

Q&A



This month, we quiz **Neilson Jones**, Managing Director, RC Jones (Motor Bodies) Ltd and Group Operations Manager, Synergy Accident Repair Group, about the philosophy behind the group and how it's protecting its members during the recession.

Q Can you give a brief overview of Synergy?

A Synergy Accident Repair Group Ltd was formed in October 2008 by the directors of the Alton Cars Group, Karl Vella Group and KC Autos Group, who possess a wealth of experience and expertise within the bodyshop industry. Its aim is to deliver a national network of like-minded, Kitemark approved accident repair specialists. Unlike other large or national groups, every member site working with Synergy will remain independently owned and run. We believe this will give it a unique advantage over its competitors, as the passion and desire to succeed will be present at each site.

We currently have 125 repairer members with a combined turnover of £252m, offering national coverage and capable of repairing 386,000 cars per year. The largest member has a turnover of over £13m; our smallest has a turnover of circa £300,000.

Q Synergy is one of a number of bodyshop groups that have formed over the past couple of years. Why do you think this is, and is it a trend that will continue?

A Over the past two or three years, the vehicle body repair industry has changed dramatically, the number of bodyshops has reduced from 6,000 to 4,000 and it is predicted that this figure will drop by a further 1,500 by 2010.

We are seeing more and more groups forming, acquiring independent bodyshops that cannot compete in today's market with the demands of insurance companies and work providers.

Bodyshop groups do have the benefit of economies of scale and can offer regional capacity and volumes, but insurance companies are looking beyond regions and now require national solutions. Synergy offers an alternative, national solution to insurance companies and work providers, reducing costs but not compromising quality or service.

Q How far have you come in terms of work provision for the group, or are you more focused on brokering deals on equipment and other business tools – insurance etc?

A There are three key principals to our business model: securing work provision, group purchasing and sharing best practice/benchmarking.

We have so far secured three insurance contracts, which are being rolled out into the network. We are also in discussion with a number of other insurers, large fleets and accident management companies to secure volumes.

To ensure the claims process is dealt with in an efficient and seamless manner, we have partnered with EMR Insurance Services. Its expertise is already tried and tested with it currently working for one of the top five insurers. In addition, Alan Cottrill, former Commercial Director of Audatex UK, has joined

us to provide support in developing the network's commercial proposition.

On the group purchasing side, with the help of Tom Hadfield, Business Relationship Manager, we can deliver substantial savings to our members in the areas of courtesy cars, paint supplier/distributor, parts discounts and consumables.

In terms of best practice, the founder members of Synergy are not saying they have all the answers, but we recognised early on that when you have like-minded repairers that are passionate about our industry, you can bring about change. The IT platform we operate will allow us to collect data seamlessly from all our repairers. This information can then be used for the purposes of benchmarking and continual business improvement.

Q How easy has it been to sell the Synergy concept into work providers?

A Synergy can take over a large proportion of the claims administration process on behalf of the client, therefore reducing their cost overhead. This is a new and refreshing concept in today's market and is being well received. This allows our clients to do what they do best in their own business, leaving us to deal with the repair and administration process of their vehicles.

Q Synergy has some of the industry 'big guns' on board ie Karl Vella Group, Alton Cars; how are you selling the concept into smaller shops?

A The concept is selling itself. Smaller bodyshops like the idea of being part of a larger group, which allows them to compete on a national level. As an individual bodyshop, large or small, you have little influence in today's market.

Q Has being in Synergy taken away a proportion of the control over your own business?

A No. All businesses will still operate independently. We do not want to take away this identity as many of the bodyshops' reputations have been built upon many years of successful business and are recognised within their own community as being the best at what they do. To re-brand this would have a detrimental effect.

Q What makes you different from other bodyshop groups, many of which seem transient in nature?

A We have not created Synergy to create personal wealth, but to create security for our own bodyshops and those of our members. We have no joining or monthly subscription fees like many other repairer groups. Within the first seven months, we have created the largest independent Kitemark approved repairer network in the UK today. We are very positive about the future and are here for the long term.

Q How is Synergy funded if you don't have joining or monthly subscription fees?

A All our preferred supplier partners contribute one per cent of Synergy turnover towards administration costs incurred in running Synergy. No charges are levied by the founder members, so large amounts of money are not required to finance the operation.

Q You've specified the Kitemark for your members. Is this putting all your eggs in one basket or do you have other criteria that members must meet?

A We view the Kitemark as being an essential standard for our industry to promote the safe and correct repair of all vehicles. To receive work provision we do mandate the Kitemark; however bodyshops are more than welcome to join the Synergy group in order to benefit from group purchasing and best practice.

Q What are you advising members to do, to enable them to survive the downturn?

A Partake in our group purchasing in order to reduce their overheads and the sharing of best practice to ensure we are all operating as efficiently as possible. We have all felt the effects of the current recession; however, group buying power has lessened the impact. As the group becomes stronger, the effects will continue to reduce.

Q How has being part of Synergy changed RC Jones?

A Until November 2007, RC Jones was an independent repairer and we knew only too well how difficult the market was becoming to operate in. Becoming part of the Alton Cars Group reduced overheads considerably. Having helped form Synergy we, the Alton Group, have seen our costs reduced substantially. The founder members are expecting to see combined savings in the region of £500,000 this year.

Q What is your main focus right now?

A Like many other independent repairers, volume and profitable work remain high on our agenda. A considerable amount of my time is currently being spent on securing new contracts for the Synergy Group.

Q What's been the biggest challenge so far?

A When we rolled this concept out we had no idea how quickly it would grow and how large an appetite the industry would have for it. Our biggest challenge now is understanding how big and diverse it will become. ■

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