

## Defining Industry KPI's

Definitions Committee 07-30-2009



#### Committee Members

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## Assigned Tasks

Define Cycle Time

Define Other Industry KPI's That Are Used to Measure Shop Performance

- Performance Reviews
- Chart of Accounts



## Cycle Time Definitions

◆Disclaimer: Cycle time is only one component of shop performance. The measurement of Cycle Time should be used in conjunction with other critical KPI's to determine the overall efficiency and performance of a repair facility.



## Normalizing the Variables

- Drivable vs. Non-Drivable
- Performance Relative to Your Market
- "Keys to Keys" vs. Production Time
- Specialized or Luxury Vehicles
- Possible Subsets for Each of the Definitions



## Cycle Time Definitions

■ The Committee Identified the Need for Three Different Definitions for Cycle Time:

- Repairer
- Insurer
- Consumer

The following are the definitions that we are recommending to the CIC body for approval.



## Repairer Cycle Time

◆ Repairer Cycle Time: From the Time the Vehicle Arrives at the Repair Facility for Repair Until the Vehicle is Completed and Picked Up by the Consumer, (includes weekends). Commonly Referred to As, "Keys to Keys".



## Insurer Cycle Time

◆Insurer Cycle Time: "The Time From the First Notice of Loss to When the Claim is Paid".



## Consumer Cycle Time

◆ Consumer Cycle Time: "From the Time of the Accident to the Time the Vehicle is Repaired and Returned to the Consumer".



#### Other KPI's to be Defined

- **♦ Repair Labor Hours Per Day**
- ◆ Repair Dollars Per Day
- Normalized items in chart of accounts



## Cycle Time Presentation J.D. Power and Associates

◆ Presenting for J.D. Power and Associates:

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## Its All in the Eye of the Beholder: Customer Satisfaction and Cycle Time



Presented by J.D. Power and Associates

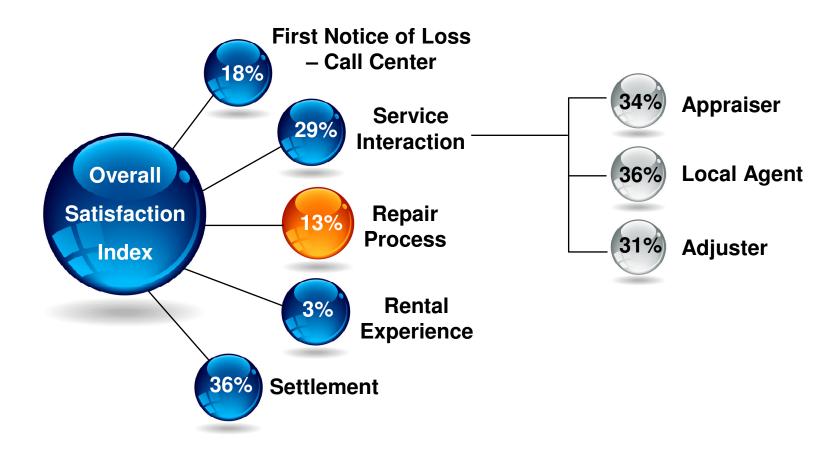
July 30, 2009

#### **Survey Overview**

- Focused on the auto claims experience involving physical damage – both repairable and total losses.
  - Excludes claims involving only glass/windshield damage.
- Survey designed with active collaboration from many carriers profiled in the study.
  - Study provides a clear set of benchmarks for recent claim performance among the top 25 insurers in the nation.
- National sample of 11,700 respondents who filed a claim within the last year.
  - Surveys gathered independently to ensure results are objective and representative.
- Interviews obtained in July/August 2008



