



SHOP MANAGEMENT | BEST PRACTICES



AUTO BODY REPAIR NETWORK

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# MSO PROFILE

A snapshot of one of the industry's leading MSOs

CARUBBA COLLISION / BUFFALO, NY



## AT A GLANCE

### Carubba Collision

Name of MSO

**Buffalo, NY**

Headquarters

**8**

No. of shops

**1**

States reached

**60**

Years in business

**185**

No. of employees

**PPG**

Paint supplier

**carubbacollision.com**

Website

# MSO is an upstate hit

Carubba Collision fuels growth with customer services

BY **BRIAN ALBRIGHT** | CONTRIBUTING EDITOR

**F**ans of the Buffalo Sabres hockey team and the Buffalo Bills are used to seeing collisions on the ice and on the field. Especially good hits, however, get highlighted at home games during the “Carubba Collision of the Game,” which is replayed on the scoreboard during home games.

The video spot is sponsored by Carubba Collision, a well established, family-owned collision repair business. The Carubba family has been repairing cars in the Buffalo area for more than 60 years, and is now in its third generation of repair professionals. Over the past

decade, the company has steadily expanded from its two original locations to a network of shops that now extends into Syracuse and other communities.

While there are 11 total Carubba shops in New York, the shops are actually part of two separate businesses.

President and CEO Joe Carubba owns eight shops, while his brother owns the other three locations. “We share the brand name, but we’re two separate entities,” Joe Carubba says. “We’d both rather run our own businesses.”

As late as the 1980s, though, there



was just one Carubba location. “Our real growth really started taking off in 1999, when we had two stores,” Carubba says. “We got squeezed out of one of our original stores by Sears.”

The retailer was expanding, which wiped out most of Carubba’s parking. “It really forced our hand to look for a bigger and better spot,” Carubba says. “We found a Volkswagen dealership that was moving, and we bought that building. That started our expansion.”

### Moving into new markets

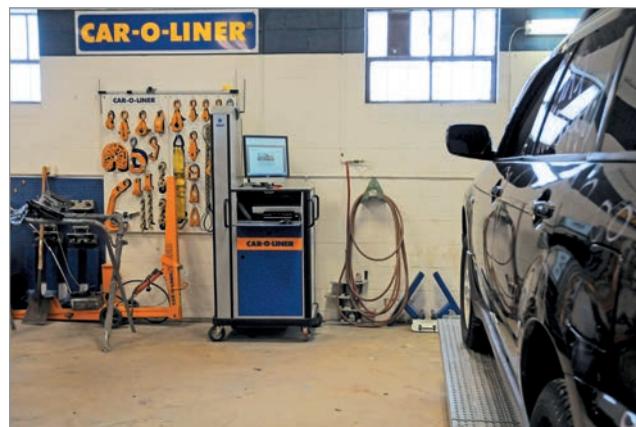
Most recently, the company purchased new locations in Buffalo and near Syracuse, and in June held the grand opening for its shop in Jamestown.

The Jamestown location was previously Gary’s CARSTAR. In that case, Carubba acquired the shop, while the former owner (Gary Adams) is staying on to handle mechanical work and towing, as well as serve in a consulting capacity. Carubba retained fifteen other employees and hired five additional people from the surrounding community.

Carubba has grown both by building new shops and by acquiring existing collision repair businesses. “We just recently added stores in North Buffalo by buying an existing shop,” Carubba says. “But prior to that we bought a building in Syracuse and started from scratch. In Jamestown,

we bought an existing business. So we’ve done it both ways.”

The decision to build or buy comes down to the availability of a good shop that is willing to sell at the right price. In some cases, creating a new store makes more sense. When Carubba is looking for potential acquisition partners, he says that the size of the shop, the location, market share and ownership all play a role in the evaluation. Carubba also considers input from insurance partners. “Do we want to be in competition with them or not?” Carubba says. “If the owner is going to stay, are they the kind of person you want working for you? We look at all of those things.”





The expansions south to Jamestown and east to Syracuse have been successful, so that growth is expected to continue, as the company is looking for additional opportunities in the central New York area and beyond Buffalo.

"Syracuse was actually a bit of a risk for us, but it has turned out to be a great location, so we'll probably expand even more," Carubba says. "Our level of customer service is going to be appreciated in that market."

Capital to fund the company's growth has not been a challenge so far. "Expansion is a major investment, so you have to be somewhat liquid and have a good relationship with your bank, your equipment providers and your paint company," Carubba says. "We've been fortunate in that we're in good standing with the bank and haven't run into any trouble. In fact, our bank is actually looking for us to be as aggressive as we can with our expansion, within our means."

