

# Mike Anderson estimating seminar

By Sandra Gwynn

On November 9, the Washington Metropolitan Auto Body Association hosted "Profitable Estimating—Know Your Cost," at the Holiday Inn in Crystal City, Va. Mike Anderson, the owner of Wagonwork Collision Center in Arlington, Va., gave the seminar, which focused on increasing profitability through estimating.

Anderson, who has presented the seminar in locations throughout the U.S., told attendees, "The biggest reason you're here is because of loss adjustment expense." When an insured's vehicle is damaged in an accident, Anderson said insurers have to set money aside until that vehicle is repaired. "If you fix that car, and you can fix it one day faster, insurers can reinvest the money and make interest on it," Anderson said.

When working with insurers, it is

important to "educate, not alienate," Anderson said. At Wagonwork, each estimator keeps a copy of what they call "the Bible," which includes information about not-included items and articles from trade publications and car manufacturers to educate adjusters about why certain items need to be performed.

Anderson also recommended that estimators not put times down just because someone told them that that was all the time they would get for a procedure. "You need to educate yourself before you educate someone else," he said. "Know your cars and what has to be done on each car."

Anderson said he sits down with his technicians and establishes standard operating procedures by finding out every operation that is performed for that procedure and all of the materials that are used in that procedure.

One of the most revealing moments of the seminar occurred when Anderson held up some products and quizzed members of the audience, most of whom were collision repair shop owners and estimators, about the cost of the products. Guesses about the actual cost of items, which included sealant and masking tape, varied greatly.

"No wonder the insurance companies come in and say the guy down the street is charging less," Anderson said. "He probably is because he probably doesn't know what it costs. You've got to know your costs."

When writing estimates, Anderson said the estimator needs to ask the technician questions, such as, "What do you have to R&I?"

"How many times is a car ready to be delivered and a tech comes in and says, 'I need a clip for a side molding?'" Anderson asked. "If you're an estimator, ask yourself, do you ever ask the tech, 'Do you need any clips?'"

When he plans to implement charges for a procedure that he did not used to charge for, or when he



Mike Anderson tells seminar attendees to develop standard operating procedures for tasks so they will know how much time and material they actually put into each procedure.

needs to increase his charges for a procedure, Anderson said he does not spring the charges on adjusters without warning. He asks the insurance company supervisors to come to a meeting and explains to them why he is implementing the charges. Then, he gives them time to get back to him with an answer about the increases.

After expenses, the profits of the meeting were donated to Camp Mak-A-Dream, a camp for children and young adults with cancer. **H&D**



Mark Claypool, right, representing the National Auto Body Council (NABC), attends Mike Anderson's November 9 seminar. The profits from the seminar (nearly \$4000) go to NABC's sponsored charity, Camp Mak-A-Dream.

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