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The Future of Repair-Only Companies



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THE FUTURE OF REPAIR

Are Repair-Only Companies Headed for

EXPANSION or **EXTINCTION?**

by Jenna Reed



While many companies offer both automotive glass replacement and repair services, some take the road less traveled and specialize solely in repair. Some, such as David Casey, president of Florida-based SuperGlass Windshield Repair, are big proponents of the repair-only specialty, while others such as Buddy Fomby, owner of Fomby's Windshield Repair in Abilene, Texas, says business has grown increasingly tougher as time passes.

Not a Cloud in Sight

"We're busier than we've ever been," says Casey. "We're hitting new records every month, and I see the future as very strong."

SuperGlass Windshield Repair has more than 240 franchisees throughout the country that specialize in repairing automotive glass. The company was established in 1992 and has grown steadily ever since.

"Repair is getting more recognition every day," Casey explains. "The other day I went into a 7-11, and a guy in there came up to me and asked me to look at his windshield. It's on a brand new Kia.

He asked if it could be repaired. When he called his insurance company about it, he said the company encouraged him to replace the windshield. He told me he didn't want to. He wanted to keep the factory seal. He had that awareness of what repair can do. That's awesome. Seeing a consumer aware of it is a little milestone after about 30 years of preaching about the importance of keeping the factory seal."

Through the National Windshield Repair Association (NWRA) and its Repair of Laminated Automotive Glass Standard™ (ROLAGS) and certification, the industry's credibility is taking shape, Casey says. *(See sidebars which offer more information on the NWRA and ROLAGS™).*

So what makes Casey so positive about the future of repair? He predicts repair-only companies will continue to witness strong demand going forward.

A Few Storm Clouds

Automotive glass repair owner Fomby loves the business. He's been doing repairs for more than 20 years and "couldn't imagine doing anything else." But is it easy? Not by a long shot, he says.

Breaking Down the Numbers: What Does It Take?

Fomby Auto Glass:

Repairs a Day Needed: 4

Charge per repair: \$50

Repair kit investment: \$3,500

Profit margin: 90-95 percent

(once kit is paid off)

Packerland Auto Glass:

Repairs a Day Needed: 5 to 6

Charge per repair: \$65

Repair kit investment: \$1,200 to \$2,500

Profit margin: 95 percent

(once kit is paid off)

After spending 17 years working for his father in the oil fields, Fomby was ready to try something new. When he learned a friend's son had moved into the automotive glass repair business, Fomby wanted to learn more. He spent three hours discussing the business with the son.

"The next day, I called and ordered my windshield repair kit, received my equipment and was trained on it. Then I gave my dad a month's notice. I've been in business as a repair-only company owner ever since," says Fomby.

It took about three years for him to get his company established.

"I had about \$20,000 in savings, and that's what helped me get into the business. It helped sustain me through the first three years. After this time, I had enough business that everything was paying for itself. The beginning was kind of shaky. I've watched a bunch of other windshield repair companies come and go in Abilene," Fomby explains.

He calls it a tough business.

"I learned there are not many types of advertising that will actually help in

this business,” Fomby says. “Nobody needs you until they get a chip. I’ve tried just about every kind of advertising there is.”

Word-of-mouth is the best way to promote the company, he suggests.

“This works, as does giving out plenty of business cards,” he explains. “I’ve never handed someone just one card. I give them three or four. I’m a member of the local Chamber of Commerce, and I go to all their functions and give out cards. When I do a repair, I give the vehicle owner several cards.”

Fomby is uncertain what the future will bring for repair-only company owners.

“My business has fallen off quite a bit,” he says. “If I did not have my Social Security checks, I don’t know if I’d be in business today. I just don’t get as many calls and I don’t know why. At one time, I thought this business was recession-proof, but I don’t anymore.”

Fomby says competition in his area is stiff. Every windshield installer in Abilene also does windshield repair, he says.

Despite the tough business environment and being in his early 70s, Fomby has no intention of slowing down.

“I just enjoy doing repairs,” he says. “I never considered doing replacement and I’m not good at it. I intend to keep going. My father-in-law did windshield repairs until he was 79. So with my good health, maybe I can go another 10 years.”

Would an Owner Doing Both Switch?

Lance Spittle, owner of Packerland Auto Glass in Rice Lake, Wis., does both installations and repairs. His rock chip repair business is booming, he notes.

