

Crash brokers making an impact in Manukau

Manukau City Council operates a mixed fleet of 135 cars and light commercials, and is underwritten by Civic Insurance. The majority of vehicles are available for pool use resulting in high utilisation, so incur a relatively high accident rate. The fleet is the responsibility of Hartwig Rabl, procurement analyst, with the assistance of a fleet coordinator managing the day-to-day operation of the fleet and the car pool office.

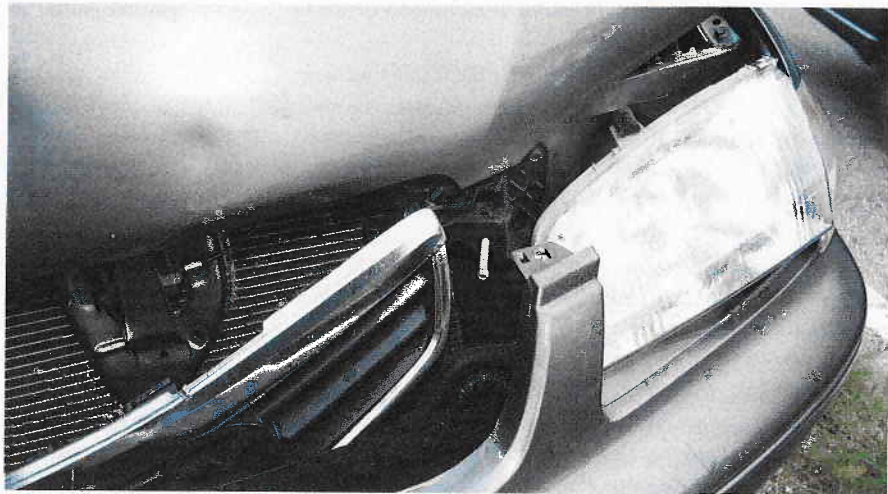
The council had for some 20 years dealt with a single locally-based collision repair facility for provision of accident and general panel/paint services. An adequate quality standard and perfunctory service levels were provided by the repairer.

Aspects identified as having potential for improvement included communications, capacity improvements, transparency of competitive repair costs, provision of suitable late-model courtesy cars, billing reliability and simplification, and general efficiencies.

The council approached Crash Brokers early this year with an invitation to present a suitable service package for consideration. Specific requirements included:

- reduced waiting for service
- reduced time-off-the-road
- improved communications
- improved billing
- reduced administration time
- repair price containment, transparency, and value for money
- ability to develop an effective working relationship with other stakeholders
- ability to review and improve operational processes and provide innovative solutions.

Crash Brokers core service was accepted as viable for the council's requirements, and standard operating procedures and KPIs were deemed appropriate. Crash Brokers were engaged for provision of accident management services in February this year and a high level of trust has developed between the parties over the ensuing 10 months. The council has confidence in Crash Broker's service structure, processes and deliverables, and



confirms complete satisfaction with the relationship. Specific achievements are detailed below.

Reduced waiting for service

Crash Brokers repair network includes 12 certified structural repair centres (SRC's) within the Auckland region. The network is utilised as an aggregate resource and by constantly monitoring service capacities and availability, work-flow levelling is used to maximise service response and general efficiencies. Service waiting times are eliminated by appointing the repairer in the best position to respond as required by the customer.

In addition, Crash Brokers' considerable market leverage ensures priority service so the council's preferred schedule is assured. During the period February – November 2008 this has been achieved without exception.

Reduced time-off-the-road

The council previously experienced considerable uncertainty in regard to expected repair times and vehicle's return to service. Though some controls existed, communications were variable.

Crash Brokers pro-active job-management, target completion dates and reporting have eliminated this problem. Once the council has authorised repairs, Crash Brokers discuss an optimum target completion date with the repairer, enter the information into the system, and this triggers an email alert to the council. Parts supply, progress, and any subsequently identified hidden damage is monitored, tracked and noted on the case at time intervals appropriate to the scale of work. Any deviation from the original target must be advised by the repairer as soon as known, explained and justified, and the amended information is reported to the council by Crash Brokers. Avoidable delays are recorded by Crash Brokers and form part of the annual review of repairer performance. Statistics relating to collision damage cases completed during the February – November 2008 period are summarising cases completed early, on time, and late.

Improved communications

Communications in the historic arrangement could have been more pro-active, comprehensive and dependable,

Status	Case %	Total vehicle days under/over target
Early completion	52%	27 days saved
On time	39%	neutral
Late completion, avoidable	6%	2 additional days incurred
Late completion, justified*	3%	4 additional days incurred

*Justified delays include: Parts supply delays, non-availability or erroneous supply from distributors and/or additional/hidden damage discovered after commencement

and had predominantly been only in a verbal format. Crash Brokers utilises a structured communications plan including KPIs. This is based predominantly on email so that a record is maintained, and the fully interactive on-line job-management system forms the heart of the communications system. This provides a pro-active information flow that is transparent and traceable, ensures accountability, and facilitates exception reporting. Initiation and target completion dates are explicit, and significantly assist pool car booking by ensuring availability when promised. During the period February – November 2008 there were no communication KPI failures or re-deliveries outside the stated target completion date (including amended re-delivery dates).

Improved billing

One of the council's stated objectives was to improve service performance by eliminating dependence on a sole preferred repairer, while avoiding a proliferation of suppliers on their Peoplesoft financial system. Crash Brokers achieved this by streamlining and consolidating invoices from multiple repairers, managing payments, and issuing one monthly statement to the council summarising pre-approved repair costs, backed up by detailed repairer invoices. The council requires receipt of their statement by the 5th of the month following repair completion. During the period February – November 2008 only the first statement issued fell outside this parameter. During the same period, no errors, anomalies or account queries resulted.

