

# AutoHouse Technologies

## ARA's British Columbia Provincial Benchmark 2023 Q1



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# INTRODUCTION

## To Provincial Benchmark

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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](mailto: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.

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# SALES

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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.



**\$ 348,769** **British Columbia**  
**Average Monthly Sale**

\$ 338,940 Saskatchewan

\$ 344,791 Manitoba

\$ 293,109 Alberta

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**BC Avg Insurance Repair**

**\$ 5,147**

**BC Avg Customer Repair**

**\$ 2,363**

	<u>Insurance</u>	<u>Customer</u>
Saskatchewan	\$ 5,381	\$ 2,195
Manitoba	\$ 4,874	\$ 2,157
Alberta	\$ 6,276	\$ 2,562

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.

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# 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>
<b>British Columbia</b>	<b>\$ 1,414</b>	<b>\$ 1,261</b>	<b>\$ 733</b>
Saskatchewan	\$ 1,284	\$ 1,173	\$ 771
Manitoba	\$ 1,112	\$ 984	\$ 697
Alberta	\$ 1,339	\$ 1,182	\$ 763



## 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>
<b>British Columbia</b>	<b>\$ 448</b>	<b>\$ 111</b>
Saskatchewan	\$ 537	\$ 86
Manitoba	\$ 414	\$ 99
Alberta	\$ 354	\$ 131

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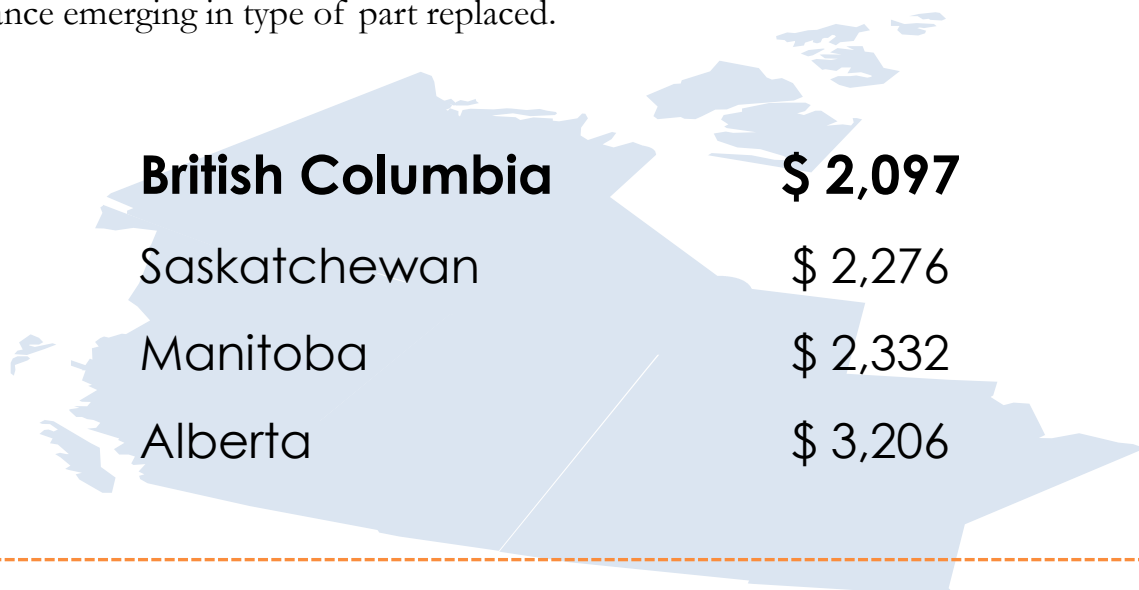
# AVERAGE RO SALE BREAKDOWN

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## 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>
<b>British Columbia</b>	<b>\$ 1,500</b>	<b>\$ 487</b>	<b>\$ 103</b>	<b>\$ 7</b>
Saskatchewan	\$ 1,721	\$ 474	\$ 78	\$ 3
Manitoba	\$ 1,829	\$ 343	\$ 59	\$ 114
Alberta	\$ 2,547	\$ 539	\$ 81	\$ 33