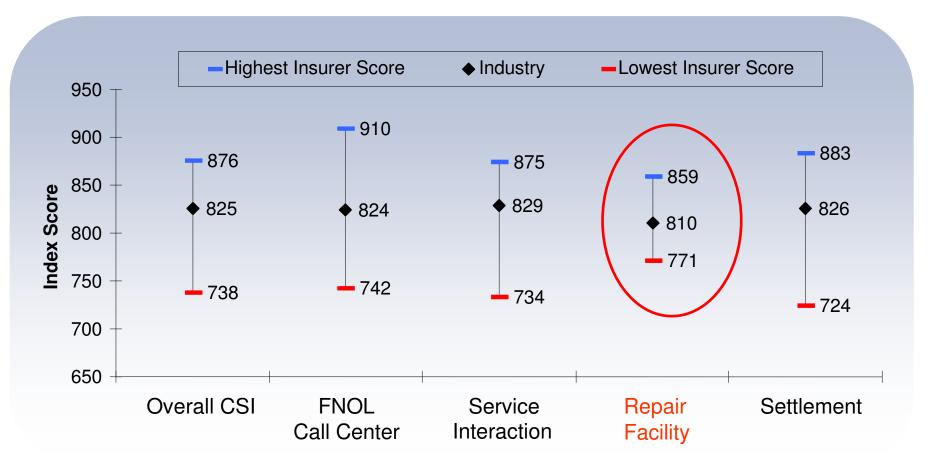
## **Key Drivers of Customer Satisfaction Repairable Vehicles**





## Index Range of Performance Repairable Vehicles

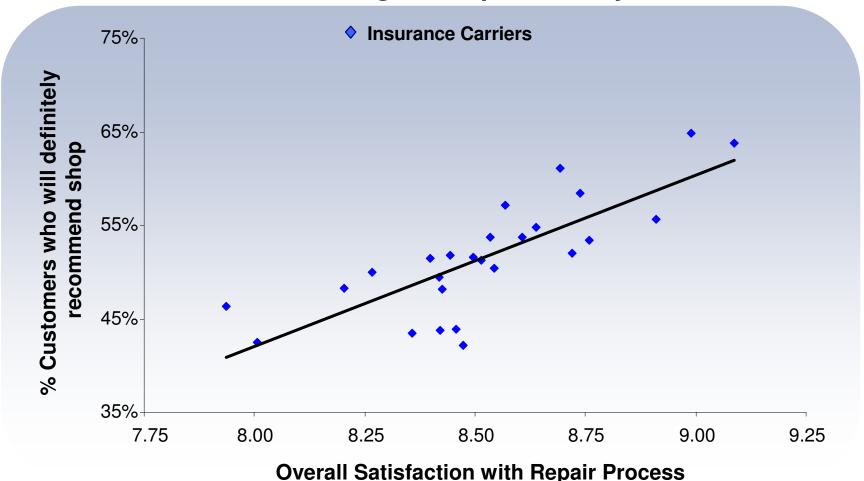
The Repair Facility has the tightest range of performance across Insurance carriers.





## Relationship Between Satisfaction with Repair and Likelihood to Recommend Shop – Carrier Level

High correlation between satisfaction with the Repair Process and recommending the Repair Facility.





