



An alternative for independents

Unique partnering of companies sets a new precedent..

Written by **Chris Skalkos**

Unique partnering of companies sets a new precedent in the autoglass industry.

A movement to organize the reputable independent autoglass shops in Ontario is coming to fruition with the formation of Unipro Auto Glass. Launched in 2003 and spearheaded by autoglass industry veteran, Steve Sen as its president, the focus of this organization is to obtain buying power and market share for independent autoglass retailers.

Last year, Unipro joined forces with PH Vitres d'Autos (PH Auto Glass Group) and GVI Management Group which owns approximately 70 autoglass franchises in Quebec known as Vitroplus, as well as being affiliated with Ramko Auto Glass, Dr.Pare-Brise, and Vi-Maxco.

After this merger, Unipro members were given the opportunity to remain as independent shops under the brand name Unipro or become franchise stores which are now opening up across Ontario as Uniglassplus.

“Unipro instantly felt comfortable with the strong team approach shown at GVI, as this is the mode under which our members prefer to operate,” says Sen. “There will be no corporate stores. We feel the strength in our group comes from the desire of each of our members to improve and grow their own businesses. Most independents see the value in the Uniglassplus franchise model and these are growing in numbers very quickly. The structure of our group will enable our member autoglass shops to compete equally in the marketplace.”



From left: Yanick Morin, vice-president of business development for Vi-Maxco; Cinzia Marino from Shadow Autoglass, a Uniglassplus member in London, Ontario; and Steve Sen, president of Unipro Auto Glass. A unique partnering of companies in the Canadian autoglass industry is forming a movement to organize independently owned autoglass shops to help them obtain buying power and market share.

Uniglassplus has a committed supplier in Nationwide Auto Glass which has opened new warehouses in Ontario to better serve its customers. “Its commitment to our group has given us a solid base upon which we can expand,” says Sen, adding that a new feature will offer its members representation to the insurance industry to secure more work from windshield replacement claims.

The issue of distribution of insurance claims work has been going on for some time in provinces that have a privatized insurance industry. For years, independent autoglass companies have complained that insurance companies have contracted out the claims service to call centres that direct consumers to shops

affiliated to national corporations and franchises which they own. Originally, there were three call centres operating in Canada, but one, Vital Innovations, went out of business a few years ago and the merger of the remaining two left only one call centre operating in Canada.

Acquisition changed the industry

The most notable change occurred in 2005 with the acquisition of Autostock International and TCG International by Belron Canada. This was a major industry purchase that effectively gave Belron Canada control of all Speedy Glass, Apple Auto Glass, Standard AutoGlass and Novus Repair and Replacement shops in the country. It also gave Belron the opportunity to control Autostock Distribution, Technicentre Plus and Vanfax. According to Belron's web site, it now has 42 warehouses and more than 390 service centres in 10 provinces.

Many of the independent shops have complained that they were buying products from Belron's distributors for much more than what Belron was selling the same products for to its own shops, putting independent companies at an unfair advantage. However, the independents were more concerned about the part of the acquisition that gave Belron ownership of 1st Report Claims Services, a claims management service provided to insurance companies. "Insurance work for independents has fallen by approximately 80 percent because they were not mentioned at the call centre level," says Sen. Others have echoed his concerns.

"The call centres made it tough to get insurance work, but now it's worse because there is only one call centre directing traffic and the work is not going to independent shop owners," says Fred MacIntyre, operator of Mac's Auto Glass in Charlottetown, Prince Edward Island. "I was surprised this purchase by Belron was allowed to happen. I thought the government would intervene like they do when the national banks tried to merge. One company controls the wholesale side of the industry and now it wants to control the call centres. Since then, I have noticed it takes a lot longer to get work approval from the insurance companies that use the call centres; before it only took 40 minutes to get approval. If a consumer goes through an insurance company for a windshield claim instead of paying cash, the consumer will be directed to a Belron owned shop. This makes it difficult for independents to do business," he says.