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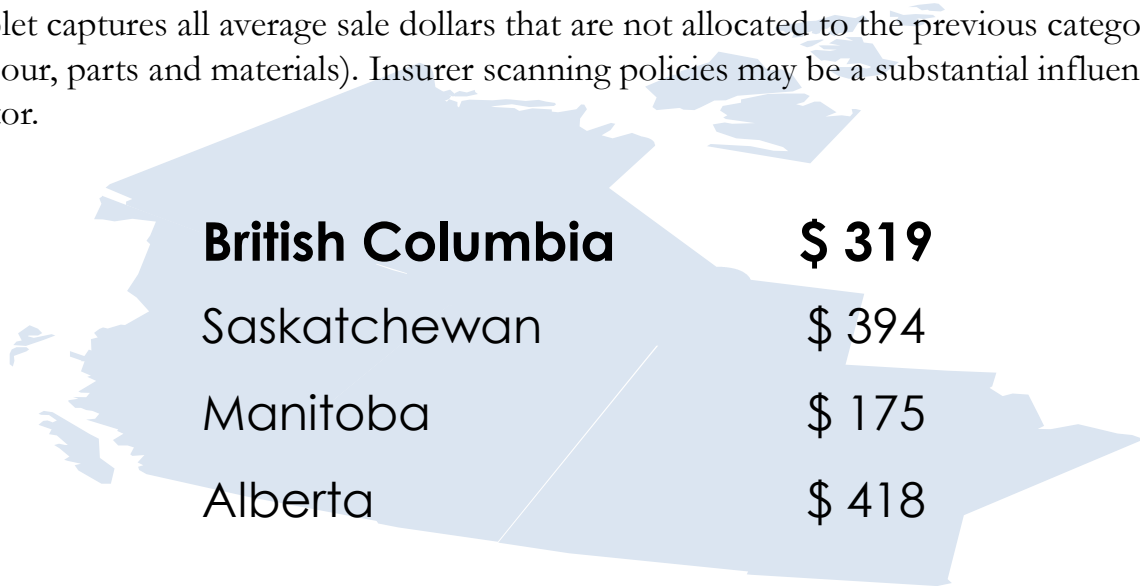
# AVERAGE RO SALE BREAKDOWN

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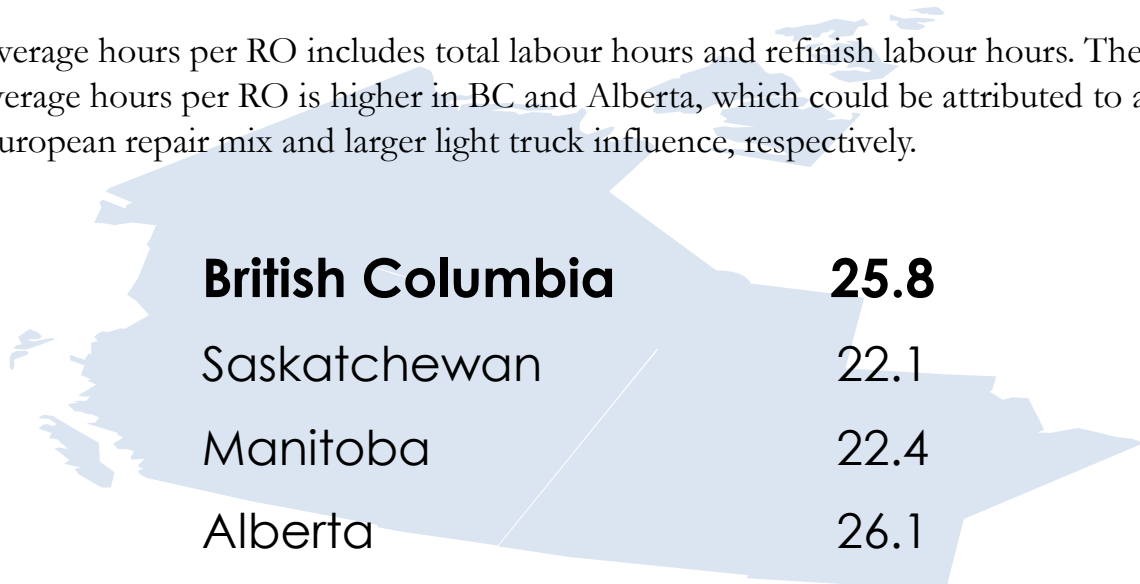
## Sublet

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.



