



**COLLISION
INDUSTRY
CONFERENCE**

Future Industry Business Models

Future Disruptions Committee

Presented by:

Chair: Frank Terlep

Co-chair: Jake Rodenroth



Future Disruptions Committee

Mission: Identify, share and drive discussions regarding future trends, technologies, disruptions, business models, and concepts that can and will disrupt all industry segments within 5-10 years. By identifying and sharing this information this committee hopes to help all segments prepare for and find common ground to deliver solutions that ensure the consumer's experience and safety meets or exceeds their expectations.

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Future Disruptions Committee

Committee Members:

Jake Rodenroth: **Lucid Motors**
Frank Terlep: **Auto Techcelerators, LLC.**
Trent Tinsley: **Entegral**
Fred Iantorno: **AirPro Diagnostics**
Jimmy Spears: **Tractable**
Sean Carey: **SCG Management Consultants LLC**
Gabriel Morley: **VeriFacts an OEC Company**
Karl Kirschenman: **Spanesi**
Patrick Porter: **Assured Performance an OEC Company**
Taylor Moss: **OEC**

Rick Palmer: **ComputerLogic**
David Willett: **SPARK Underwriters**
Michael LoPrete: **Plastfix Industries**
Kevin Wolford: **Ameca**
Dirk Fuchs: **I-CAR**
Donald Finley: **CSAA**
Eric Newell: **AirPro Diagnostics**
Greg Potter: **ETI**

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Future Business Models

5 – 10 Years
Out



Future Business Models



It's tough to make predictions, especially about the future.

(Yogi Berra)

izquotes.com

Future External, ESG and Vehicle Influences

- China Largest Vehicle Market
- ADAS and Autonomous Technologies
- Speed of BEV Rollouts and Grid Improvements (Lack of)
- Government Regulations
- Socio-economic events

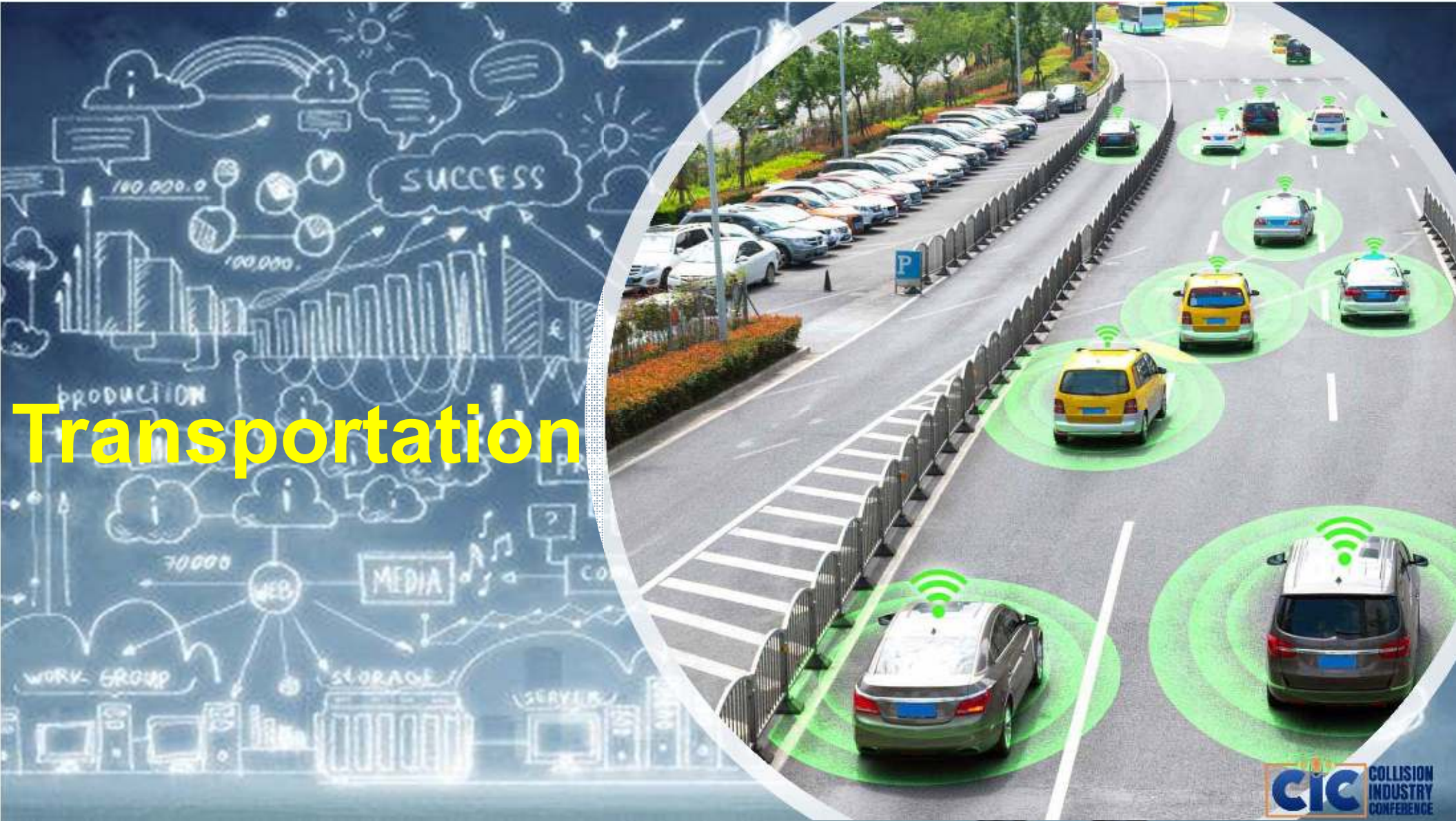


Future Business Models

- **Transportation**
- **Insurance & Claims**
- **Collision Repair**
- **Salvage/Recycling**
- **BEV's**



Transportation



Transportation

How vehicles will be bought, leased, rented and used.



Transportation

*The Heart of
the Market
Today*

Level 1

- Traditional Ownership
- Taxi Cabs
- Rental Cars
- Traditional Leasing
- Fleet Owners and Administrators

Transportation

Future Transportation Models

Level 2

- OEM Aftersale Programs
- Advanced Leasing (Tesla & Volvo Programs)
- Ride Sharing - Privately Owned Fleet
- Turo

Level 3

- Hybrid Ownership (Reach Now)
- Advanced Ride Sharing - Corporate Fleet

Level 4

- Emerging Companies - Partial Ownership
- Advanced OEM Aftersale Programs
- OEM Specialty Partial Ownership

Level 5

- OEM Mainstream Partial Ownership
- Advanced Fleet Owners and Administrators



Insurance and Claims



Insurance and Claims

*The
Future is
Now....*

- Artificial Intelligence on Photo Estimating
- “Straight-Through” Processing
- OEMs as underwriters
- OEMs with branded policies from insurers
- User-Based Insurance (UBI) - onboard
OEM connections or third-party software
- MSO-only repair networks



Insurance and Claims

*The Future:
Disruptions,
Evolutions, or
Inevitability?*

Claims as a Service (CaaS)

- Standard policies are digital only; add'l premium required for personal interaction
- New policy models, such as unlimited coverage on repairs, rental, tow
- Look to Homeowner Policy trends



Insurance and Claims

*The Future:
Disruptions,
Evolutions, or
Inevitability?*

OEM Influence

- OEM Riders: not just for OE parts, but for repair plan at OE certified shop
- Specialized DRP networks for certain OE Makes
- OEs mandating lease customers to purchase and maintain OE parts riders