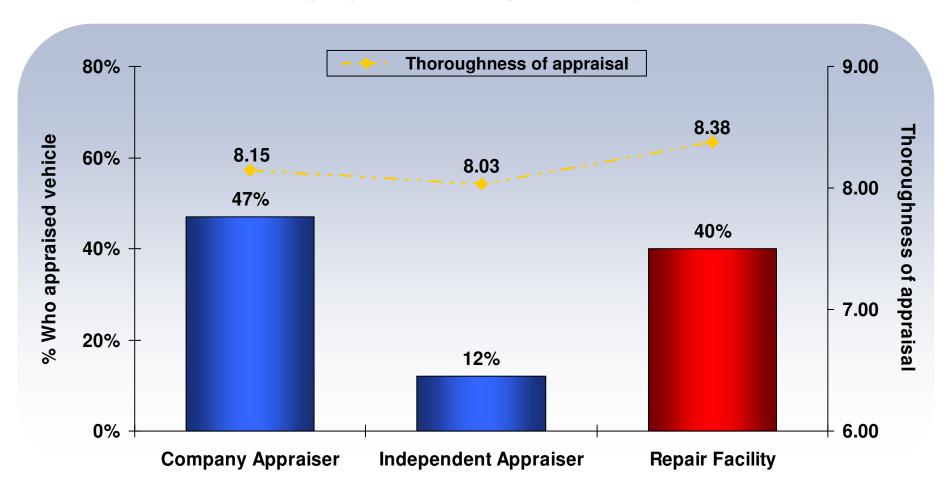






#### Who Appraised Vehicle

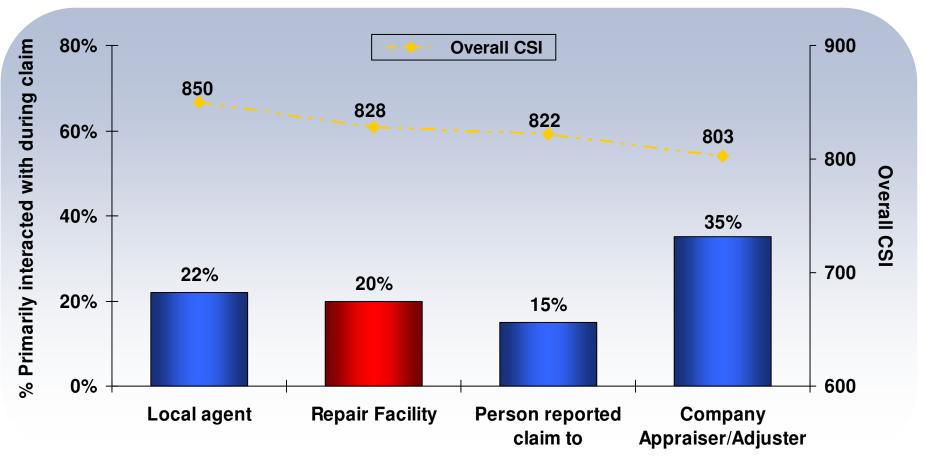
Customers are more satisfied when the appraisal is conducted by an employee of the repair facility.





#### **Primary Interaction Throughout Claim**

Satisfaction scores are highest when customer deals with the repairer or their personal agent.



**Person Identified as Primary Interaction** 



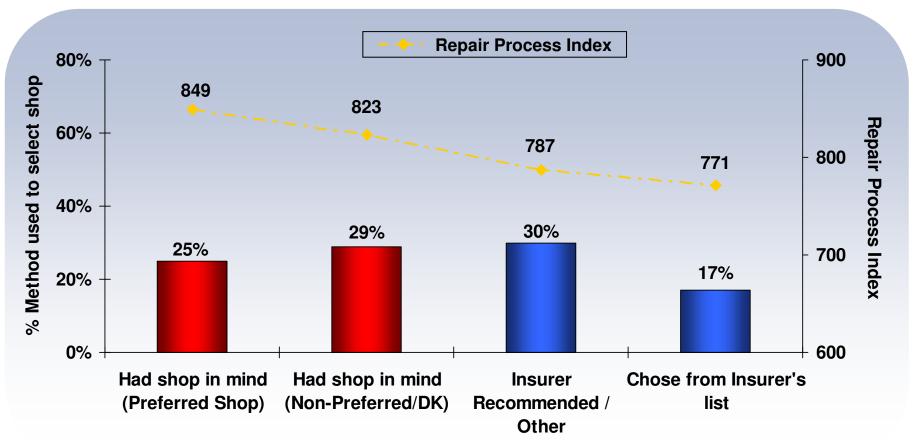


# Repair Process



#### **Methods Used to Select Repair Facility**

Customers are most satisfied when they can use a shop they had in mind for repair work.

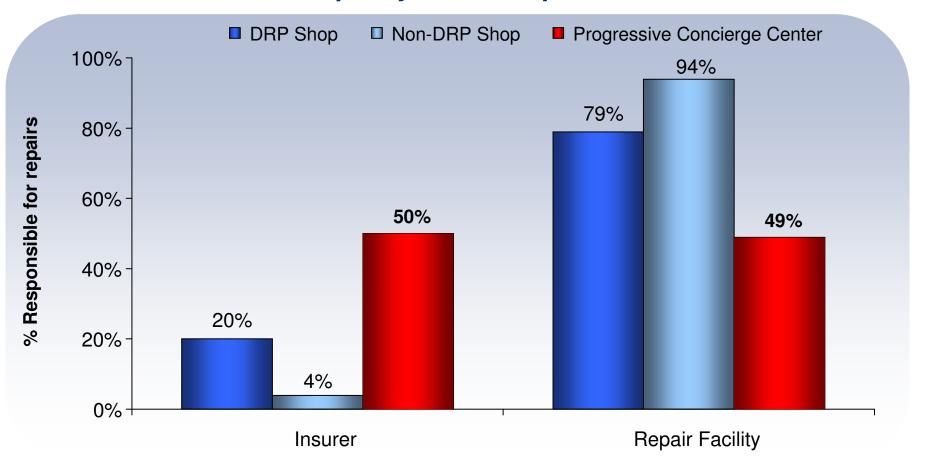


<sup>\*</sup> Caution small sample size.



#### Who is Responsible for Quality of Repairs?

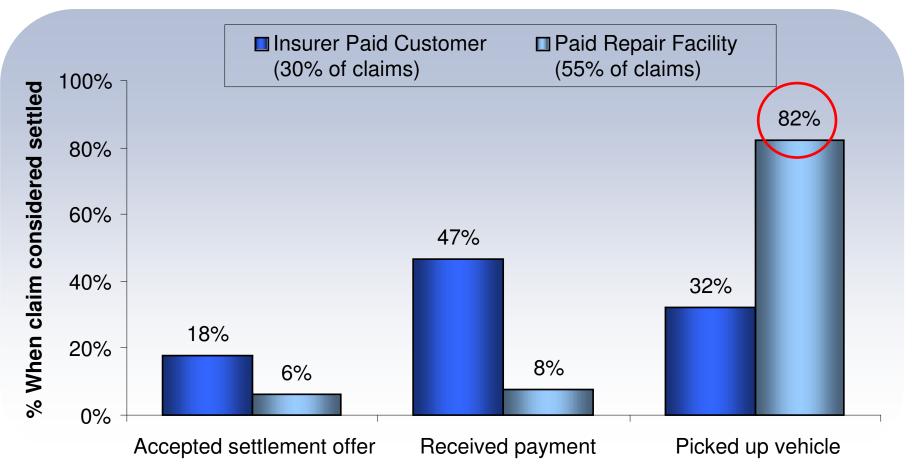
Customers primarily view the repair facility as being responsible for the quality of their repairs.





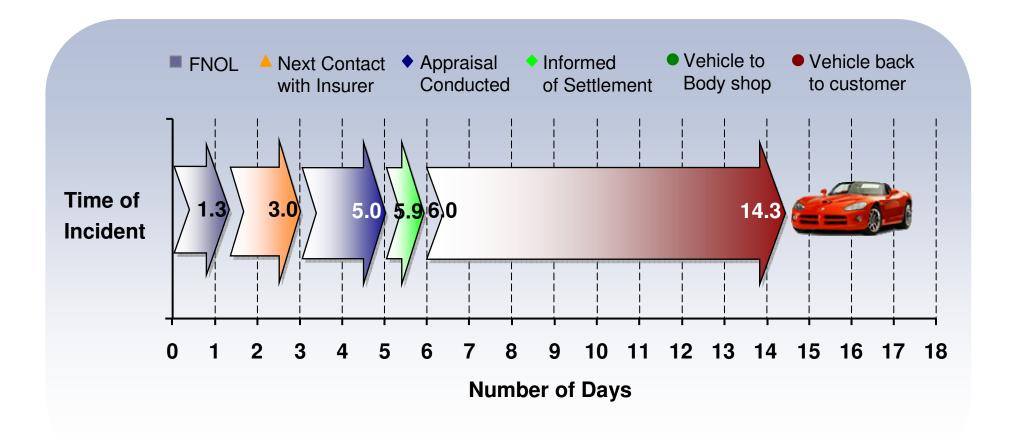
#### Point Customer Considers Claim Settled Repairable Vehicles

Majority of claimants considered claim "settled" when they pick up their vehicles.





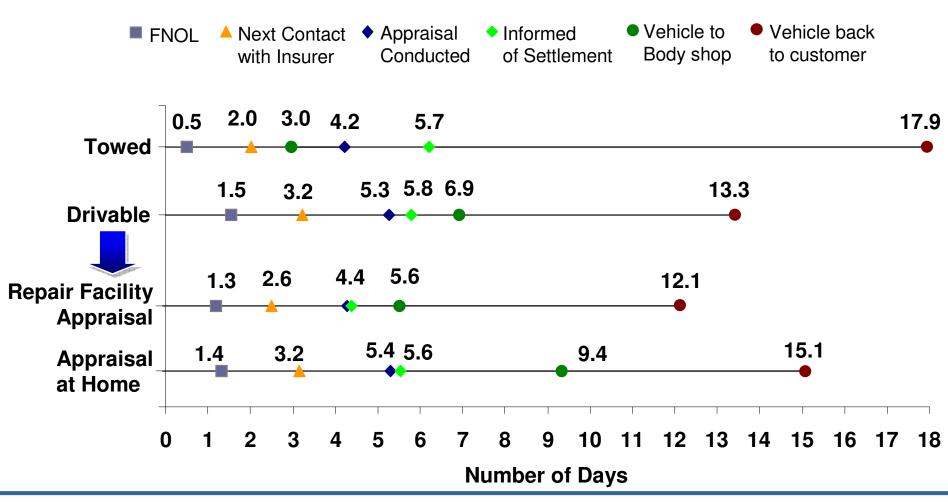
#### **Repaired Vehicle Claim Timeline**





#### Repaired Vehicle Claim Timeline

It's not all about "keys to keys."

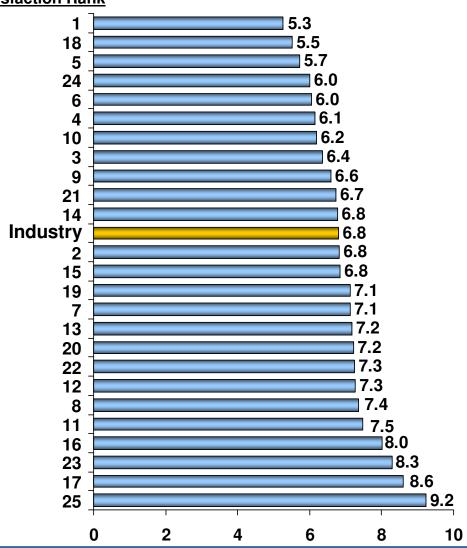




## Repair Time by Carrier Drivable Vehicles



#### Carrier Repair Satisfaction Rank

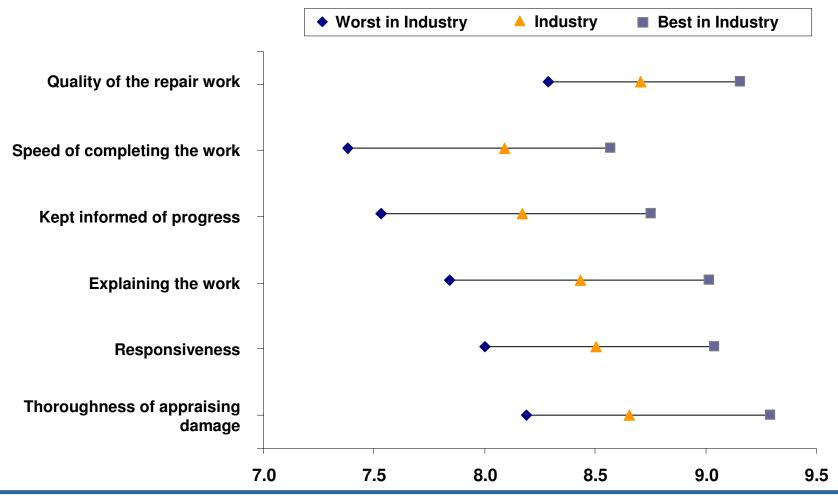


\* Caution small sample size.