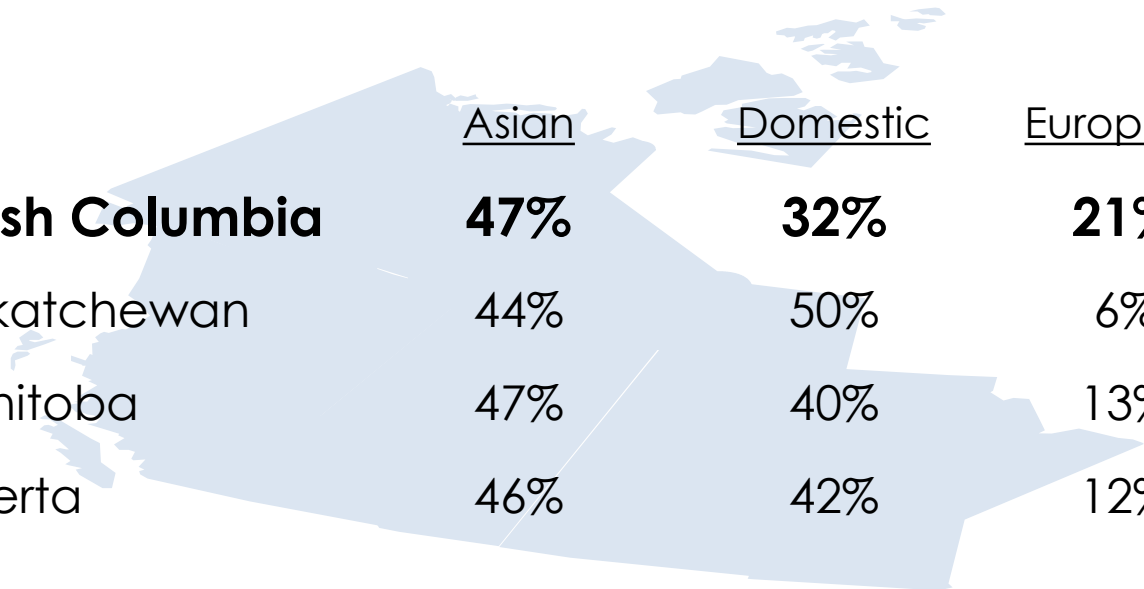
## Average RO Hours

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



# 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.



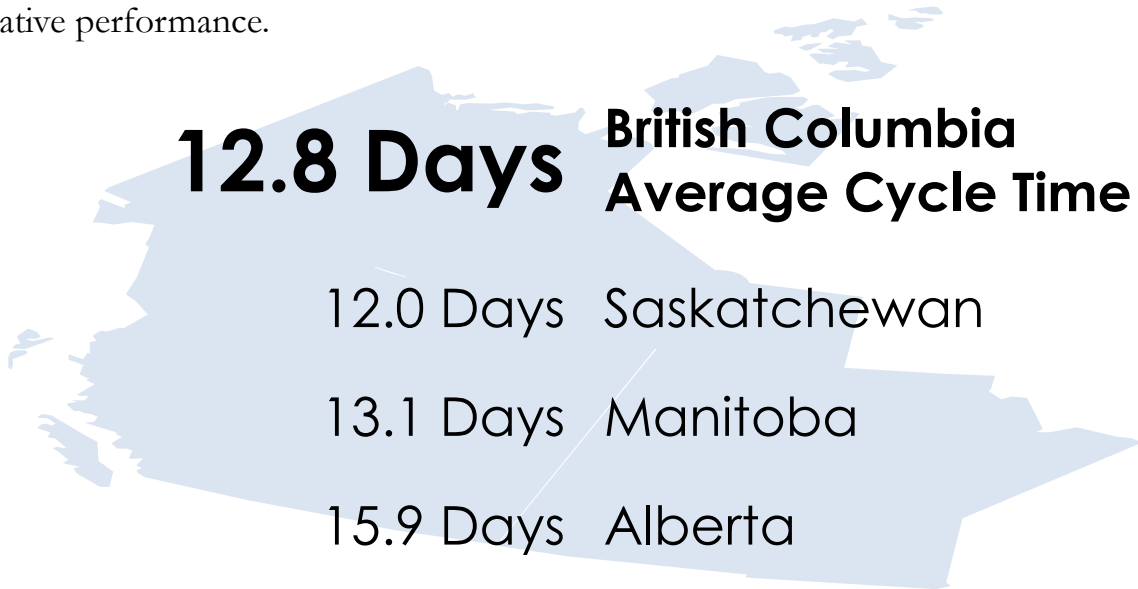
	<u>Asian</u>	<u>Domestic</u>	<u>European</u>
<b>British Columbia</b>	<b>47%</b>	<b>32%</b>	<b>21%</b>
Saskatchewan	44%	50%	6%
Manitoba	47%	40%	13%
Alberta	46%	42%	12%

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 &gt; 10</u>	<u>10.1 &gt; 20</u>	<u>20.1 &gt; 40</u>	<u>40.1 +</u>
<b>British Columbia</b>	<b>17%</b>	<b>31%</b>	<b>35%</b>	<b>17%</b>
Saskatchewan	20%	36%	33%	11%
Manitoba	25%	32%	31%	12%
Alberta	17%	30%	36%	18%

# 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	1.8	12.0	1.3
Manitoba	3.3	12.8	1.2
Alberta	6.7	15.2	1.5



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# TOUCH TIME

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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.

## **2.5 Hours/Day** **British Columbia** **Average Touch Time**

2.4 Hours/Day Saskatchewan

2.3 Hours/Day Manitoba

2.1 Hours/Day Alberta

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## **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.

## **4.2 Hours/Day** **British Columbia**

3.5 Hours/Day Saskatchewan

3.6 Hours/Day Manitoba

3.6 Hours/Day Alberta

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# ARA Trends and Comparisons

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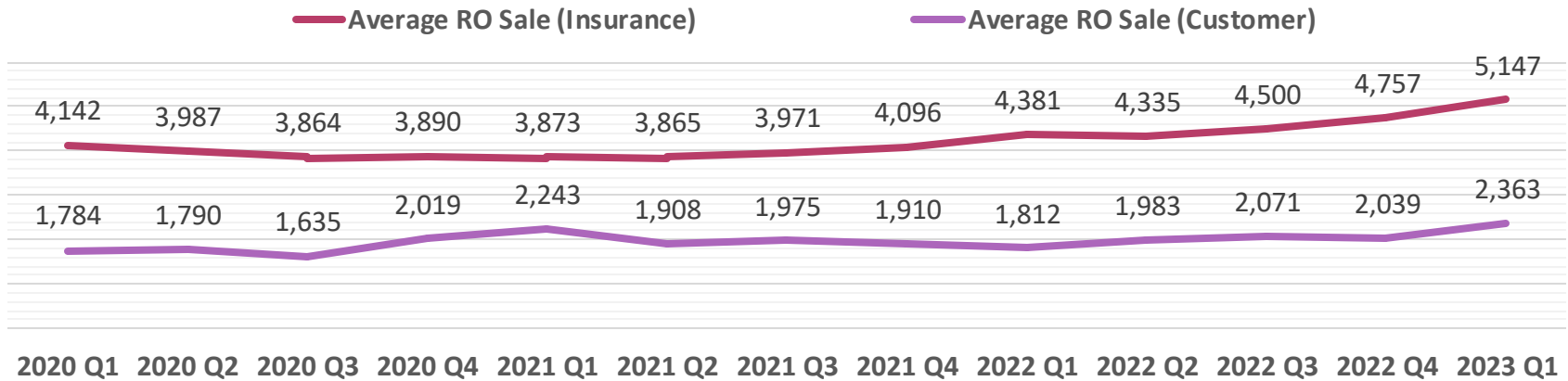