Reduced administration time

Considerable administration time was previously involved for

the council in the end-to-end management of collision repairs. This included:

- multiple phone calls to the previous repairer to pre-book work.
- multiple phone calls per case to continually check progress and request updated completion estimates.
- considerable time involved in receiving and checking repair invoices, querying discrepancies, pursuing tardy accounts payable, authorising and remitting invoices for individual vehicles.
- considerable time involved in ensuring timely invoicing for Insurance claim reporting.
- receiving accounts payable calls relating to repair invoices that had missed the council's payment cut-off date.

Crash Brokers' service has eliminated these tasks for the council and replaced all activities with a single work request. From that point all actions and communications are provided pro-actively to suit the client's preferences and schedule. The council receives two additional phone calls; one to confirm pending pick-up and the second to confirm pending re-delivery. The council confirms their reduced administration time as substantial, and estimates this to be as high as two man-hours per case. This has achieved the council's objective to significantly improve internal efficiencies, and has contributed significantly to a reduction of one staff member in their fleet team.

Repair price containment

Manukau City Council's fleet is underwritten by Civic Insurance, however the council manages and remits all repair accounts, and seeks reimbursement depending on the circumstances, scale, and liability issues.

Historically, the council's preferred repairer had faxed quotes and awaited further instructions. These were reviewed and either authorised immediately, or an independent assessor was asked to attend. A decision point of "around \$2000" was applied with flexibility for some discretion. Effectively, the result was a two-tiered system, with most repairs above \$2000 being subject to review by a qualified assessor, but those under the threshold were exempt. All assessing was undertaken by physical attendance at standard market rates.

Civic Insurance expressed some concern regarding accuracy and transparency of pricing. In consultation with the council, Crash Brokers developed and implemented the following audit controls and KPIs:

- within 24 hours of the vehicle's arrival on site, repairers must up-load an itemised repair quotation and images to the relevant vehicle's page on the on-line job management system.
- within 24 hours of up-load, Crash Broker' qualified in-house damage assessor peer reviews all cases up to and around the council's \$2000 threshold. The information is verified and a note added to the file confirming quoted costs represent a fair market price. Alternatively any queries or anomalies are discussed with the repairer and a resolution negotiated. Any such issues are noted and advised to the council. This process serves the purpose of day-to-day check on cost containment.
- following peer review, the council may randomly select a case to refer to their independent assessor for the purpose of a second peer review. If the assessor identifies any anomalies or considers Crash Brokers to be in error, the council is advised immediately and a site visit is undertaken by the assessor to resolve the issue. To date, no such errors or



MISSING SOMETHING?

Whether your fleet is 1 or 1000, managing car accidents and collision repairs is a time-consuming frustrating activity. Why not out-source it to the experts – FREE.

Crash Brokers is a free independent 24/7 accident management service that links seamlessly with insurance companies and insurance brokers. We use our collision repair industry expertise to add value for you by providing quality results that minimise time-off-the-road and save you administration, stress and money. We are located wherever in the country you may be, whenever you may need us.

Crash Brokers is New Zealand's #1 choice in professional accident management services for lease companies, local government and corporate fleets large and small. We use a nationwide network of certified Structural Repair Centres and a web-based job management system to report progress in real time. For a one-call solution that manages all activities from the point of impact through to the day of re-delivery, take a closer look at us on www.crashbrokers.co.nz, or talk to us now on **0800 2CRASH**.

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anomalies have been identified.
 → any repairs above the council's \$2000 discretionary threshold are notified to their independent assessor for a physical inspection. The council is considering Crash Brokers' proposal that more non-structural damage cases

approximately 30 years. As with most Auckland-based - and some nationwide - motor vehicle assessors, Crash Brokers is also on first name terms with all members of the Wayne Jones & Associates assessing team.
 Crash Brokers' staff have also developed

- Manukau City Council
- Papakura District Council
- Protecta Insurance
- Challenge Trust
- Laminex Group
- Urgent Couriers
- SG Fleet.

Crash Brokers pursue a philosophy of continuous improvement. This is both staff and client driven in response to regular solicited customer feedback. As a result, the scope of service has continued to expand, and supporting processes and communications have evolved and improved. An example of customer responsive innovation relevant to Manukau City Council is the improved cost-effective auditing process summarised above. Another example resulted from the council's concerns over improved vehicle availability and elimination of disruption to council mobility. Crash Brokers' response was to reduce total time-of-the-road as discussed above, and to expand and upgrade the courtesy car fleet to include an additional 10 new Suzuki Swifts. These are supplied on short-term loan to the council and other key clients, ensure seamlessness and improved operational efficiency.

“ Civic Insurance expressed some concern regarding accuracy and transparency of pricing. ”

could be assessed by digital imaging. Based on commercial market rates this would reduce assessing fees by approximately half on a case by case basis, and represents another potential cost saving for future consideration.

Effective working relationships

The council's other main preferred supplier in the collision repair sector is Wayne Jones & Associates Assessors. Crash Brokers' managing director has enjoyed a close working relationship with the principal, Wayne Jones, for

very effective working relationships with the council's main contact, Hartwig Rabl, and his support team.

Improve operational processes

Crash Brokers is a highly efficient team that operates with flexibility and is very responsive to the specific requirements of various fleet and insurance broker clients. A number of clients have requested customised procedures and/or communications, these are aggregated into a register and used for training purposes. Examples include: