

SUCCESS

'Car chick' has a bash at broking

A pioneering female panel beater sets about creating a whole new industry - accident management

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It's been at least 20 years since Karen Knight last knocked a crashed car back into shape. These days the self-taught panel beater, whose panel shop became the country's biggest, is more likely to be found hammering out deals over the phone than dents in a car door, thanks to her newest business venture, Crash Brokers.

Knight's new business is "accident management", a booming industry in the US but an untapped market here. Her aim is to become to accident management what the AA is to breakdowns and lockouts.

And she wants to prove to people that a trip to the panel beater isn't all "blokes in grubby overalls and pie crumbs left on the car seats".

It's apparent by her choice of words that Knight is bringing a professional image to the industry: panel beaters are "clients" or "service providers". They don't deal in dents, they're in the "collision repair" industry.

The Crash Brokers business model is similar to that of a mortgage broker: Knight and her team will sort out all vehicle-related post-crash problems, organising a tow truck, courtesy car and panel beater. They'll follow up on the work being done on the car, and ensure the driver understands what's involved in the insurance claims process.

The company makes its money from a fee on referrals to collision repair shops. It could be a billion-dollar market, Knight estimates.

Since setting up two years ago the Auckland-based service has attracted about 25,000 customers, including a number of groups of car-based industries such as the Real Estate Institute of New Zealand, couriers and leased fleets.

Knight has also signed up to work with Auckland-based Auto Super Shoppes

(ASS), an umbrella brand representing 30 MTA (Motor Trade Association) mechanical workshops, and which operates a similar commission-based business model. It also allows her to offer a 24-hour mechanical response service.

A large part of Crash Brokers' success is due to Knight's extensive contacts list, amassed over her 20-odd years in the industry. Knight's well-guarded little black book is her IP, and contains only the best of greater Auckland's panel beaters - of the 600-odd in the area she uses only 20.

The industry's reputation for complacency and inconsistency puts people off, so using top-end service providers means she can target the lucrative corporate market for whom pie crumbs on the seats are not an option. She also knows who's who in the insurance business and how to get answers and action.

"You have to know what questions to ask, exactly what information you need. Sometimes you have to be a bit forceful." Staff also have to be capable of dealing with distressed drivers.

"People can be quite shaken when they have an accident, and we need to be very calm, and to know what to ask and how to ask it."

Knight's business nous was apparent early. At 22 she set up her own repair business, The Body Shop, with two friends in a modest garage in Otahuhu, South Auckland. A self-confessed "car chick", she'd learned the trade informally after being repeatedly refused panel beating apprenticeships. She realised early that the business needed a point of difference, so focused on offering high-quality service to attract the top end of the market. It worked. Despite hav-

ing no business qualifications and leaving school at 15, Knight successfully built up the business to become the country's biggest collision repair shop.

After 20 years, however, the business had grown to the extent that Knight realised she had to take it to the next level.

She considered franchising or multi-branching but didn't have the business skills. She sold out - a tough decision and "quite a sacrifice" as the business, after all, was her baby - and hit the books, studying first for a graduate diploma in business administration, then an MBA.

After graduating in 2001 with broadened business horizons, Knight took the job of national fleet manager at Esanda Fleet Partners, where she learned about car leasing and fleet management. "It



Karen Knight's Crash Brokers takes charge after car smashes. Photo by Paul Estcourt

CRASH BROKERS

- Manages repairs and insurance claims after an accident.
- Earns commission on referrals to a select group of panel beaters.

wasn't really the job for me, but it made me see what corporates were interested in and what they would pay for and where the value was."

The job, and a couple of trips to the US, gave her the germ of an idea: even after selling her business, friends and family kept asking for advice on the best panel beater, and insurance claims. "I thought of charging for the advice. Then it dawned on me, how I could turn that knowledge into a business."

It felt odd for Knight to suddenly be working with her competition - and yet setting them in competition against each other. "It's a delicate line - we're aware of who their clients are and we don't approach them."

Crash Brokers has essentially taken over a lot of the advertising for service providers. Panel shops are backing away from simply placing ads in the Yellow Pages - the sheer number of them tends to dilute their effectiveness. The collision repair industry is also tightening its purse

strings: free courtesy cars, which Knight claims The Body Shop was first to provide in the 1980s, are becoming less common. "It's an insurance loss. Why should the service provider pay for a car? Unfortunately it's become ingrained and customers love it." It cost Esanda \$20 a day before fuel, insurance and maintenance to put a car on the road. "Insurance companies were always sceptical of it - [their opinion was] 'if you're doing that then we're paying you too much!'"

Knight says she has struggled to win brand awareness, mainly thanks to the Kiwi DIY attitude. A lot of the work is in educating customers that the service is free. "The word breaks down resistance but it also raises suspicions." Eventually she wants to roll out the service nationwide.

As word has spread, Crash Brokers has started to receive calls for breakdowns and lockouts, for which it doesn't yet have the resources. Knight plans to expand into that area via agreements with firms such as ASS. She's also in the midst of putting the operation online with job-tracking software, planning to go live halfway through the year.

The major difficulty now, Knight says, is finding another equally skilled and knowledgeable staffer to help grow the business. Which means she may end up having to share the contents of her little black book. ■