# 2020 Q1 - 2023 Q1 SUMMARY (by Qtr.)

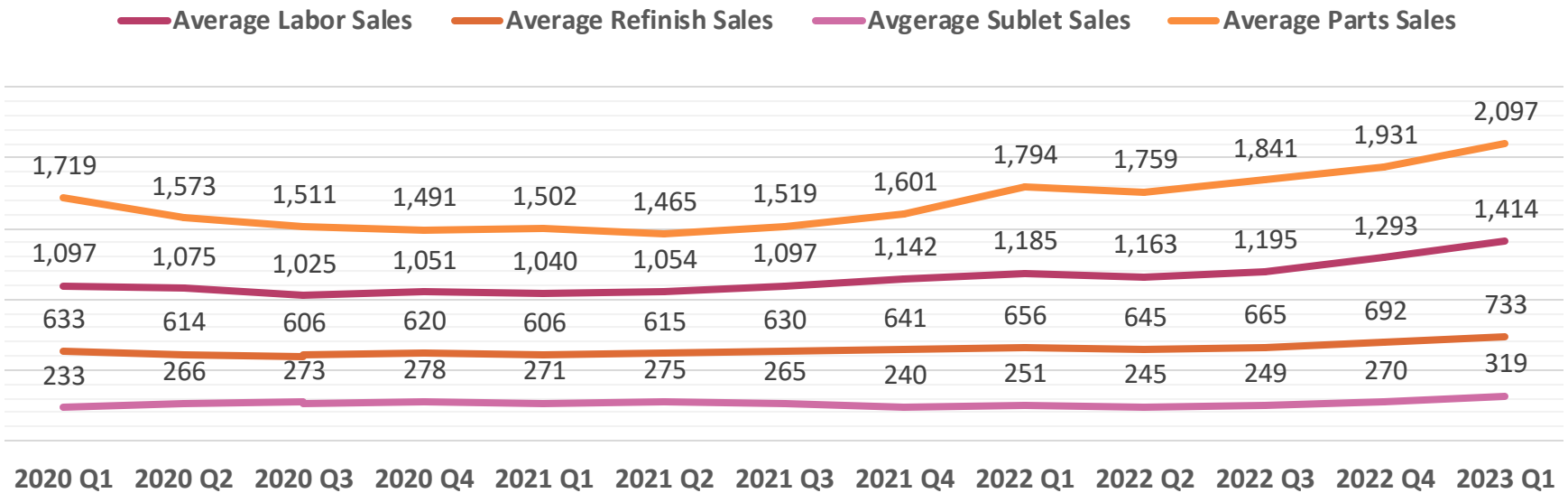
ARA	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Average Monthly Sales	304,112	229,913	267,480	269,558	251,510	274,553	260,672	263,669	277,778	295,579	292,390	298,958	348,769
Average RO Sale (Insurance)	4,142	3,987	3,864	3,890	3,873	3,865	3,971	4,096	4,381	4,335	4,500	4,757	5,147
Average RO Sale (Customer)	1,784	1,790	1,635	2,019	2,243	1,908	1,975	1,910	1,812	1,983	2,071	2,039	2,363
Average Labor Sales	1,097	1,075	1,025	1,051	1,040	1,054	1,097	1,142	1,185	1,163	1,195	1,293	1,414
Average Body Labor Sales	999	970	939	968	953	969	1,012	1,052	1,081	1,056	1,080	1,166	1,261
Average Refinish Sales	633	614	606	620	606	615	630	641	656	645	665	692	733
Average Other Sales	692	710	719	731	719	723	721	704	730	753	779	813	877
Average Sublet Sales	233	266	273	278	271	275	265	240	251	245	249	270	319
Average Parts Sales	1,719	1,573	1,511	1,491	1,502	1,465	1,519	1,601	1,794	1,759	1,841	1,931	2,097
Average OEM Sales	1,260	1,124	1,073	999	1,029	1,020	1,060	1,117	1,284	1,260	1,290	1,397	1,500
Average AM Sales	382	357	357	396	379	364	368	394	417	404	447	423	487
Average LKQ Sales	70	83	76	84	83	73	82	78	83	89	97	103	103
Average Other Parts Sales	6	8	4	6	5	7	6	6	7	6	6	7	7
Average Paint Materials	373	360	363	368	364	364	369	374	386	412	431	438	448
Average Body Materials	86	84	83	85	84	85	87	90	93	96	99	105	111
Average Hours per RO	23.2	22.6	22.0	22.5	22.2	22.2	22.8	23.5	24.2	23.8	24.0	24.9	25.8
Arrival to Delivery	11.2	10.0	10.3	10.2	9.3	10.1	11.1	11.8	12.3	11.8	12.1	12.7	12.8
Arrival to Start	0.6	0.6	0.7	0.8	0.7	0.7	0.8	0.9	1.2	1.3	2.1	1.4	1.5
Start to Complete	9.6	8.5	8.5	8.8	9.2	9.5	10.2	11.4	12.9	13.3	13.6	14.0	14.4
Complete to Delivered	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.1	1.2	1.3	1.3	1.3	1.3
Touch Time	2.6	2.8	2.7	2.8	2.9	2.8	2.7	2.6	2.7	2.6	2.5	2.4	2.5
Touch Time - Top 10%	3.3	3.7	3.7	3.8	4.1	3.8	4.4	4.0	4.3	4.1	4.1	4.1	4.2
Asian	45%	43%	44%	47%	48%	48%	49%	49%	49%	49%	49%	49%	47%
Domestic	22%	25%	22%	26%	28%	27%	28%	29%	30%	31%	30%	31%	32%
European	33%	32%	35%	26%	24%	24%	22%	21%	20%	19%	20%	20%	21%
Express (<10 hours)	20%	22%	22%	20%	22%	21%	21%	19%	20%	19%	19%	18%	17%
Light (10-20 hours)	35%	37%	36%	36%	35%	37%	34%	35%	32%	34%	34%	33%	31%
Medium (20-40 hours)	31%	30%	30%	33%	32%	31%	33%	32%	33%	33%	33%	33%	35%
Heavy (>40 hours)	13%	12%	12%	12%	12%	12%	12%	14%	15%	14%	14%	16%	17%

# SALES TRENDS (1)

## AVG SALE

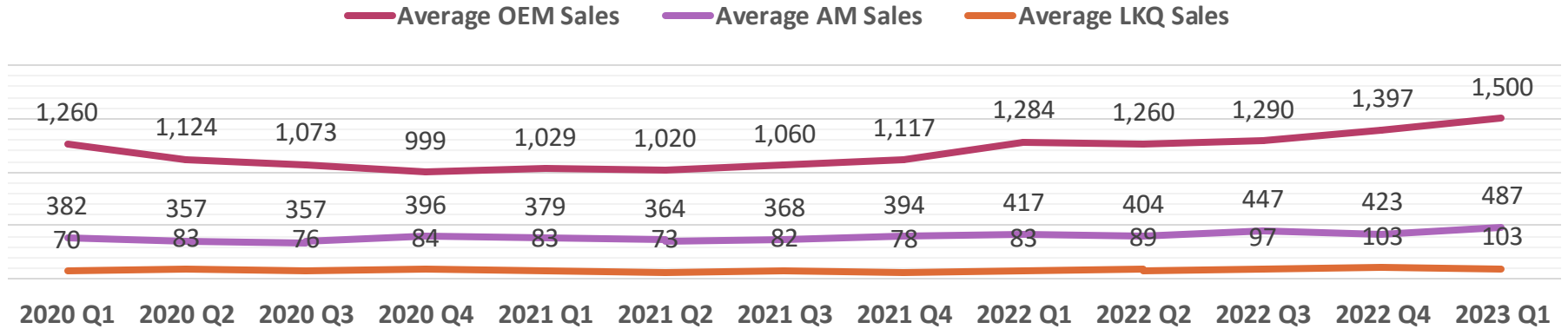


## AVG SALE BREAKDOWN

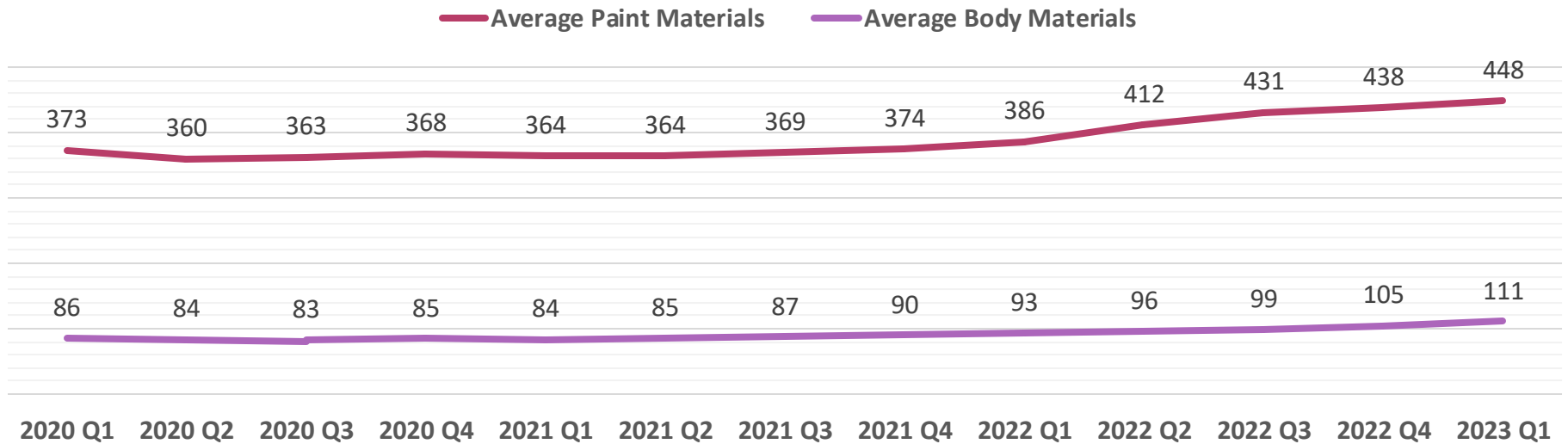


# SALES TRENDS (2)

## AVG PARTS BREAKDOWN



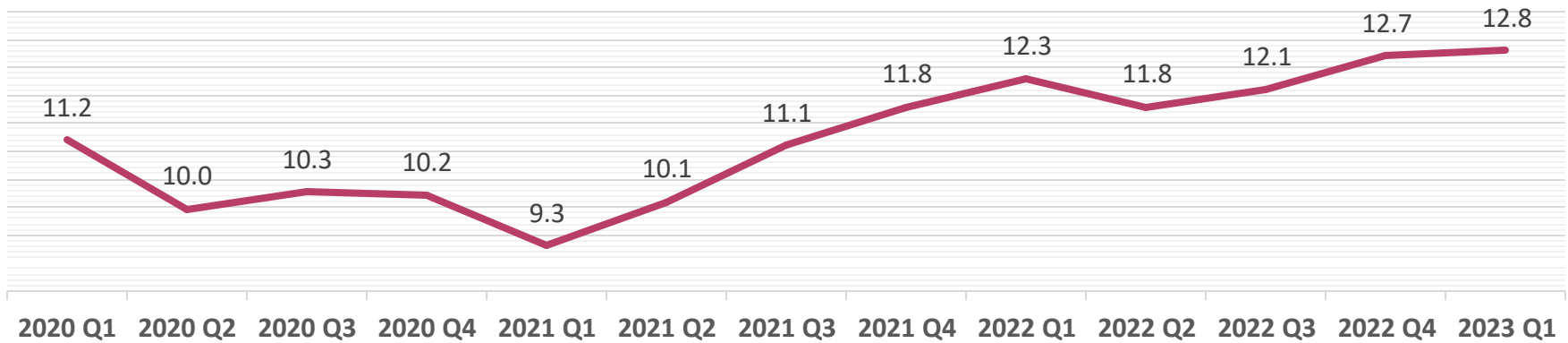
## AVG MATERIALS



# PERFORMANCE TRENDS

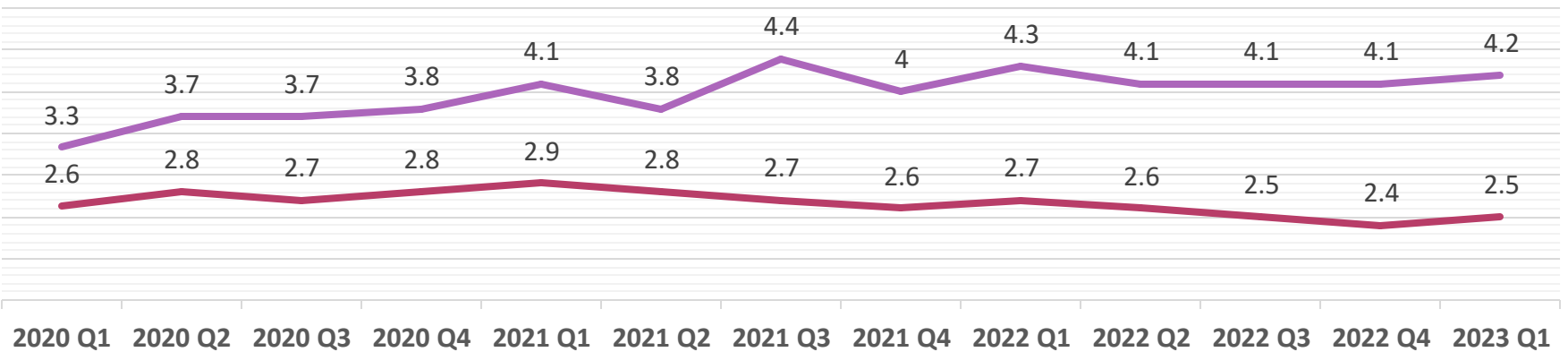
## AVG CYCLE TIME

— Arrival to Delivery



## AVG TOUCH TIME

— Touch Time — Touch Time - Top 10%

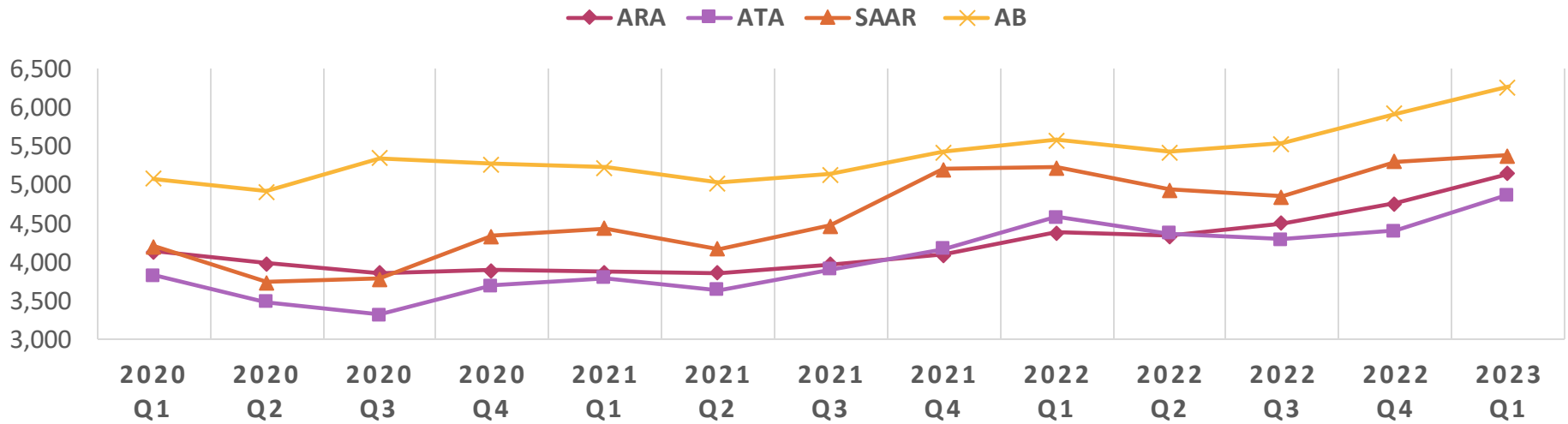


# 2023 Q1 ALLIANCE COMPARISONS

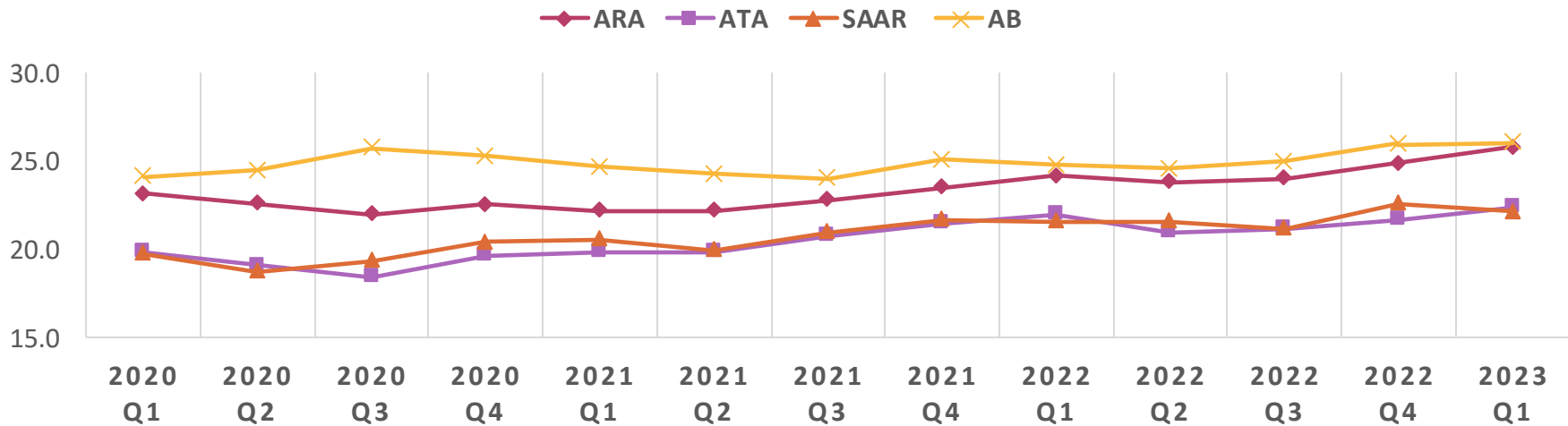
2023 Q1	ARA	ATA	SAAR	AB