“I see it growing,” he explains. “I’ve been doing this 25 years, and the demand for rock chip repairs remains steady. Because of the fracking sand plants in Wisconsin, I almost can’t keep up with repairs. We live on rural roads, and the trucks coming in and out kick



(Left) Chris Vaag, London city manager and field technician for SuperGlass Windshield Repair, with Phil Wells, managing partner and senior technician (right). They are posing for a marketing photo; otherwise Wells would be wearing gloves.

up the gravel.”

So with all the demand, has Spittle considered switching to specialize solely in repair?

“I have never considered going repair-only,” he says. “Chips are like snowflakes. They are all different. And I just don’t always like working on them, though the demand is there.”

Insurers: Specializing Can Be a Good Thing

Third-party administrators, such as LYNX Services, are looking to connect customers with the “most qualified providers in their market,” says Chris Umble, vice president of sales initiatives there. A company that specializes in repairs is likely the best in offering that service, he adds.

“The repair-only specialist has to make or break his/her business on the basis and reputation of repair quality and profitability, so they cannot afford to become involved in a lot of warranty or re-work. As a consequence, many are among the best at performing repairs properly.

“It’s not uncommon for repair-only providers to be among the best providers of repairs, as this is their specialty. Therefore, we often work with repair-only providers when they have a distinguished track record. We do the same in auto glass replacement,” he explains.

Specialization means the technician is likely very good at what he/she does, agrees Wayne Sharrah, CEO of Insurance Claims Management, parent company of HSG.

“That specialization can lead to a better outcome in terms of the repair and its longevity,” he says. “One downside to a repair-only option is that if the repair does not work or is worse than originally thought, then the customer has to wait for a company to do the replacement at a later time. Obviously this could result in lower satisfaction on the part of the consumer.”

While insurance companies in many states may waive the deductible for an automotive glass repair, State Farm does not.

“A customer must meet the deductible before State Farm will cover a repair, so a State Farm customer wouldn’t file an automotive glass repair claim,” says Dave Phillips, a spokesperson for State Farm.

Because many other insurers take a different view on repairs and will waive the deductible, this can create a market for repair-only companies, according to Umble.

“Some insurers have, and others may in the future, stop the deductible waiver on repairs,” he explains. “In that event, the repair industry will need to do a better job of communicating to the consumers at-large the facts and benefits of repair. They will have to create their

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continued

own market. If they provide value and excellent service, there is every reason to believe they will succeed.”

Commitment and Savings

The individual marketplace definitely plays a role, but if an automotive glass repair company owner commits to his business and has some savings set aside, there could be a solid future ahead, according to Casey and Fomby.

“I’ve done repairs for a lot of used car dealerships and fleet companies. I have a number of fleets I work on right now, including school buses and such,” Fomby says. “I’ve probably done at least 110,000 repairs and I’m still going.” ■

What Is ROLAGS™?

The Repair of Laminated Automotive Glass Standard (ROLAGS™) represents the windshield repair industry’s statement of best practices as compiled under ANSI guidelines by a “balanced” committee of windshield repair system manufacturers, glass manufacturers, windshield repair and replacement retail practitioners, trade associations and other “interested parties,” according to www.ROLAGS.com.

ROLAGS™ contains an industry consensus of recommended terminology, definitions, process and procedures. These recommendations reflect the expertise of a National Windshield Repair Association Standards Development Committee (SDC) with combined experience of several hundred years and many thousands of practical windshield repairs among its members.

To learn more and check out the current Standard, visit www.ROLAGS.com.

What Is the NWRA?

The National Windshield Repair Association (NWRA) is recognized nationally and worldwide as a professional source of reliable information on the windshield repair industry.

The mission of the NWRA is to:

- Promote and develop the legitimacy of windshield repair as the first option for glass;
- Provide and promote best practices for those engaged in windshield repair;
- Provide the public with benefits of repair;
- Provide education, resources and information about repair;
- Develop and promote qualified, ethical repair practices; and
- Serve as an advocate for the windshield repair industry before government and other regulatory groups.

Basic services include:

- ROLAGS training and certification;
- Handling consumer inquiries;
- Free subscription to the NWRA Newsletter;
- National health insurance discounts;
- Discounts from NWRA manufacturers;
- Glass Technology – 10 percent off;
- Better communication with and education of insurance companies;
- Networking;
- Unified voice on a national and state level for your industry;
- Reduced credit card redemption rate, funds deposited in your bank;
- Discounts on web design consulting;
- Free national listing on the NWRA website for referrals;
- Exclusive use of NWRA marketing aids for members only; and
- Access to NWRA Windshield Savers.

For more information, visit www.nwrassn.org.



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