u>40.1 +</u>
British Columbia	22%	35%	32%	12%
Saskatchewan	25%	35%	30%	9%
Manitoba	28%	34%	29%	9%
Alberta	18%	31%	36%	15%

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.



BC Cycle Time Breakdown



	<u>Arrive to Start</u>	<u>Start to Complete</u>	<u>Complete to Delivery</u>
Saskatchewan	0.7	8.2	1.5
Manitoba	1.1	8.3	0.9
Alberta	4.4	10.8	1.1

TOUCH TIME

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.

2.9 Hours/Day **British Columbia** **Average Touch Time**

2.9 Hours/Day Saskatchewan

2.9 Hours/Day Manitoba

2.7 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.

4.1 Hours/Day **British Columbia**

3.7 Hours/Day Saskatchewan

4.0 Hours/Day Manitoba

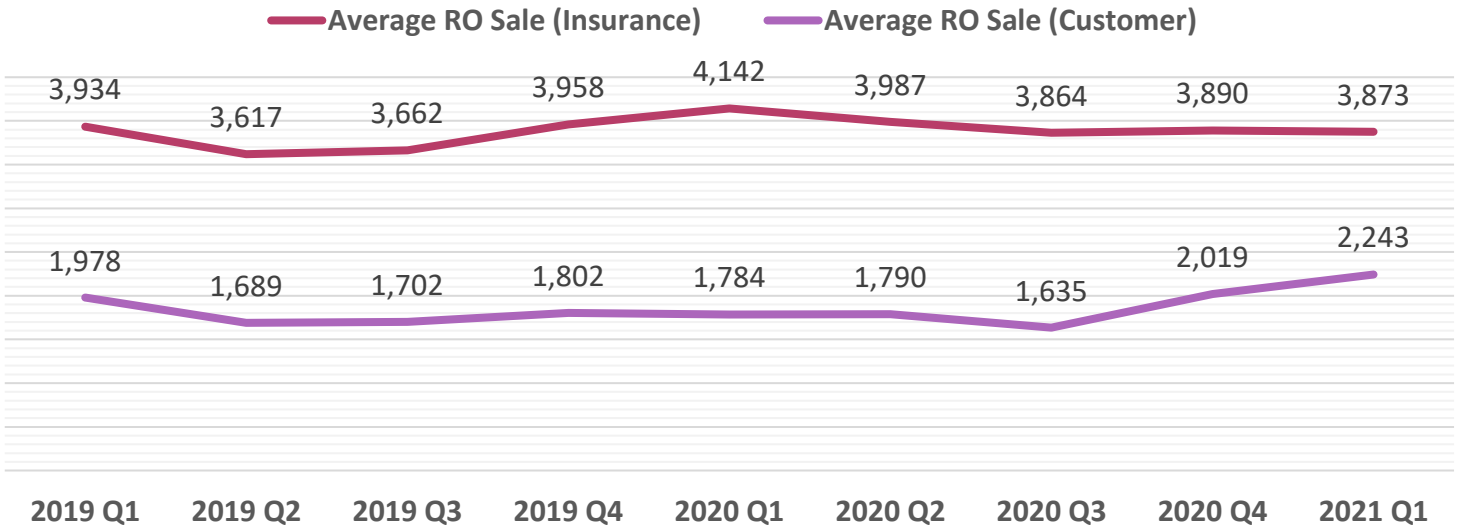
3.8 Hours/Day Alberta

2019-2021 SUMMARY (by Qtr.)