Average Monthly Sales	348,769	344,791	338,940	293,109
Average RO Sale (Insurance)	5,147	4,874	5,381	6,276
Average RO Sale (Customer)	2,363	2,157	2,195	2,562
Average Non-Refinish Labor Sales	1,414	1,112	1,284	1,339
Average Body Labor Sales	1,261	984	1,173	1,182
Average Refinish Sales	733	697	771	763
Average Other Sales	877	688	1,017	903
Average Sublet Sales	319	175	394	418
Average Parts Sales	2,097	2,332	2,276	3,206
Average OEM Sales	1,500	1,829	1,721	2,547
Average AM Sales	487	343	474	539
Average LKQ Sales	103	59	78	81
Average Other Parts Sales	7	114	3	33
Average Paint Materials	448	414	537	354
Average Body Materials	111	99	86	131
Average Hours per RO	25.8	22.4	22.1	26.1
Arrival to Delivery	12.8	13.1	12.0	15.9
Arrival to Start	1.5	3.3	1.8	6.7
Start to Complete	14.4	12.8	12.0	15.2
Complete to Delivered	1.3	1.2	1.3	1.5
Touch Time	2.5	2.3	2.4	2.1
Touch Time - Top 10%	4.2	3.6	3.5	3.6
Asian	47%	47%	44%	46%
Domestic	32%	40%	50%	42%
European	21%	13%	6%	12%
Express (<10 hours)	17%	25%	20%	17%
Light (10-20 hours)	31%	32%	36%	30%
Medium (20-40 hours)	35%	31%	33%	36%
Heavy (>40 hours)	17%	12%	11%	18%

