

# David Lingham

## Head of Business, Fix Auto World

AS HE APPROACHES 30 YEARS IN THE COLLISION REPAIR INDUSTRY, DAVID LINGHAM SAT DOWN WITH THE NATIONAL COLLISION REPAIRER TO DISCUSS THIS EXCITING PHASE OF HIS DISTINGUISHED CAREER AND HOW FIX AUTO WORLD IS RESHAPING THE INDUSTRY.

**NCR:** Would you tell us a bit about who you are and where you've come from?

**DL:** I've been in collision repair since 1989, worked for a paint company followed by some time in distribution in the UK. I set up my own business and was involved in the IBIS events, did a lot of training, coaching and ran seminars for various people around the world before being approached by Fix Auto to help them open up new countries. The role was expanded to a global role looking after Fix Auto World and NOVUS Glass, the recently acquired windscreen repair and replacement business.

**NCR:** So, you were the driving force behind Fix Auto's arrival in Australia?

**DL:** I don't know about being the driving force, but I started the initial investigation with a bit of help from my friends. When Steve Leal said he wanted to go into other countries I knew from my experience in Australia that it was a market worthy of investigation, and the more I spoke to body shops, the media and insurers, the more I realised it was a real opportunity for something a bit different, something that looked after the interests of the independent repairers who may be a bit uncertain about their future with the trend in consolidation.

**NCR:** So, what was it that attracted you to Fix Auto?

**DL:** Firstly, I needed a bit of a change as I had run my own business for 14 years. I knew of the Fix Auto model

as I had recruited their first ever employee in the UK and had facilitated Fix Auto conferences in Canada and the US. But with Steve Leal buying the company and injecting a huge amount of passion and enthusiasm, as I approach the latter years in my career I thought that this would be fun, and the opportunity and the timing were just right. Building a global business and a global team is a huge challenge, but with hard work we will create something in which the market will be very interested.

**NCR:** Has it really been fun and what have been the real highlights?

**DL:** Absolutely - I surround myself with very talented and enthusiastic people and we have grown from five countries to ten countries in three years. Getting the right team is the key. I like to mix it up a bit so that we have different perspectives and we challenge each other to ensure we create the best outcomes for the business. Of course, with a growing team it helps as new talent comes in and my own team has grown from three to 13 people in only 18 months. We have a regional focus: two years ago in this region (Asia Pacific, Australia and New Zealand) we had nothing. We now have six businesses, 320 franchisees, a team of staff and a head office in Brisbane. The six businesses are: Fix Auto China, Fix Auto Australia, Novus Australia,

Novus Western Australia, Novus New Zealand and now we have Fix Auto New Zealand, which we presented to the market mid-February. We have agreed terms with our master franchisee, who happens to be the same team behind Novus New Zealand, and we are increasingly bringing the Fix Auto and the Novus brands together to provide a one-stop solution for consumers, fleets and insurers.

**NCR:** You mention insurers - how do you address the perennial question that Fix Auto cannot provide work, so "what's in it for me?"

**DL:** Let me give you an analogy.

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Imagine we have a cake and there is icing on this cake. Our cake is that we can offer better operating efficiencies, better throughput, greater profits, a vision for the future through market planning, business planning, succession planning, exit strategy – all these things. This is our cake and the icing on the cake is the work. Having the icing before the cake makes no sense. We have always delivered work in every other country and in some countries, South Africa for example, the insurers are helping us drive the membership of the network because they believe in the Fix Auto model of trust and transparency. In this region the focus has been to deliver to our network the operating model, systems and resources and to build relationships with great suppliers. I have no doubt we will also deliver the icing on the cake.

**NCR:** How has the market responded to your rapid growth in Australia?

**DL:** We are very pleased with what we have achieved so far. Of course we would like more, but the team headed up by Terry Feehan is doing a cracking job attracting interest with all stakeholders. Terry is going to get more support locally, more senior management support, and we are capitalising on the Novus link, which has taken the conversations to a new level. We see both brands benefitting from this approach.

**NCR:** You say you want more – can you quantify your ambitions in Australia?

**DL:** Our ambition over the next three to five years is to have 150 to 200 body shops in the network. Now, we won't do this one at a time, we will be looking to accelerate the growth rate. I



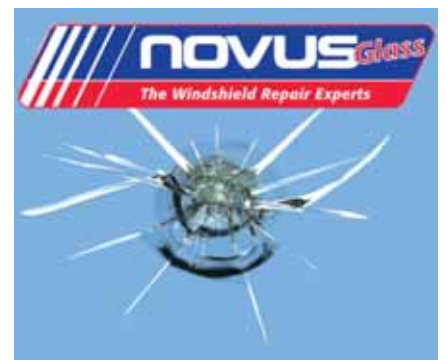
think some of the changes in the market place will bring some of this to us, as alternative solutions for independent repairers have not been available, which has led to a situation where many have needlessly sold or needlessly closed. So, for businesses that want to embrace change, we believe we are a great option for them.

**NCR:** Sounds like Fix Auto will be an active participant in the consolidation process?

**DL:** Yes, very much so. We will accelerate consolidation now that there is a different model available. Now, each model has its place, but for an independent repairer who is looking for a strong future, Fix Auto can offer something unique – retain ownership of their business, provide a future for their family and create a long-term business for the next generation. This is particularly important in Australia where the car is a vital part of our everyday life, which is reflected in the car ownership density of 70 percent in Australia and 100 percent in New Zealand. However, notwithstanding the collision avoidance technology being engineered into the cars of today, cars will continue to hit each other for some time to come.

**NCR:** What are the key challenges for Fix Auto in this changing environment?

**DL:** A key challenge is for the independent body shop owner to recognise that they must do something, although currently there just isn't a high enough level of trust and transparency. Recently I was leading a discussion on KPIs and it was suggested that we need a KPI for trust. The Fix Auto



model can provide such a KPI by removing the friction between collision repairers and insurers and being very transparent. We have extensive experience building a consumer brand which, for a business owner who wants a strong future and is willing to take advice, really creates a trust-based model in their local community. In turn, this provides a source of comfort to the car owner and the insurer. This is best exemplified by the result of a survey in the UK that, when asked for one word that describes what Fix Auto means to them, 60 percent said “family”. For us, this illustrates how we look after each other when the chips are down – you do not have to do this on your own, you are part of something much bigger.

**NCR:** How has the acquisition of Novus impacted the business?

**DL:** The first thing is that people have really taken notice. We now have a head office in Brisbane, the staff are getting involved in both brands, we are building a team to support Terry and the franchisees will begin to see other opportunities and another source of income as they support and interact with each other. For us, Novus is a fantastic fit for the Fix Auto model.



**NCR:** And how will this sit with the car manufacturers' push for genuine parts?

**DL:** The first thing to note is that Novus founded windscreen repair, as distinct from replace, and we now train our body shop technicians to repair the windscreen and the result is better quality than others in the market and it saves the windscreen. The advent of ADAS has driven windscreen technology to new heights and the repair model means that we are not involved in the recalibration process.

**NCR:** And the structural nature of a windscreen?

**DL:** We would never get involved in anything that compromised safety and there are some windscreens that we will just not repair. However, we believe there are many windscreens that are replaced unnecessarily given the capabilities of the Novus system and the benefits to our entire business. Not surprisingly, there is great interest from the insurers.

**NCR:** Looking ahead, what changes do you see taking place in the industry?

**DL:** I'd like to think that as an industry we become a career choice for young people. We have been good at positioning the industry as a vocation, but not so good at marketing the career prospects. This is a "must do" scenario, otherwise the talent really will dry up. Leadership is critical in achieving this goal and under our model, as we have done in other countries, we have senior management programs to turn franchisees into true leaders of the industry. In addition, we must address the challenge of teaching mentoring skills to really motivate the younger generation. Poor mentoring has been a key driver of the high attrition rate of apprentices across the globe. Those that do it well base their mentoring on trust. As Fix Auto unfolds, training our people how to mentor our future leaders is a key part of our value proposition.

**NCR:** How would you sum up Fix Auto's position and capacity to meet the challenges of the changing industry?

**DL:** We have an amazing resource in

a great financial partner so, providing we invest wisely, there will be no limits to what we can achieve. We will continue to recruit talented, enthusiastic and passionate people who will take a business that has gone from a nobody to a real somebody in only two years, and the next steps will be even bigger. The reality is that we simply cannot fail – there is just too much at stake. Terry and the team intend to bring new life to family-owned businesses.

To wrap up, let me paraphrase Steve Leal: when Hernan Cortes arrived in The New World in the sixteenth century he ordered the burning of the ships as a motivator, leaving no way back. For us it's the same – success is the only option.

**Editor: It is clear that David and his team have big plans for Fix Auto and intend to play a major role in changing collision repair landscape. As a global leader, it is tremendous to see the optimism that David has for the future of the industry in Australia and New Zealand.**



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