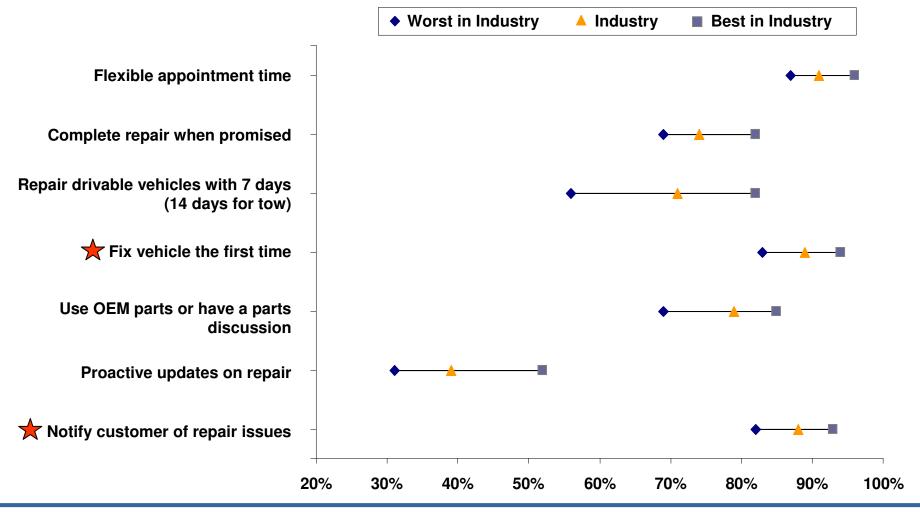


## Attribute Scorecard—Repair Process 2009 Auto Claims Study (Preliminary)





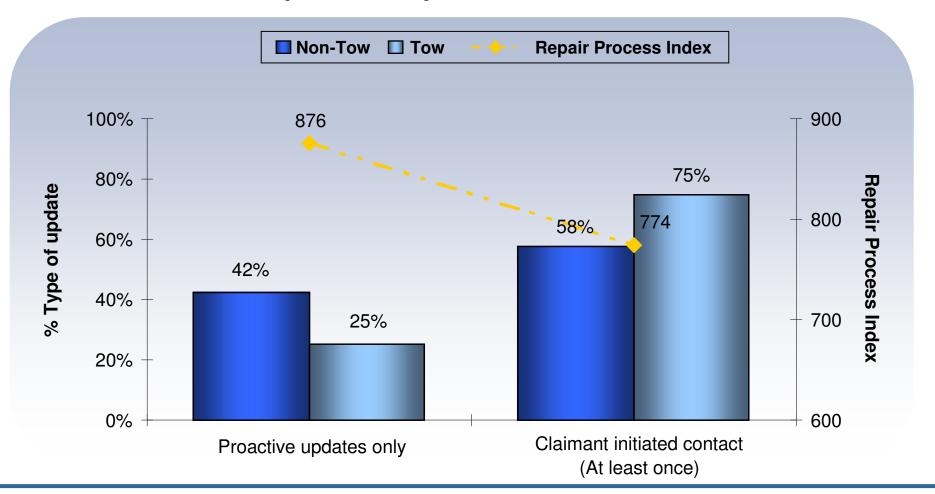
## **Top Service Practices** *Repair Process*





#### **Method of Repair Update**

Limiting customer initiated contacts by providing proactive updates has a positive impact on satisfaction.







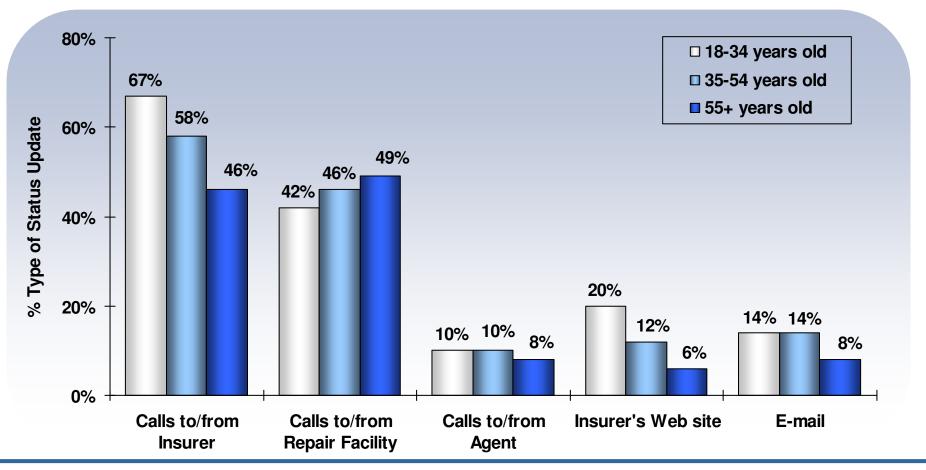
#### Customer Updates: Repairable Vehicles





## How Customers Received Status Updates (Repair) 2009 Auto Claims Study (Preliminary)

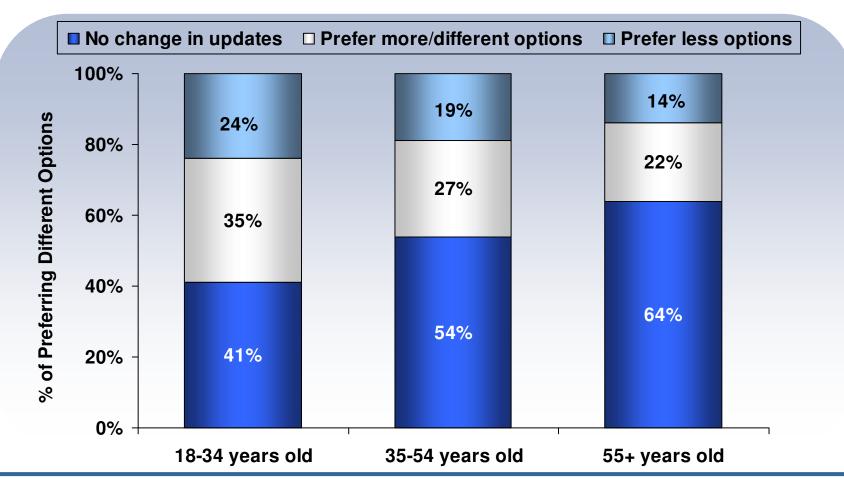
The younger age cohort is more likely to receive updates via Web or e-mail and less likely to call the repair facility.