Insurance and Claims

*The Future:
Disruptions,
Evolutions, or
Inevitability?*

Other

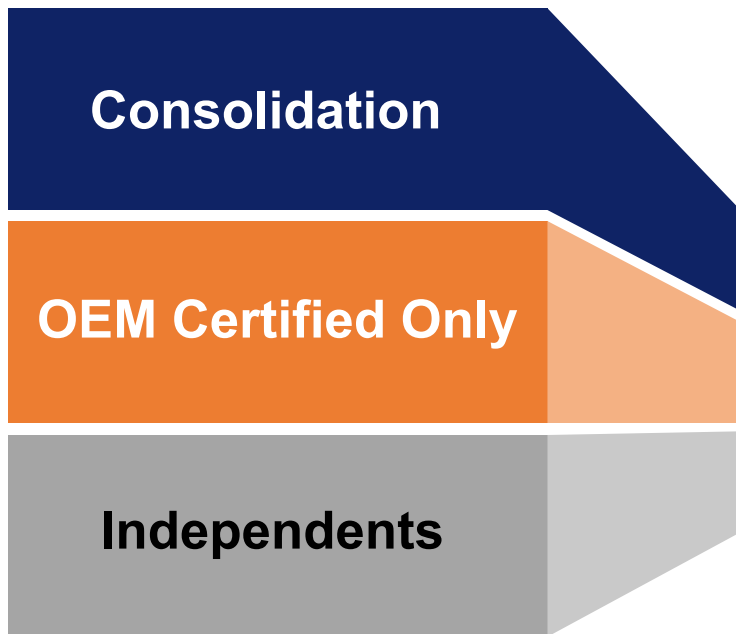
- Repair Plan coverage versus Estimate-based predication
- Increased LAE predicates fewer estimate negotiation models for non-network repairs (“Spend \$100 to save \$5”)
- Rising claims, severity, and settlement costs shift automotive claims into “non-fault” territory



