

OEC EXPERT INSIGHTS

Collision Industry Insights: Q&A with Collision Industry Expert Chris Smart




Chris Smart, OEC General Manager, Collision, shares his perspective on the current market landscape, the challenges shops and suppliers are facing, and strategies to navigate the evolving industry.

What are some of the current trends affecting the collision industry?

Over the past year, we've continued to see a drop in repairable claims along with fewer vehicles being brought in for repair. Several factors contribute to this trend, including milder accident seasons, an increase in total losses, and aging vehicles. Overall, these have led to a reduction in the industry.

At the same time, vehicle complexity continues to rise. With the growing adoption of ADAS, shops should be investing in new tools and technologies to support and serve their customers.


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How have these trends impacted collision shops?

Fewer repairable claims mean shops have fewer opportunities to drive revenue. Despite increased vehicle complexity, shops are reducing the number of repairs in their backlogs. Shops are doing what they can to find business, either through certifications or other strategies. Once they have the business, they want to do everything they can to retain it with transparency around the repair, timing, and pricing. Plus, having access to proper repair procedures and the ability to order the right parts the first time helps ensure that the repair is done safely and reliably.

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How have these trends impacted parts suppliers?

The drop in repair volume also affects suppliers' ability to sell more parts. As a result, there is a major focus on driving new business while retaining existing business and relationships. Through this we've seen suppliers show a lot of interest in finding new channels to engage with their customers (the shops), like expanding loyalty and rebate programs. These programs present an opportunity for suppliers to incentivize shops to order more parts. There's also been an increase in promotional discounts along with new ways to connect with and market to potential buyers.

As always, collision shops are not only looking for competitive pricing, but also for quality parts they can get quickly, putting pressure on suppliers to be more transparent throughout the repair process.

Any other challenges or obstacles shops or suppliers face?

Margin pressure continues to be a big challenge on both sides of the business. With fewer opportunities to sell parts, all suppliers are looking to capture business throughout the process. This means managing the business relationship and providing optimal service to help ensure success.

Workforce shortages are another big challenge. This drives a need across the industry to ensure reliable repair procedures are available for collision shops. As vehicle systems continue to grow in complexity, access to accurate repair procedures helps drive quality. For suppliers, this means access to tools that support an improved parts procurement process with accurate part identification, helping reduce the cycle of returns and increase efficiency.

“There is plenty of competition in the market today, and collision shops are looking for the right reasons to do business with a supplier...”

What strategies do you recommend for overcoming these challenges?

In general, especially in the parts procurement space, there are fewer opportunities for shops and suppliers to work together. This makes every opportunity that much more important to continue fostering and developing these relationships.

Collision repair shops want to make sure they are ordering the right parts the first time – and know when those parts will be delivered. If the majority of parts are delivered next day, but one is weeks out, it delays the repair. Transparency with parts delivery continues to be important as technicians plan out repairs. This makes it important to have a healthy mix of suppliers to work with to ensure you can get the right parts and get them quickly.

Can you elaborate on Loyalty Programs?

Loyalty programs aren't new to the industry but remain a way for suppliers and shops to build relationships and do business with each other. These programs often offer rebates when certain purchasing thresholds are met, whether by individual shops or groups. The incentive structures vary, but the goal is the same: reward consistent purchasing behavior. There is plenty of competition in the market today, and collision shops are looking for the right reasons to do business with a supplier and this is one option available to them.

The end goal is to **facilitate safe and reliable repairs** and to **get the vehicle owner back on the road as quickly & safely as possible.**



Any other advice for shops, dealers, and suppliers trying to navigate the market?

At the end of the day, this is a relationship business. Yes, there is a commercial aspect to it all, but at its core, it's about providing excellent service across the network. The end goal is to facilitate safe and reliable repairs and to get the vehicle owner back on the road as quickly & safely as possible. At OEC, we recognize this, and our team is dedicated to providing the tools to make that a reality.

Meet the Expert

Chris Smart is a recognized industry expert with extensive experience in collision repair trends and parts procurement. He specializes in helping shops and suppliers navigate market shifts through strategic planning, technology adoption, and customer engagement.