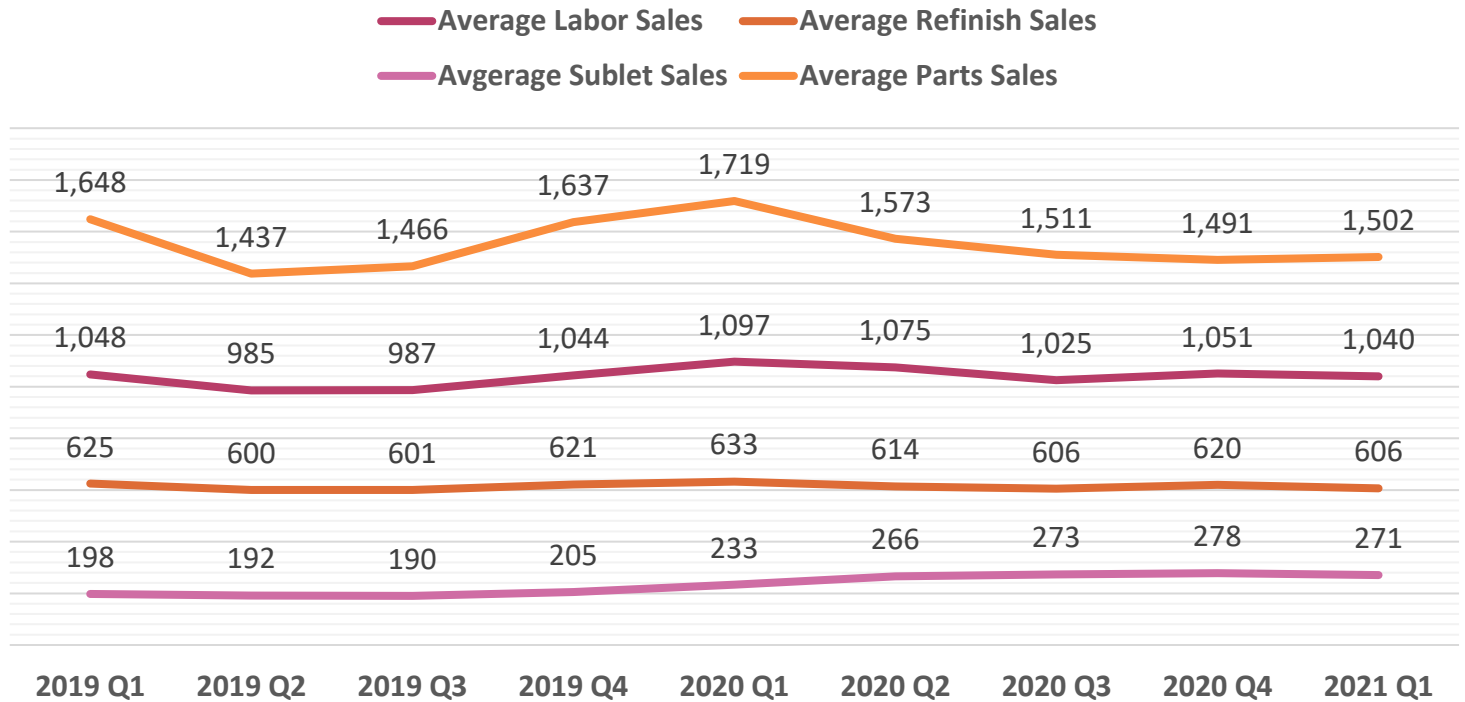
	ARA								
	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1
Average Monthly Sales	293,899	287,084	284,569	298,160	304,112	229,913	267,480	269,558	251,510
Average RO Sale (Insurance)	3,934	3,617	3,662	3,958	4,142	3,987	3,864	3,890	3,873
Average RO Sale (Customer)	1,978	1,689	1,702	1,802	1,784	1,790	1,635	2,019	2,243
Average Labor Sales	1,048	985	987	1,044	1,097	1,075	1,025	1,051	1,040
Average Body Labor Sales	947	893	896	950	999	970	939	968	953
Average Refinish Sales	625	600	601	621	633	614	606	620	606
Average Other Sales	625	604	605	642	692	710	719	731	719
Average Sublet Sales	198	192	190	205	233	266	273	278	271
Average Parts Sales	1,648	1,437	1,466	1,637	1,719	1,573	1,511	1,491	1,502
Average OEM Sales	1,236	1,071	1,072	1,223	1,260	1,124	1,073	999	1,029
Average AM Sales	328	296	317	337	382	357	357	396	379
Average LKQ Sales	71	59	66	67	70	83	76	84	83