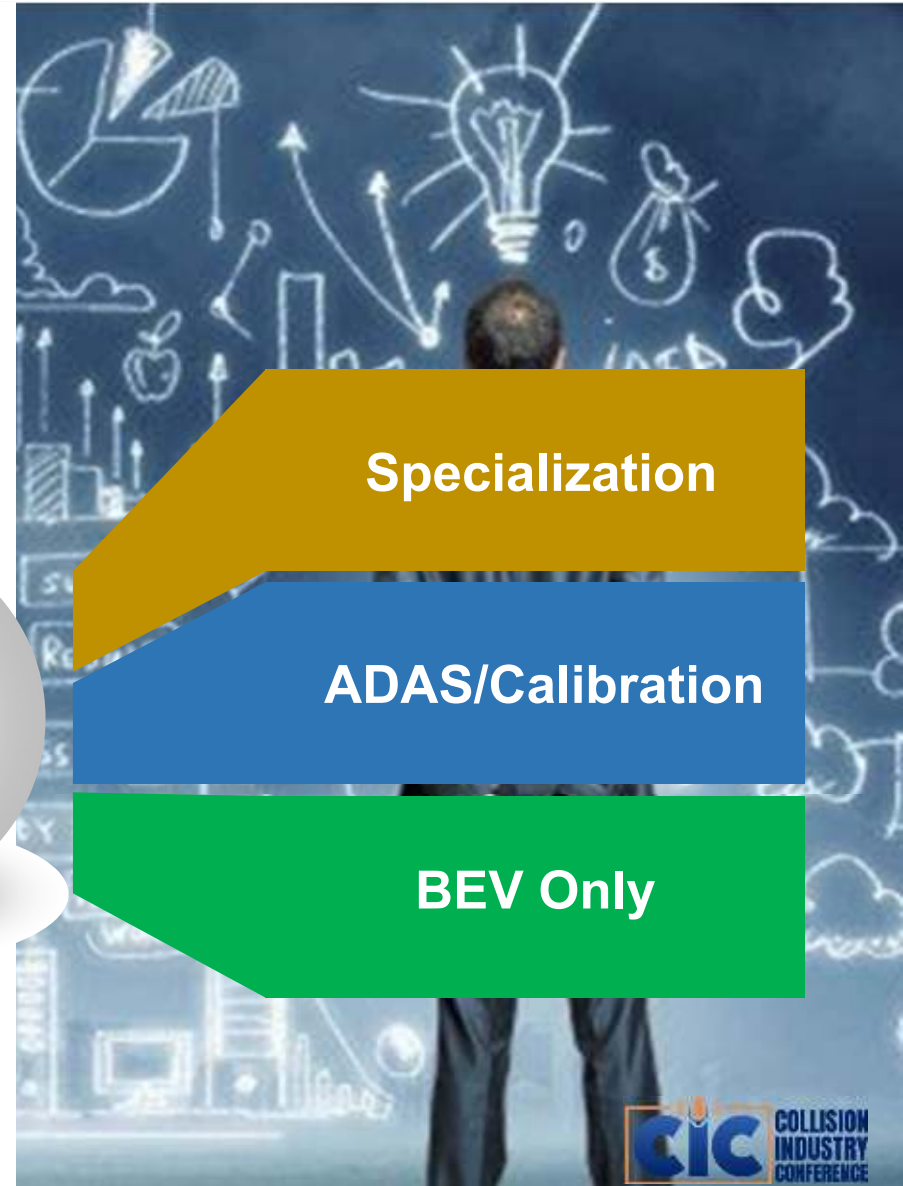
Collision Repair



Collision Repair



Future
Business
Models



Collision Repair

Consolidation

More VC/PE\$\$
Big, Get Bigger
Repairer/Insurer Dynamics Change
Collision/Glass/Mechanical/ADAS
Regionals Consolidate/Acquire/Get Acquired
Dealerships Groups
Many MSO's

OEM Certified Only

Will Increase Dramatically
OEM Specific Insurance
Will Drive INOL
Increased Parts Restrictions
Proprietary Software/Data Platforms
Vehicle Based App/Data Platforms

Independents

Part of "Something" Bigger
Rural
Specialist
Franchise/Network Participant
"Older" Vehicle Repairs/Cosmetic
Fleet Repairs

Specialization

No Options
Driven By OEM Repair Requirements
Driven By Vehicle Technology
Driven By Expertise Shortage
Less Vehicles/ More \$\$\$

ADAS/ Calibration

200 MM Vehicles by 2030
\$3.0BB Annual Revenue by 2030
8000+ Facilities by 2030
ADAS Validation Software/ Inspections
AV Validation Inspections

Battery Electric Vehicle's

Separate Facilities
PDI/ Deliveries for Some EV Manufacturers
Fleets (Amazon)
Charging as a Marketing/ Profit Center
Storage Business Opportunities