#### Do Customers <u>Prefer</u> More or Less Options? 2009 Auto Claims Study (Preliminary)

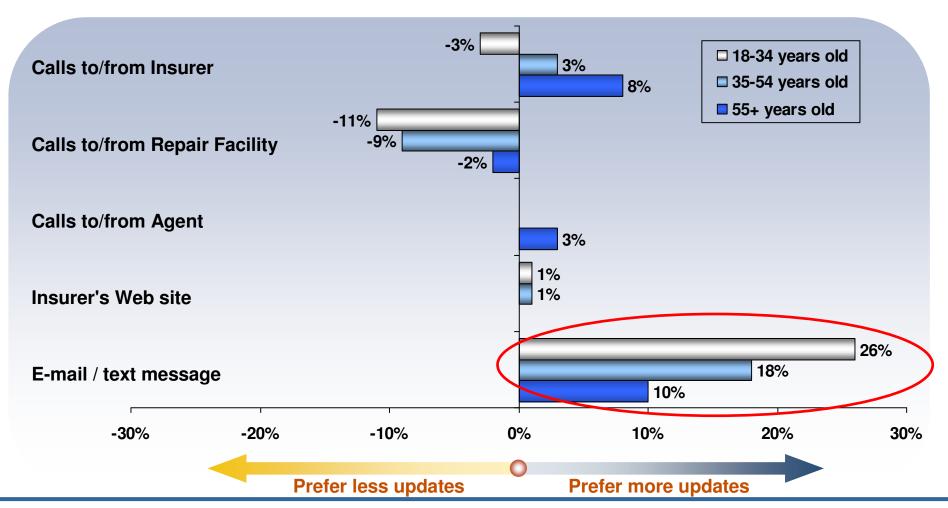
The younger age cohort is also more likely to prefer receiving updates through a different method.





## Difference in Preferred Update Method 2009 Auto Claims Study (Preliminary)

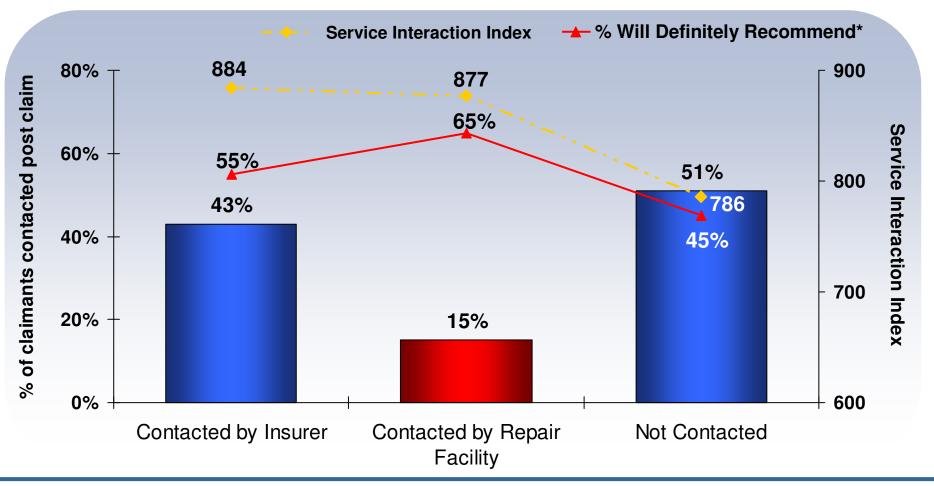
All customer groups prefer more e-mail updates.





#### **Contacted Post Repair**

Contacting customers after they received their vehicle has a positive impact on satisfaction.









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#### Thank You

**◆ To Contact Committee:** 

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