Average Other Parts Sales	12	10	10	9	6	8	4	6	5
Average Paint Materials	353	341	343	358	373	360	363	368	364
Average Body Materials	75	71	72	80	86	84	83	85	84
Average Hours per RO	22.4	21.2	21.3	22.3	23.2	22.6	22.0	22.5	22.2
Arrival to Delivery	10.3	9.7	9.8	10.1	11.2	10.0	10.3	10.2	9.3
Arrival to Start	0.7	0.6	0.6	0.5	0.6	0.6	0.7	0.8	0.7
Start to Complete	8.6	8.2	8.3	8.6	9.6	8.5	8.5	8.8	9.2
Complete to Delivered	1.0	0.9	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Touch Time	2.5	2.5	2.5	2.5	2.6	2.8	2.7	1.0	2.9
Touch Time - Top 10%	3.6	3.8	3.9	3.7	3.3	3.7	3.7	3.8	4.1
Asian	44%	44%	46%	45%	45%	43%	44%	47%	48%
Domestic	21%	20%	20%	22%	22%	25%	22%	26%	28%
European	34%	34%	32%	33%	33%	32%	35%	26%	24%
Express (<10 hours)	24%	25%	25%	23%	20%	22%	22%	20%	22%
Light (10-20 hours)	35%	38%	36%	36%	35%	37%	36%	36%	35%
Medium (20-40 hours)	30%	27%	29%	29%	31%	30%	30%	33%	32%
Heavy (>40 hours)	11%	10%	10%	11%	13%	12%	12%	12%	12%