Salvage & Recycling



Salvage/Recycling



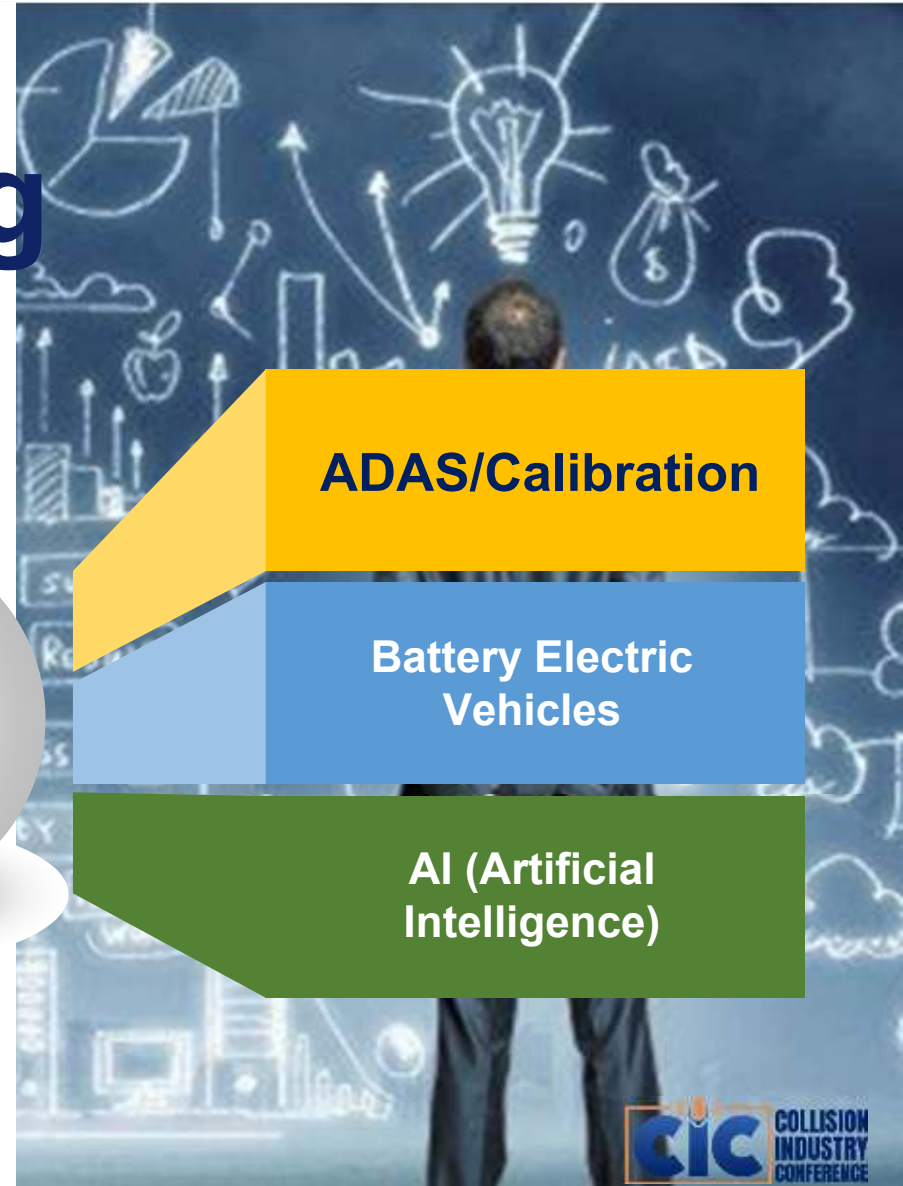
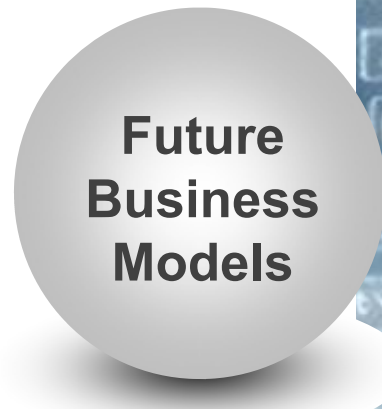
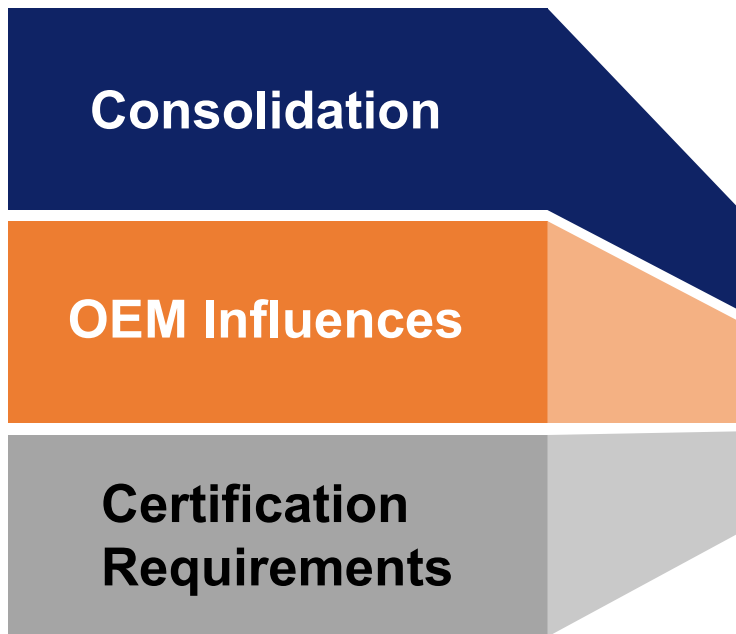
**Shifting
Paradigm of
Automotive
Recycling**



Professional Automotive Recyclers

will continue to experience rapid shifts on an all-encompassing level, from business model, data integrity, acquiring inventory, customer expectations and more. The industry's response to these challenges are determining its future

Salvage/Recycling



Salvage/Recycling

Consolidation

A growing number of venture capital companies will continue to enter our industry

OEM Repairs

Professional Auto Recyclers will have to be highly engaged in efforts to meet OEM specific repair requirements

Certification

More cooperation across all automotive sectors to assure all aspects of certification are followed/met

ADAS – Calibration

Professional Auto Recyclers will need better access to ADAS Calibration to assure proper fit and function

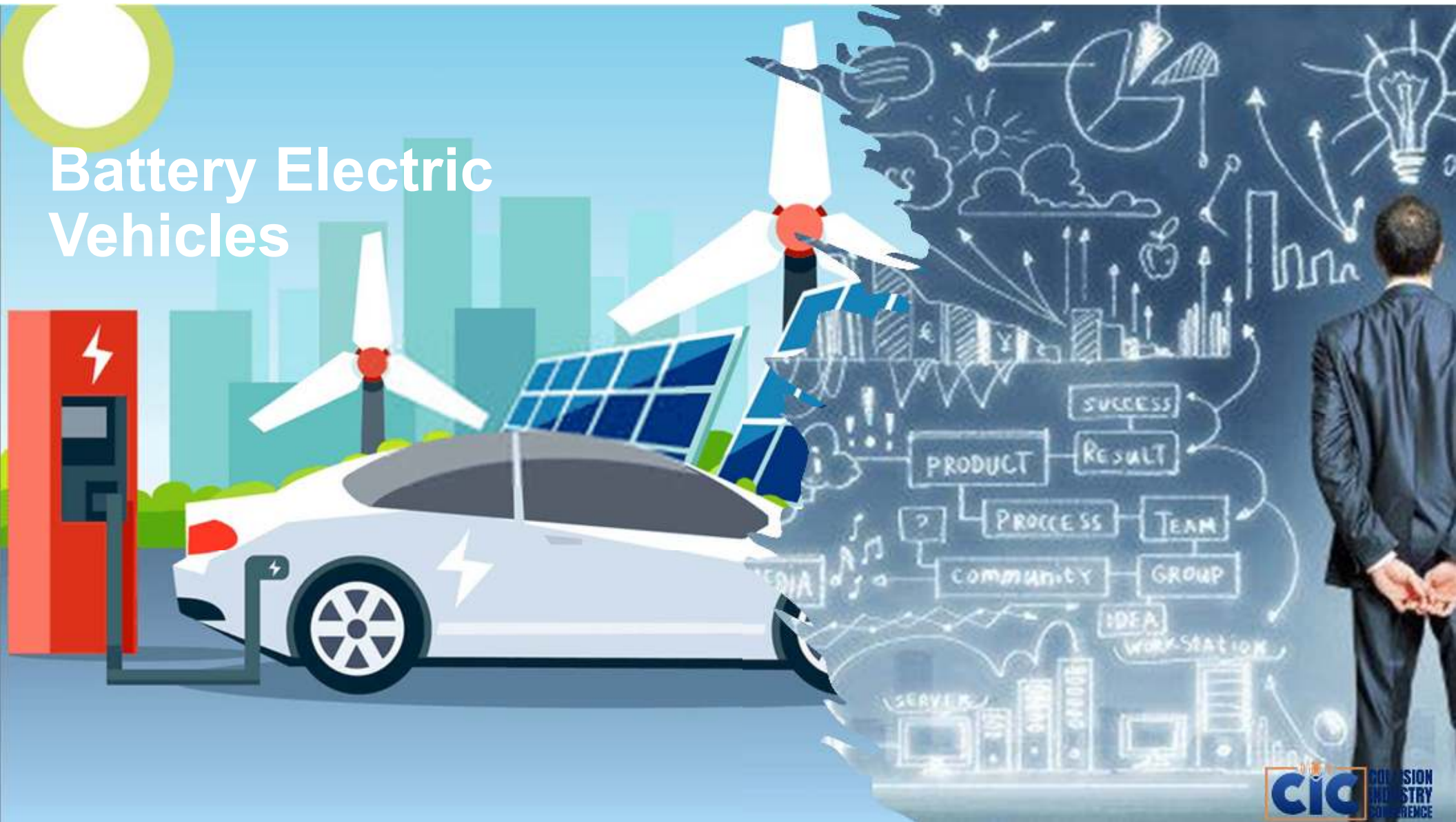
BEV

Auto Recyclers must continue to engage in industry specific training for proper handling and processing BEV'S

AI

Auto Recyclers will use more AI to inventory – determine condition of ROE parts

Battery Electric Vehicles



Battery Electric Vehicles (BEV's)

EV Charging Facts:

- Electric Battery capacity's **80 - 118 KWH**
- Average Vehicle Consumption **35KW / 100mls**
- Best Vehicle Consumption **24KW / 100mls**
- 80% Recharging (118KWH) **94KWH (30min)**
- **\$ 0.14 / 1KWH** Electricity Cost (National Average)
- **\$ 0.43 / 1KWH** Charging Cost (Electrify America)

48 Charges / Day	24 Charges / Day	12 Charges / Day
\$1,308 / Day	\$654 / Day	\$327 /Day
\$39,240 / Month	\$19,620 / Month	\$9,810 / Month



Battery Electric Vehicles (BEV's)

The BEV Customer...

- Range
- Comfort & Convenience
- Connectivity
- WOW Customer Service



Battery Electric Vehicles (BEV's)

The BEV Collision Repair Shop...



Battery Electric Vehicles (BEV's)

The BEV Collision Repair Shop...



Battery Electric Vehicles (BEV's)

Why MUST the Collision Industry Evolve?

- Be adaptable to new and changing service and sales models.
- Invest in training and tooling.
- Apprenticeship programs and supporting local schools.
- Marketing and Online Presence

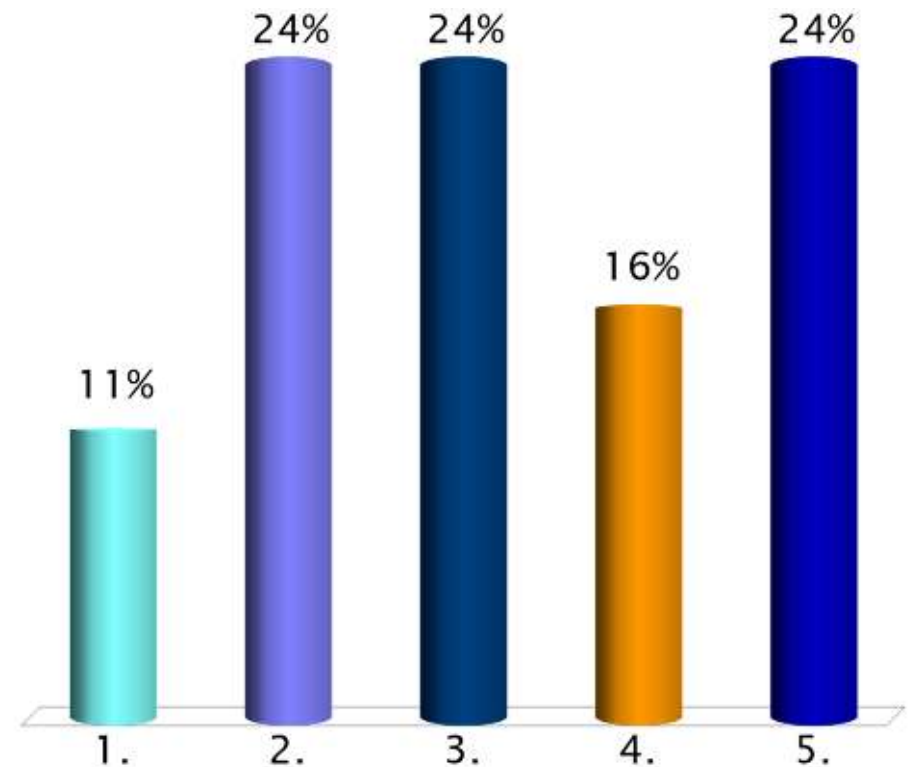




Summary

Future Presentation Topic Choices

1. A Deep Dive into AR/VR
2. Robotics in Collision Repair
3. Vehicle Self-Diagnostics
4. The Future of Telematics
5. The Future of New Car Dealership Models





Future Disruptions Committee

THANK YOU

If you are passionate about the future, willing to contribute and are interested in joining the committee, please contact:

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