"I feel that this is a conflict of interest in that Belron, owners of Speedy and Apple Autoglass, is administering auto claims for independent glass shops. They are trying to squeeze us out of business by doing so," says Jeff Young of Young's Automotive Autoglass, a Uniglassplus member in Oakville, Ontario. "As an independent, I have always resented the fact that they process glass insurance claims and each time I receive one of their authorization sheets, the glass pricing gets reduced to a more marginal level compared to a comparable claim which is billed direct to the insurance company. In the last few years, the glass business in the Greater Toronto Area has become a free-for-all of cutthroat pricing and questionable workmanship which my company doesn't subscribe to."

"This is the largest complaint I hear from independents," says Cinzia Marino from Shadow Autoglass and a Uniglassplus member in London, Ontario. "All we want is a chance to compete on an equal playing field," she says, adding this is what the model that Uniglassplus and its partners have created is designed to do. In other words, they are creating a call centre that will exclusively represent the independent shops in the autoglass industry.

A solution for independents

Uniglassplus, as well as the group of supporting shops in Quebec, is being represented to the insurance industry by Vi-Maxco. Yanick Morin, vice-president of business development for Vi-Maxco, says it provides a comprehensive central billing system that is an alternative for insurance companies and large fleet services.

“This is a new and sophisticated state-of-the-art system which is easy for all involved to use and understand. Insurance companies will find it an inexpensive way to handle their glass claims and retailers will be able to bill directly,” says Morin, adding that the demise of Vital Innovations and Belron’s acquisition of 1st Report Claims Services left insurance companies no other choice but to align themselves with Belron. “Insurance companies either handle claims internally or they outsource to a call centre, but after the purchase of TCGI, insurance companies had no choice but to use Belron as a glass claims manager,” he says.

Vi-Maxco has changed that by creating its own call centre that independent autoglass shops have access to. Morin says that it has signed up 14 insurance companies in Quebec and it is currently recruiting companies in Ontario.

“PH Vitres sells glass to independents, but with the way things were going, it realized there would not be any independent shops left to sell to. The only option was to create a call centre that can be a competitor to Belron and put the independent shop owners on an equal playing field,” says Morin. However, national insurance companies want to deal with national corporations and franchises which put the independents in Quebec at a disadvantage.

Branching out to other provinces and creating a national franchise consisting of independents operating under the Uniglassplus banner makes the Vi-Maxco call centre model attractive to national insurance carriers. In addition to the 70 shops already on-board in Quebec, the Uniglassplus group has already signed up seven companies (in January prior to press-time) in Ontario and Sen expects that number will double by February.

“We also have a strong network of committed partners in the autoglass and accessories fields from distributor to retailer to central billing. We can efficiently and professionally service insurance and fleet companies as well as individual consumers and businesses. Therefore, every retailer will strive to be the best it can be in the territories they service,” says Sen.

In addition to the Vi-Maxco call centre, Uniglassplus offers several benefits to independents that are more commonly found in large corporations. “Each new member has access to health plans, financial resources, marketing tools, management tools and computer skills and training, as well as operational support. We also provide a point of sale program with up-to-date insurance pricing that interfaces with QuickBooks and other accounting programs. Because our members need this equipment, we are providing each shop with a new computer and training to operate the necessary software,” says Sen.

“We also realize there is a cost to change the signage on buildings, so all new franchisees will have a Uniglassplus sign installed, in most cases, at no cost. Our franchise members are professional, forward thinking businessmen who understand what is necessary to grow their businesses,” he says, adding that, for a limited time, there is a small window of opportunity for independent shops to join with no initial franchise fee.

“The program has unlimited possibilities giving independent retailers a chance to grow their businesses. This is a unique partnering of companies which will set a new precedent in the autoglass industry.” -end-

Editor’s Note: Requests made to Belron Canada for an interview were not returned prior to press time.

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