

# SHAKING AUTO RE



Fix founders (Ari, Khalil, Zain)

# UP PAIR

# FIIX

It's the season's first major snowfall in Toronto. A sense of panic runs through the hearts and minds of drivers and commuters alike in Canada's largest urban centre.

New drivers are slipping and sliding, experienced drivers are weaving their way through the turtle-speed traffic, and the line-ups at the tire shops are insanely long — snow-tire season has arrived and the procrastinators are literally standing on top of one another, trying to get someone to remove their summer tires and install the safer winter wheels.

It was amid this pandemonium that Khallil Mangalji and Fiix co-founder Arif Bhanji threw up their hands at the long wait and brought their car back to their driveway.

At this point, they called Bhanji's uncle, who was no stranger to a jack and tire-iron, and he came over and put the winter tires on Bhanji's car within minutes.

Then a lightbulb clicked in the young entrepreneurs' minds. And this is where the story begins behind Fiix mobile auto repair services — a story that took the young businessmen to a spot on the popular Canadian television show *Dragon's Den*.

Spotlight on Business spoke with Khallil Mangalji about the development of the mobile auto repair model, and how it is revolutionizing the auto repair industry in the Greater Toronto Area (GTA).



That tire experience at my friend's uncle's place was such a great thing. We were wondering why it wasn't the norm," Mangalji explains. "So we put an ad up on Kijiji saying 'hey, we'll come to your house and change your tires for \$50.' That week, it blew up! 80 people booked right away!"

That company was called "Tire Swap" and the service they provided was simply to change your tires from summer to winter seasonals at your home or place of business. However, once winter ended, the "Tire Swap" mechanics were being asked for further services at their visits. "Customers were asking us, 'do you change batteries?' or 'can you guys fix my brakes?' And we had a licensed mechanic there anyway, so we thought 'Why not!!'"

**"We'll come to your house and change your tires for \$50.' That week, it blew up! 80 people booked right away!"**

When they were sending their mechanic out for these calls, Mangalji and his partners quickly realized that about 80 per-cent of the repairs they were asked to do could be fixed by a licensed master mechanic, right in the client's driveway.

In December 2015, they changed their name from the limiting "Tire Swap" to the current, more representative "Fiix."

One of the many remarkable aspects to the Fiix story is that not one of the founders were mechanics. In fact, there wasn't even much of an interest in cars as anything more than a commuter tool. Previously, Mangalji worked at Apple, Facebook and a few tech start-ups, and his co-founder, Zain Manji, worked at Yelp, Google and Instagram. The third co-founder, Arif Bhanji, was a consultant at Monitor Deloitte, a multinational strategy consulting practice.

Today, Fiix is actually a classic example of the entrepreneurial spirit at work: identify a need, secure financing, assemble a team, and execute. And the execution has been working. In 2016, the company grew at a rate of about 40 per-cent, month-over-month. That translates into more than 5,000 happy cars and owners who have been serviced in drive-ways and company parking lots across the GTA. Of course, an internet-based company looks for the positive online reviews for credibility. "Over 98% of our reviews are 5-star," Mangalji proudly offers. "Our customers seriously love it."

Mangalji goes on to explain that he feels this new form of mobile auto service gives the whole automotive repair industry a re-think, and almost forces the system to work in favour of independent mechanics. "The median mechanics'

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wage in Toronto is \$23/hour. But with Fiix, mechanics get paid \$50/hour. So the mechanics who are on our platform are making literally twice as much as they used to make, and it's life-changing for them."

Zoning in on a customer base is key to any business' success. Mangalji explains that the mechanics who contract through Fiix don't need marketing experience to draw customers in, they just need to do what they do best — fix cars. "The only reason a mechanic goes to work for an auto repair shop is because that's where the customers are. But if we can just give them a consistent source of customers, then they have no need to be at a shop."

For the mechanic, the system turns them into individual independent contractors, rather than employees of Garage X. They simply pull up their Fiix application on their computer or smart device, sign up for a number of jobs, and go do the work.

Obviously, this reduces the overhead costs associated with operating a bricks-and-mortar auto repair shop. These savings translate into better prices for the customer, higher earnings for the mechanic, and decent profits for Fiix, enabling them to continue to grow.

Win-win-win!



Mechanic Andrew showing customer a rotor



Fiix team at our offices

However, not every automotive problem can be repaired in your driveway while you're inside eating lunch. There are occasions where the job is a little more daunting than first anticipated. In these instances, Fiix has set up a network of partner auto repair shops across the GTA.

"When we find we can't do the repairs in the driveway, we make it as seamless as possible for the customer. We can pre-book them a spot with our partners so they don't have to go there and wait. Or we can even have someone come and pick up the car and take it to the location," Mangalji points out.

A large part of what makes Fiix's system successful is the level of mechanical expertise they dispatch to each job. A proven track record is a must for every mechanic entering into their system. Mangalji explains that uncertified mechanics need not apply.

## "Over 98% of our reviews are 5-star reviews."

"Usually an auto shop has one 'master mechanic' — that's a mechanic with a full 310S licence certification, which takes years to earn. Then there are many apprentice mechanics. The master mechanic oversees the apprentices. For us, every single mechanic has to be a master mechanic. So as a customer, you know you are getting a mechanic with at least 5 years of experience. Most of our mechanics have 10 or more years experience. And if you need a repair on your Toyota, we can usually match you up with a mechanic that used to work at a Toyota dealership."

From the customer's perspective, the frustration and inconvenience usually associated with auto repairs is all but alleviated. Simply log in to their website, [fiix.io](http://fiix.io), and a button appears, instructing you to "chat with a mechanic." One click and you are chatting online with a mechanic who is in the Fiix office at that time.

Questions and information are exchanged toward a diagnosis.

"The mechanic will tell you what's wrong and give you a price for the repair. You can see a fixed, up-front price for the repair in your app. Then you pay right there.

We lock up the funds but don't actually charge your card until after the repair is complete. The mechanic comes over, fixes the car and then we charge the card.

And you get a full inspection after as well. So when the repair is over, you will see a little dashboard in the app that will show you the overall health of your car. You'll see what you need to fix in the future, how your brakes are looking, when your next oil change will be, all that stuff."

Fiix has taken the app-driven experience one step further



Mechanic Andrew thanking a customer



Fix intern Subhan hard at work

and added a feature where you create a “Garage” and add all your family’s cars to the database. It essentially becomes a one-stop location for all the information you will need to keep your small family fleet healthy, maintained and running.

One other feature that could become almost indispensable for those of us who buy used cars when it’s time for a new ride is their mobile car inspection services. This service that could potentially save you from buying that bargain-basement lemon that ends up costing you thousands more than it’s worth.

**“We are seeing great growth and we still only own maybe around 1% of the market [in Toronto]. So there is a lot of growth potential here.”**

Mangalji explains, “It’s one of our most popular services. Say you’re about to buy a used car. You don’t know if the salesperson or owner is hiding things from you. What many people do is, they go online and find maybe four cars they are interested in. Then they’ll book four purchase inspections with us. We’ll go out, inspect them all and give them reports on all the cars. Then they can decide from there. If you look through our reviews, there are some there that say we have saved customers \$30,000+ because we stopped them from buying a car that wouldn’t have worked out for them.”

Sounds like this could be a worldwide phenomenon, just like its UBER cousin, no?

**“We have saved customers \$30,000+ because we stopped them from buying a car that wouldn’t have worked out for them.”**

The folks on the CBC television hit show *Dragon’s Den* think so. Fix was chosen to present their idea to the panel on the popular Canadian TV show that offers wealthy investors (the Dragons) an opportunity to get in on the ground floor of new opportunities. Unfortunately, Mangalji was diagnosed with cancer and was undergoing chemotherapy at the time of the taping, so he was unable to appear on television. But his partners represented Fix and were pleasantly surprised with the results.

"Once we showed the Dragons our growth potential and showed them how well we had been doing, told them about our backgrounds and our current investors, almost all of the Dragons decided to invest! So that was amazing."

Nothing like a little prime time television to push a business up to the next rung.

Mangalji says that the show appearance did wonders for brand recognition. "People all across Ontario heard about the business. We had a lot of hits on the website, lots of chats. And it's really nice because now when I talk to people and mention it, they remember that episode of Dragon's Den. Great exposure for sure."

For the time being, Mangalji and his partners are happy to claw away at market share in the GTA. He admits that life is crazy and every day he and his staff of 14 non-mechanics are faced with a new challenge. 'Trust' is the number one criteria customers cite when choosing a mechanic. Fiix has its sites on maintaining a personal feel and servicing the growing demand in Toronto first before entertaining large corporate expansion.

"Right now, we're doubling down on the Toronto area because we are seeing great growth and we still only own maybe around 1% of the market. So there is a lot of growth potential here. For now, we will focus on growing in Toronto. But we are looking at possible US expansion

maybe in another year. But we don't know yet. When we are ready, we'll have to figure out where this idea makes sense."

With a proven business model and an innovative team, it appears that Fiix is well on their way to changing how car repairs are delivered. And that means you'd better move the bicycles and the garbage cans off the driveway — you may need to give your next mechanic some room to work! ●



Fiix staff Mauricio and Christine talking to customers



Fiix founders on Dragons Den