# RO SALE COMPARISONS

## AVG INSURANCE SALE



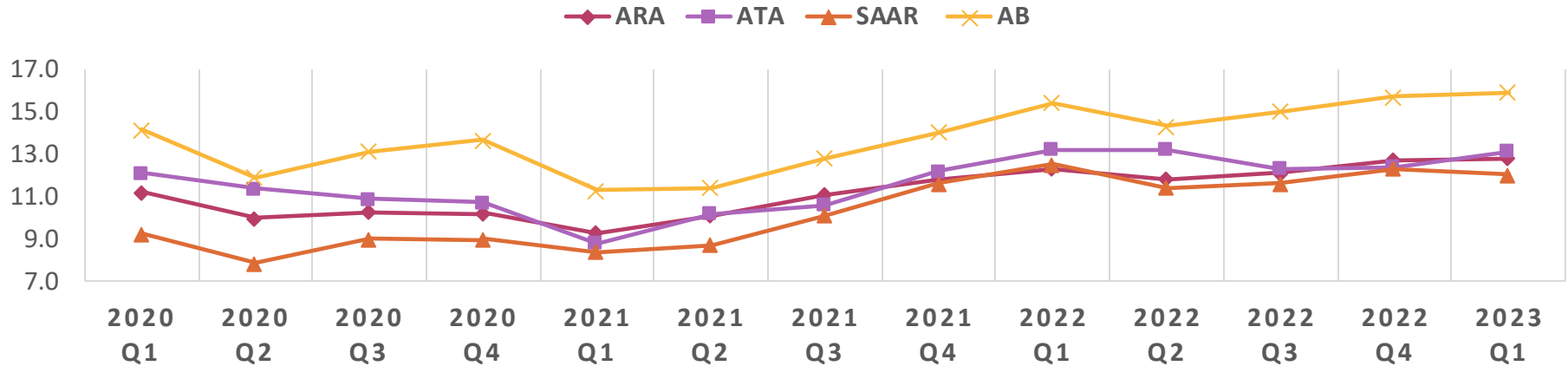
## AVG HOURS / RO



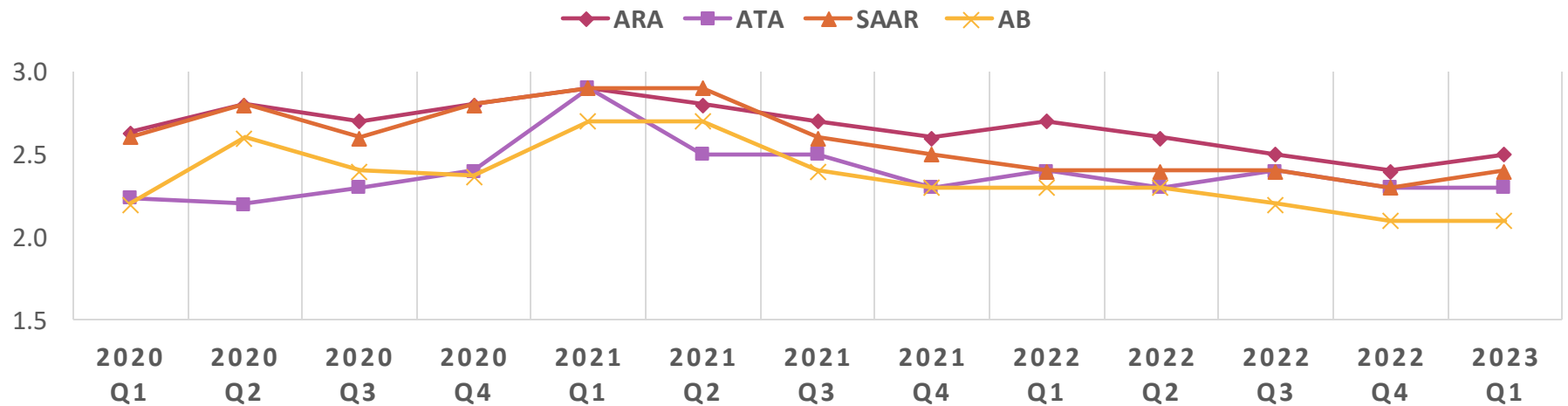


# PERFORMANCE COMPARISONS

## 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.