TRENDS

AVG SALE

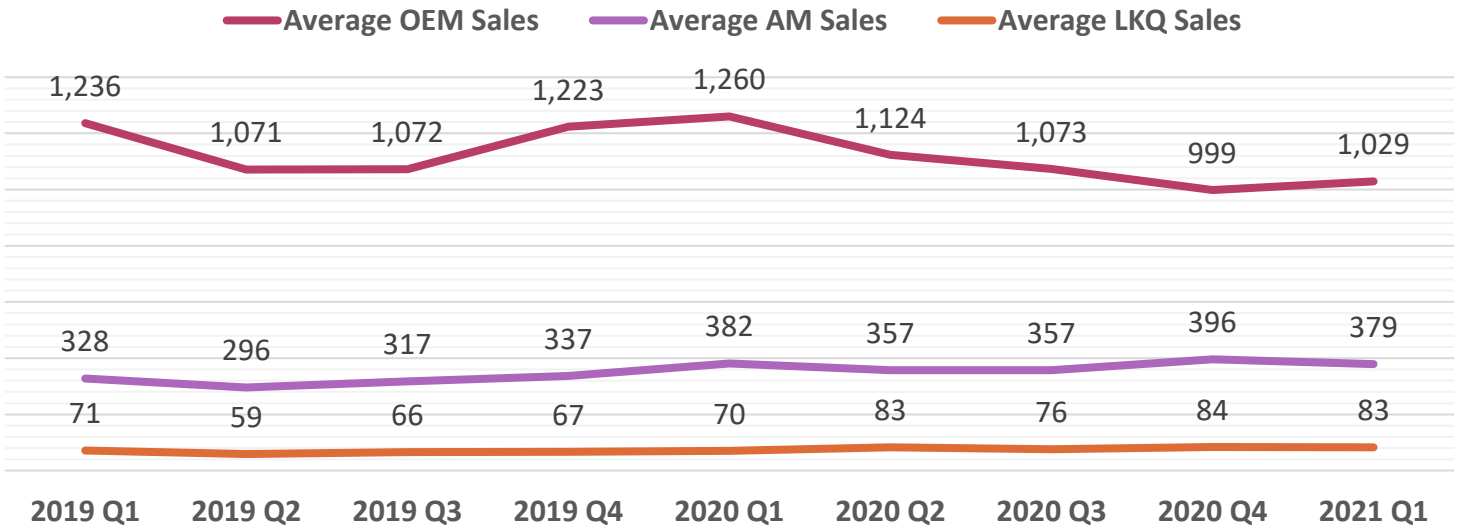


AVG SALE BREAKDOWN

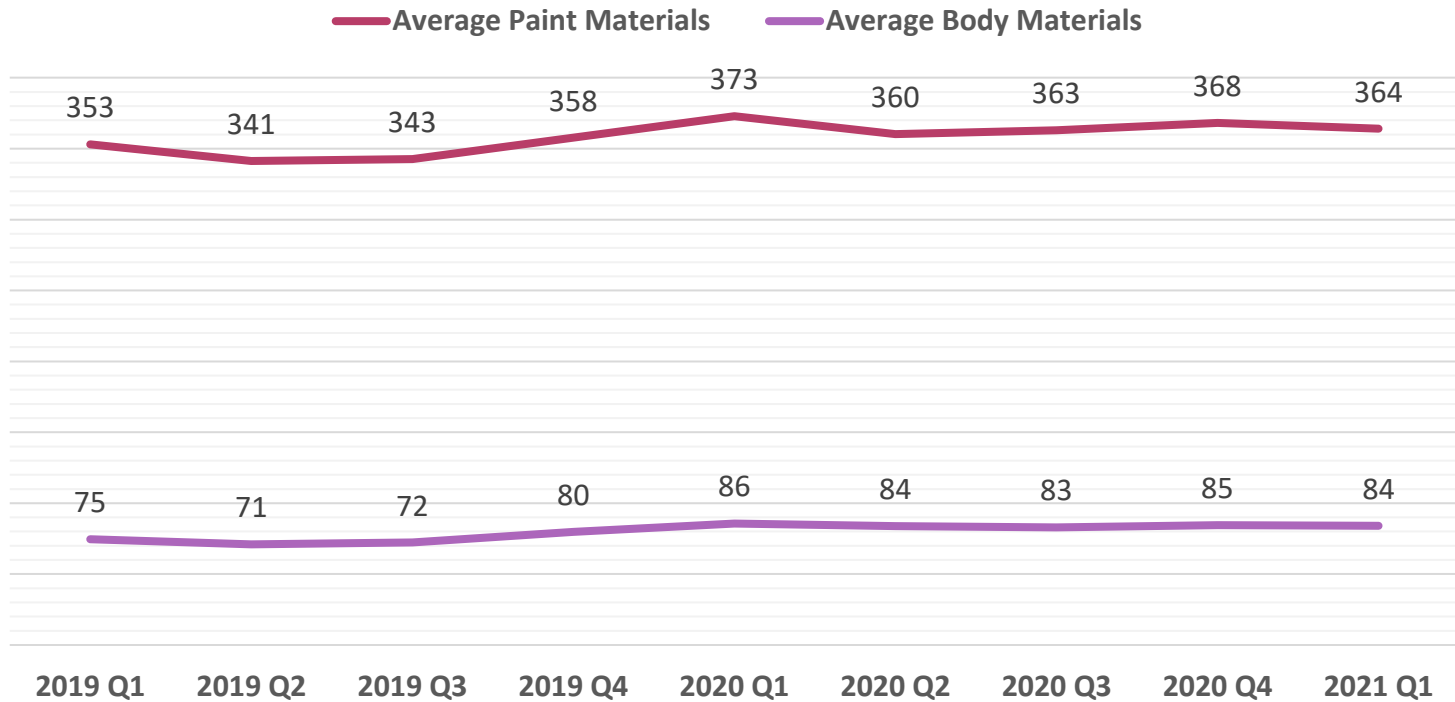


TRENDS

AVG PARTS BREAKDOWN



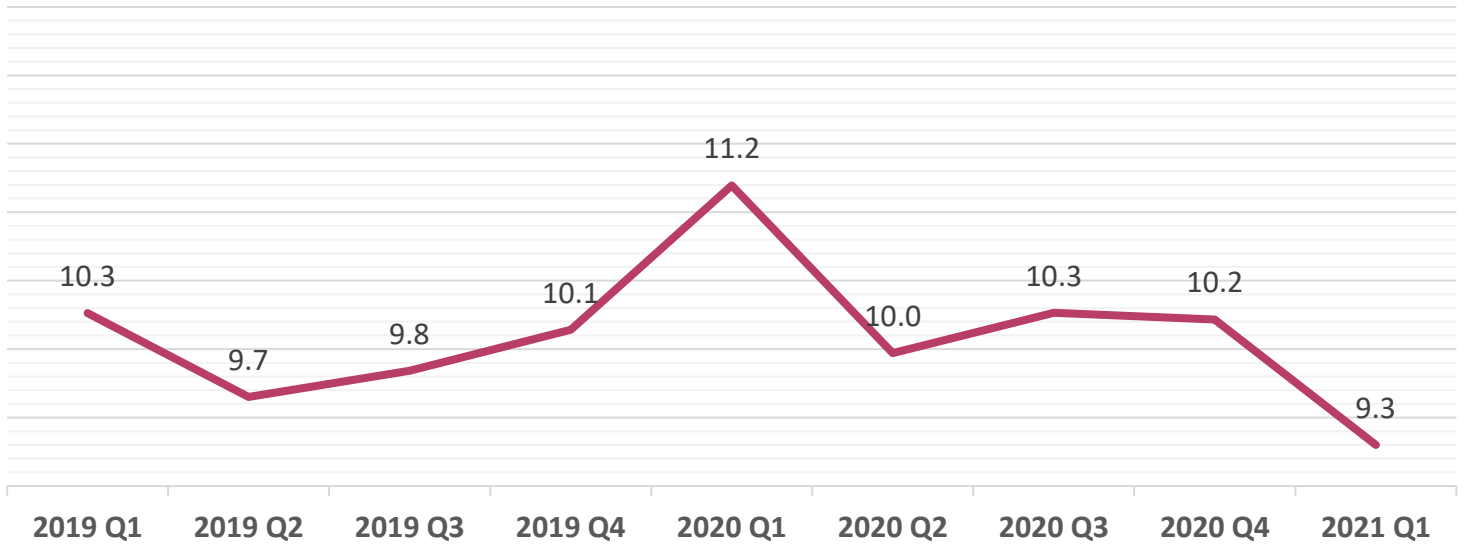
AVG MATERIALS



TRENDS

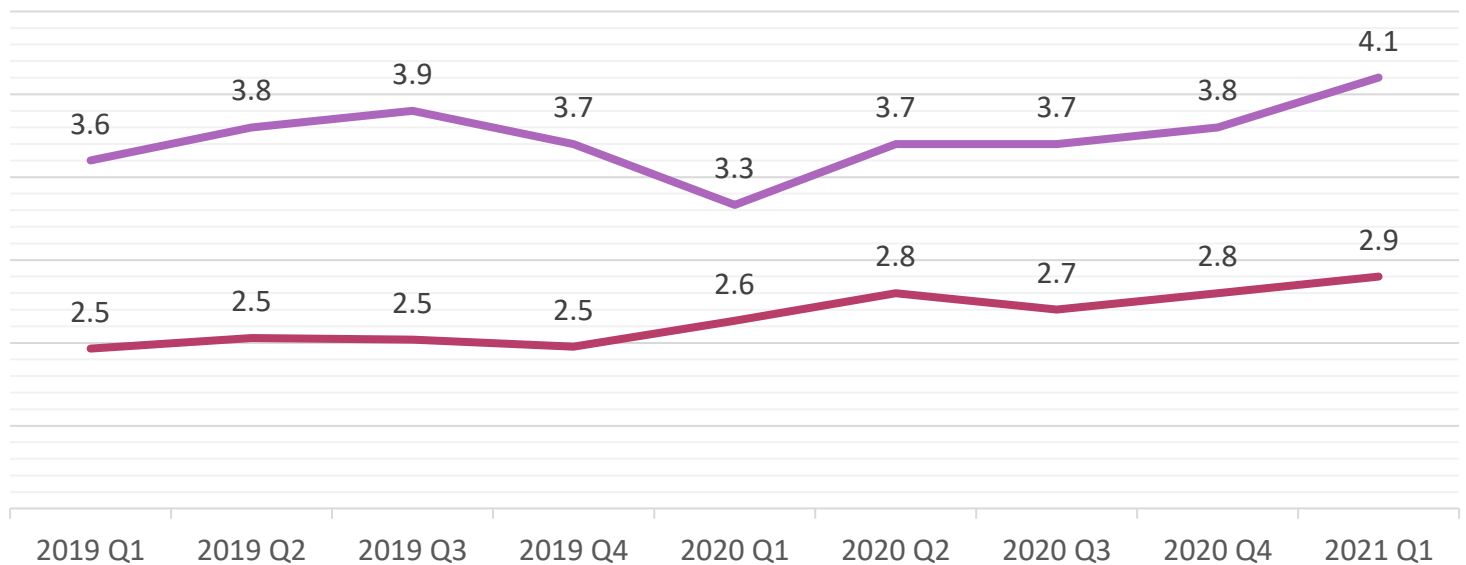
AVG CYCLE TIME

— Arrival to Delivery



AVG TOUCH TIME

— Touch Time — Touch Time - Top 10%

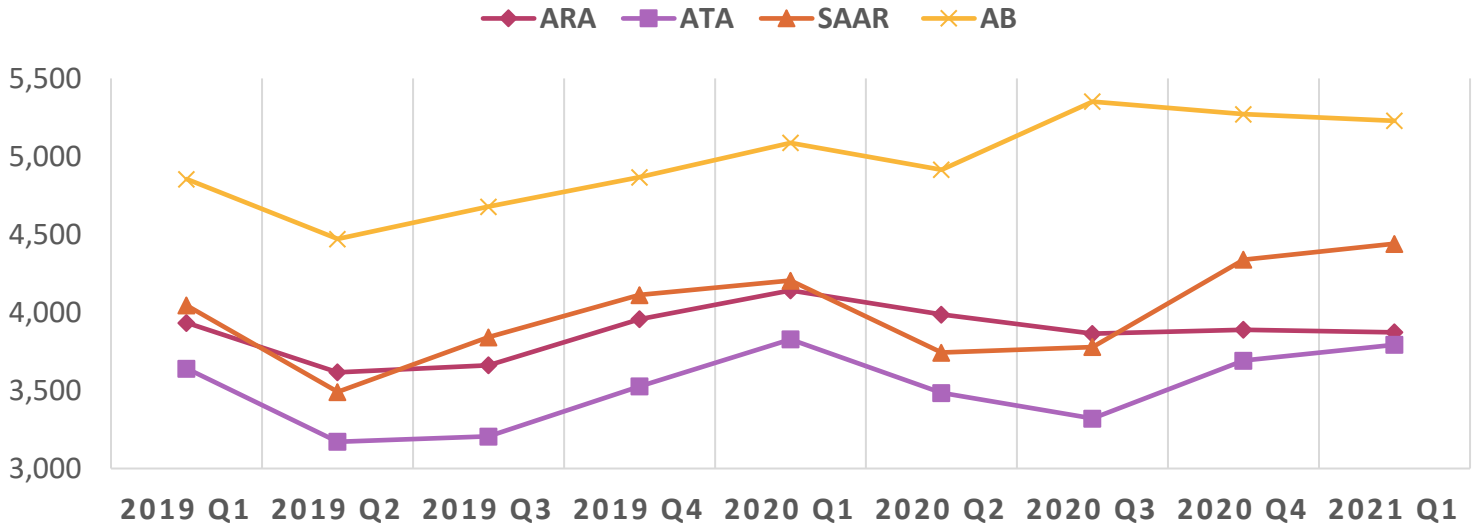


