

PROFIT MOTIVE: YOUR COMPASS TO FINANCIAL SUCCESS

# Making money on paint and materials

Focus on the details in your repair plan to drive profits

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**H**ow much profit are you making on paint and materials? Increasing profit on paint and materials can be as easy as focusing on the details in the repair plan. As you create a more detailed repair plan, know that your unsupported opinion doesn't matter to the insurance company.

Share all documentation that you can generate to support your position.

## Considerations for profit

Below are several areas to consider in your repair plan to capture additional refinishing hours and paint and material sales.

**1. Standard operating procedures.** Do you have a paint problem or a body repair problem? For example, is the bodywork being prepared to the proper grit, or are your painters required to use a larger quantity of primer to cover for this?

**2. Inventory controls.** Are materials going home, used on personal vehicles, or lying partially used around the shop?

**3. Waste.** Look for materials being used and not properly reflected on the estimate. Look for other wastes. Are painters mixing more material than they need for each repair? Are you using more basecoat, clearcoat, primer or sealer than you should?

**4. Material grade.** You may think you are saving money by not using premium grade sandpaper, but you may be using twice as much material to compensate.

**5. Accounting.** Are materials properly reflected on your profit or loss statement? Consider using a paint and material invoicing program.

**7. Paint labor hours.** If you calculate materials costs based on refinish hours multiplied by an hourly rate, increasing the number of paint hours on each repair will increase your material reimbursement.

**8. Blending versus panel refinish.** Do you make more money by blending into an adjacent panel or by panel refinishing?

**9. Job costing in your paint mixing system software.** Are you being reimbursed for what you are using?

## Estimate audits

Below are areas often overlooked on repair plans that should be considered.

**Adjacent panel weld damage:** If a welded-on part is being replaced, then the repair plan needs to include the repair and refinish of weld damage done to the adjacent parts. Remember paint times need to include inner and outer surfaces!

**Raw bumper preparation:** With unprimed bumpers increasing, it is critical that shops capture the labor and materials for preparing these parts for refinishing.

**Mask interior openings:** It may be necessary to provide additional masking for interior door openings, windshield and back glass openings, trunk or cargo areas.

**Denib:** This is required to remove small

surface imperfections.

**Seam sealers:** If original seam sealers are removed or damaged, include the costs of replacing these. To match the appearance and function of original sealers, some repairs will require more than one type be applied.

**Paint additives:** When refinishing plastic parts, you may have to use additional additives such as flex additives or adhesion promoters. If these materials are not included by the estimating system, make sure to itemize them on your repair plan.

**Feather prime and block:** While this has been debated for years, information indicates that it is a non-included operation. Be sure to add it.

## Additional sources

For additional help capturing refinish labor hours and material reimbursements, visit [www.DEGweb.org](http://www.DEGweb.org); [www.estimatescrubber.com](http://www.estimatescrubber.com); or see the SCRS Guide to Complete Repair Plan.

You can also download estimating guides for the major estimating systems from the DEG website. These will give you a listing of the included and not-included operations for each system.

## Free guide

Develop sets of supporting documentation for items where you encounter resistance. Use the documentation to support your position and as a tool to share your education and knowledge.

We have attached a documentation sample for preparing unprimed bumper covers for refinishing. See it free for a limited time at [www.ationlinetraining.com/abrn1504](http://www.ationlinetraining.com/abrn1504). 📄

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