The company has an established transition plan for each shop that it acquires. Carubba and his team first make sure the shop is converted to the Carubba logo and color scheme, install the shop management system and update the equipment.

"Then it's up to our operations manager and some of our key staff to go there and train the employees on how we do business," Carubba says. "That goes from how we greet customers to how we do our quality control checks. It usually takes a few months to get everyone acclimated to the way we do business. If you have the right people in place, everybody's happy about it."

For both new builds and acquisitions, the biggest challenge is ensuring there are enough technicians and

painters available to handle the workload for the new locations. "We've been pretty fortunate with our acquisitions, but our biggest struggle in a new market is finding the right people and having the right amount of technical staff to meet demand," Carubba says.

### Centralized management

Carubba Collision has a centralized management team in Buffalo that includes Carubba himself, a controller, a mergers and acquisitions attorney, marketing director and operations director. There are also central points of contact for vendors, and for working with insurance companies and direct repair programs. The employees at the shops are also given opportunities to move into new positions as the company expands.

Carubba says the company ensures they have the right people with the right training. Most of the store managers began with Carubba in other positions, and moved up the ladder.

"I rely on the corporate team to work with our store managers, and we just continually train and move people up the ladder so that when we grow, we have people to move into those new positions," Carubba says. "If you don't have people on the bench to move over to a new shop, it's impossible to grow like this."

When the company expanded into Syracuse, for example, a key employee from Buffalo was able to shift over to the new operation. "He knows our Carubba culture and he understands our standard operating procedures and our production system," Carubba says. "I look forward to having him expand the Carubba brand in that market."

Hiring is also handled centrally. "If a manager needs a tech or a painter, they

send a request to the operations manager and then we have our own human resources person who handles the application process and interviews," Carubba says. "If they want to hire an administrative person, then the manager has to present a good business case for adding an employee. They have to be profitable enough to add that person."

All of the stores use CCC ONE software for claims and shop management. The controller uses data from the system to prepare monthly reports on profitability. "We have a good idea of who is making money and how much they are making, and if a problem arises I know about it pretty quickly," Carubba says.

Carubba is in contact with most of the store managers each week, but the operations manager handles day-to-day contacts. The managers meet monthly either in person or through video conferencing. "That monthly meeting is all about sharing numbers, sharing best practices, helping each other troubleshoot problems and getting feedback from the other managers," Carubba says.

### Fast cycle times key to success

According to Carubba, the company has differentiated itself from the competition by focusing on customer service, quality and improving cycle times. The company offers Enterprise Rent-A-Car services at each location, and there are insurance representatives from major carriers at most locations. "We put very customer service-oriented people at the front counter, and we have an easy sales process," Carubba says. "We have a call center, so the phones at the shop aren't ringing and distracting the employees."

Roughly one quarter of each shop is

dedicated to tear down, disassembly and parts procurement. “When a car is handed off to a tech, 98 percent of the time he has the right estimate and all the right parts,” Carubba says. “We don’t want cars inside the building that we can’t finish.”

The key to maintaining efficiency and throughput is a thorough inspection and making sure that when a car arrives, the parts and technicians are available to ensure repairs start immediately. Carubba also provides a real-time repair tracking system so customers are kept up to speed on the status of their vehicles. “For us, it’s all about cycle time, and the only way to achieve it is to have good work on the floor, know all the repair content, and knowing when we’ll get the parts,” Carubba says.

The Buffalo-based stores do some load leveling, depending on the DRP requirements. “We have a call center, so most of our load leveling actually happens at that point,” Carubba says. “We

direct the customer to the store that can service them the fastest before they even get to the shop.”

Having multiple locations has strengthened the company’s relationships with its DRP partners as well. “If you perform well, those relationships always get stronger,” Carubba says. “When we grow our business, our insurance partners are happy to see us. You need to meet their criteria and perform well.”

Carubba says the company is making investments in new technology and training so they can stay on top of repair trends. The company has a dedicated aluminum vehicle repair shop in Buffalo, and he expects to add that functionality to additional locations. “We are constantly doing I-CAR training, and continually making huge investments in equipment to repair the cars properly,” Carubba says. “Cars are only getting more sophisticated.”

Carubba expects there to be fewer repairs as a result of more totals and

more expensive repairs, as well as smarter cars having fewer collisions. “We have to grow our market share so we don’t see a dip in volume,” Carubba says. “You have to be the most convenient, the most well-tooled and have locations in the right areas. You have to be the shop of choice for the public, and for your insurance partners. As repair demand declines, you have to focus on your place in the market.”



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