Q1 - 2021 COMPARISON

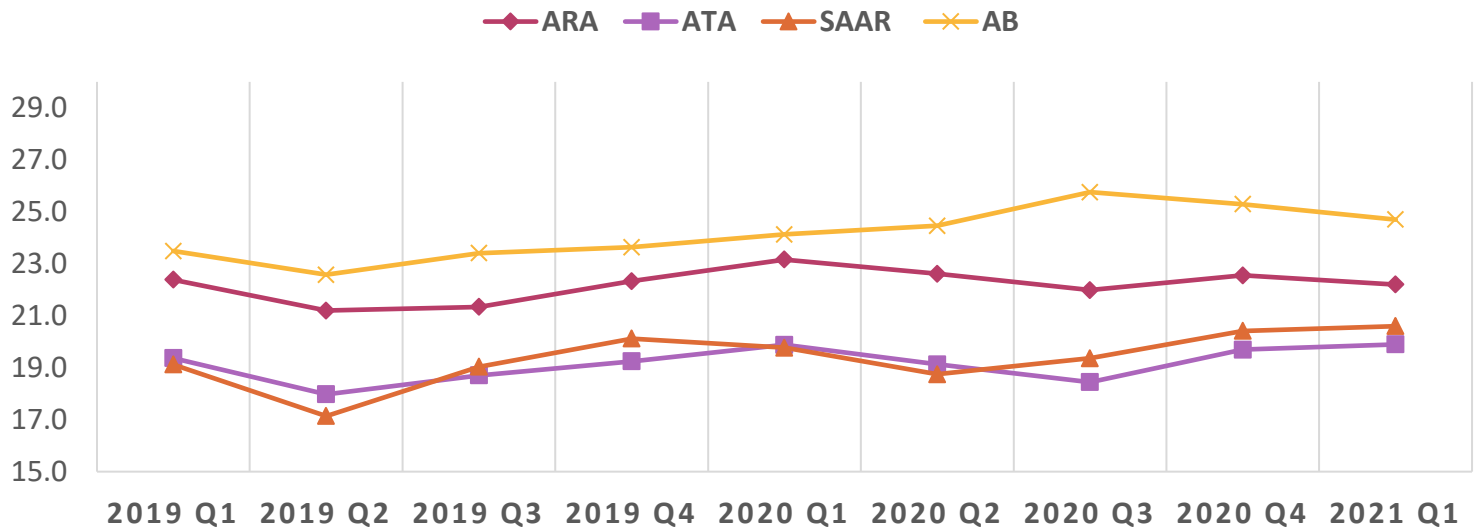
	ARA	ATA	SAAR	Alberta
	2021 Q1	2021 Q1	2021 Q1	2021 Q1
Average Monthly Sales	251,510	196,176	250,577	189,133
Average RO Sale (Insurance)	3,873	3,793	4,441	5,230
Average RO Sale (Customer)	2,243	1,657	1,850	2,099
Average Non-Refinish Labor Sales	1,040	899	1,161	1,219
Average Body Labor Sales	953	794	1,049	1,067
Average Refinish Sales	606	578	740	707
Average Other Sales	719	484	671	748
Average Sublet Sales	271	128	147	333
Average Parts Sales	1,502	1,784	1,831	2,485
Average OEM Sales	1,029	1,317	1,411	1,987
Average AM Sales	379	283	353	375
Average LKQ Sales	83	83	67	80
Average Other Parts Sales	5	98	0	35
Average Paint Materials	364	273	440	309
Average Body Materials	84	83	84	106
Average Hours per RO	22.2	19.9	20.6	24.7
Arrival to Delivery	9.3	8.8	8.4	11.3
Arrival to Start	0.7	1.1	0.7	4.4
Start to Complete	9.2	8.3	8.2	10.8
Complete to Delivered	1.0	0.9	1.5	1.1
Touch Time	2.9	2.9	2.9	2.7
Touch Time - Top 10%	4.1	4.0	3.7	3.8
Asian	48%	51%	46%	46%
Domestic	28%	40%	48%	43%
European	24%	8%	6%	11%
Express (<10 hours)	22%	28%	25%	18%
Light (10-20 hours)	35%	34%	35%	31%
Medium (20-40 hours)	32%	29%	30%	36%
Heavy (>40 hours)	12%	9%	9%	15%

TRENDS

AVG INSURANCE SALE

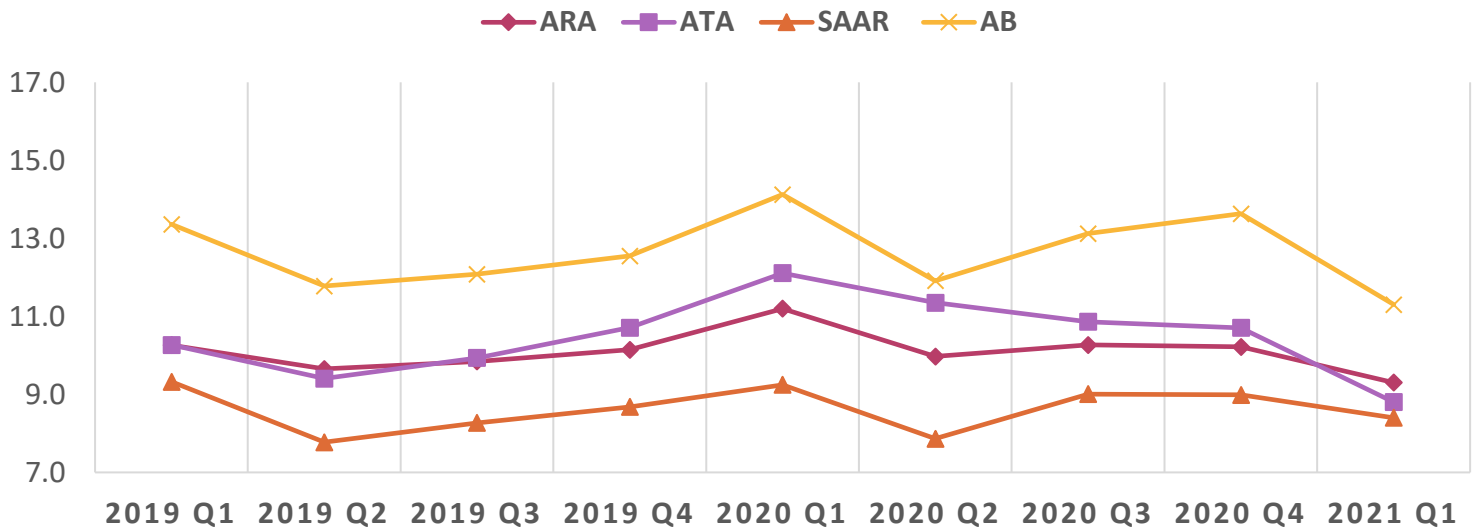


AVG HOURS / RO

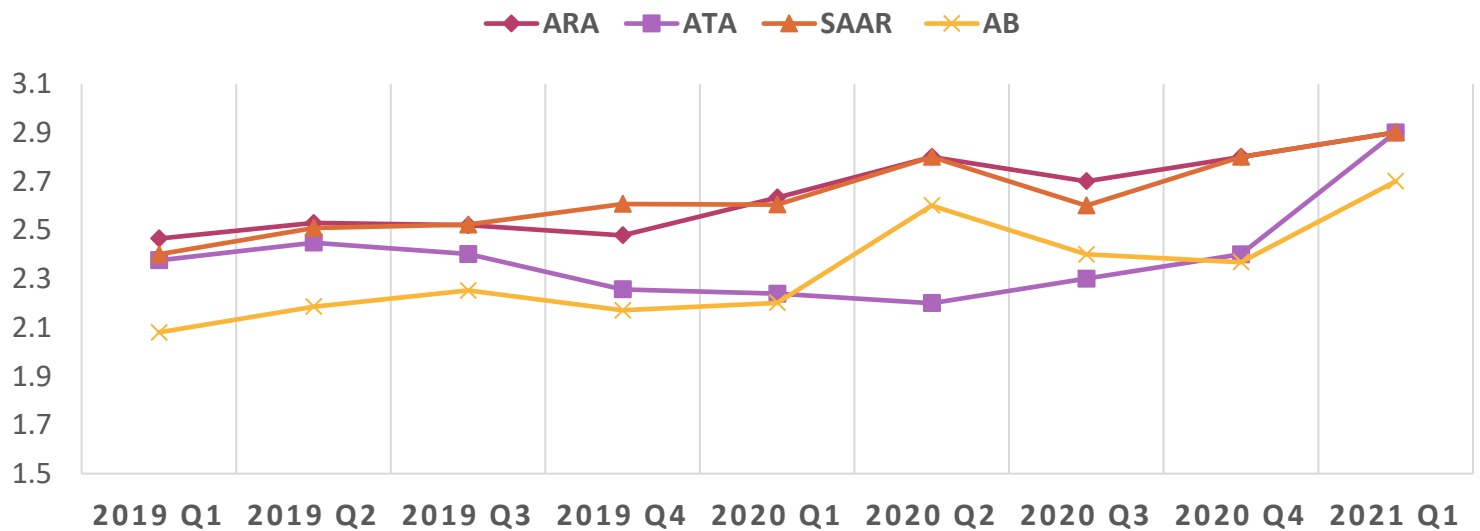


TRENDS

AVG CYCLE TIME



AVG TOUCH TIME



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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.