



Cycle Time Report

CCIF

Canadian Collision Insurance
Forum

Halifax – June 19, 2004



Committee Members

- Ken Friesen, Concours Collision
- Wayne Riley, Aviva Canada
- Tony Canade, Oaktown Collision
- Bob Dubreuil, Akzo Nobel
- Mark Bonsor, Dupont
- Neil Anderson, Anderson Consulting
- Nuell Carrothers, Fix Auto
- Paul McFarlane, The Boyd Group
- Peter Burnham, Summit Software



Mandate – Define Cycle Time Measurement

- Action Taken

- To poll all Stakeholders to help identify “definitions of Cycle Time Measurements”
- Create a Position Paper on CCIF’s Cycle Time Measurements (pending)

Questions used in Insurers

Poll:

- How does your company define Cycle Time?
- What other ways do you use to define Cycle Time?
- Do you currently track Cycle Time? If so, how?
- How do you think collision repairers should define Cycle Time?
- What impacts on poor Cycle Times?
- How do you feel that Cycle Times can be improved to the satisfaction of both shops & Insurers?



How does your company define Cycle Time?

- From time of accident until repairs are completed.
- Keys to Keys
- The time it takes to complete a task from date assigned to date of completion.
- Complete time from DOL to closure of the file.
- The length of time the customer is without their vehicle



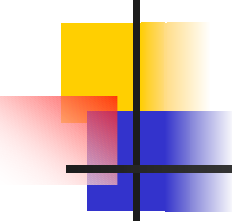
What other ways do you use to define Cycle Time?

- From the time the vehicle arrives at repair facility to the return of the vehicle.
- From DOL to release from shop.
- Rental days.
- Compare industry standards from competitors by setting internal goals and monitoring time it should take to complete certain assignments.
- From time appraisal is written until vehicle pickup.



Do you Currently track Cycle Time? If so, How?

- Rental days paid.
- File audits which compare repair hours & rental days.
- Date in – Date out.
- DOL to delivered
- Parts ordered to start date.
- Formula .3 for DRP accounts.
- Average rental costs.



How do you think collision repairers should define Cycle Time?

- From delivery to shop until return of vehicle to the consumer.
- Date of loss to date delivered.
- Should not be one measurement.
- Non-driveables are an issue.
- Keys to keys.
- Date the vehicle repair was approved by owner to completion including wkends.



What impacts on poor Cycle Time?

- Inconsistent processes by Insurer.
- Poor organization by repair facility.
- Improper Inspections.
- Customer delays.
- Parts delays.
- Scheduling.
- Quality of estimates.
- Supplements



".....poor cycle time cont'd"

- Outsourcing specific tasks (ie: a/c recharge, mech.), etc.
- Back order of parts.
- Tear down that may be necessary.
- Vacations or staff sick days.
- Poor processes in repair facility.



How do you feel Cycle Time could be improved to the satisfaction of both the repairer and the insurer?

- Set improvement as a mutual goal.
- Share best practices between shops.
- Discuss extending business hours.
- Insurers direct business to shops with “best” cycle time (ie – DRP’s).
- Consider customer perspective.
- Education.
- Increase touch time.



".....improvements cont'd"

- Mutually beneficial.
- Volume driven.
- Ordering parts in advance.
- Gather as much information as possible and communicate with company or appraiser.
- Try to keep tasks in house.
- Communication between insurer/insured and appraiser and repair facility.
- Scheduling proper repair times.,



".....improvements cont'd"

- Better equipment, technology and training.
- Better appraisal / approval process on insurer side.
- Training program for cycle time.
- Catalogue what parts/AM parts don't fit.



Participants in Insurers Poll

- Allstate Insurance – Rich Zamperin
- Allianz Canada – Mark Weir
- Aviva Canada – Wayne Riley
- AXA Pacific – Roy Boyle
- Dominion of Canada – Ken Boulton
- ING Canada – Ted Doyle



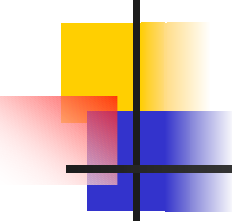
Questions used in **Collision Repairer Poll:**

- How does your facility define Cycle Time?
- Do you currently track Cycle Time? If so, how?
- How do you think Insurers define Cycle Time?
- What impacts on poor Cycle Times?
- How do you feel that Cycle Times can be improved to the satisfaction of both shops and insurers?



How does your **facility** define Cycle Time?

- Keys to Keys.
- By the .3 formula.
- By number of days vehicle is in shop for repairs from appt. to delivery.
- Keys to Keys excluding weekends.
- Hours on estimate divided by total number of days vehicle in for repair.



Do you currently track Cycle Time? If so, how?

- Yes, with ABS System.
- Yes, by the .3 method.
- Yes, CRS Scheduler.
- Yes, with Excel.
- Yes, with Summit Software.
- Yes, with Akzo form.
- No. (1 response)



How do you think **Insurers** track Cycle Time?

- D.O.L. to Delivery. (9 responses)
- From completion of estimate & approval to completion of repairs.
- Mostly I think they use rental days.
- Keys to Keys
- Calculating .3 formula for repair days.



What impacts on poor Cycle Time?

- Parts Delays (B/O parts, quality and fit of AM, unauthorized OE parts on first order, parts procurement on specialized vehicles)
- Poor communication (all parties involved)
- Non DRP claims
- Poor Insurance Relations (trust, education, informed updates, training)
- Proper Scheduling Processes



“.....impacts cont’d”

- Waiting for Approvals.
- Poor quality first estimate.
- Educate Insurers on proper schedule processes.
- Micro Management of facility.
- Rental costs.
- Outsourcing tasks (mechanical, etc.)



“.....impacts cont’d”

- Lack of quality trades people.
- “A dying Trade”.
- Working together to understand both sides of the process.
- Inspections & Re-inspections.



How do you feel cycle times can be improved to the satisfaction of both shop and insurer?

- Call backs should be dealt with w/in 24 hours for process to resume.
- Formula .3 should be consistent as it is fair (excluding wkends).
- Using DRP program/relationship.
- Better Communication.
- Improve productivity without compromising quality repairs.



“.....improvements cont’d”

- Including weekends encourages front end loading and bottlenecks facility. This discourages Thursday/Friday drop offs and increases cycle time.
- Improve efforts to build stronger partnerships and trust between insurer and facility.
- Improve referral allocation from insurer.



“.....improvements cont’d”

- Eliminate AM parts.
- Hire Bob DuBreuil to Kick your Ass!



Participants in Poll

- Results from this survey involved 18 different collision repair facilities across the country.



In Summary: "How does your facility define Cycle Time?"

- 83% responded with Keys to Keys or "keys to completion".
- General consensus would indicate Cycle Time is calculated from the moment the vehicle arrived until the time it leaves the facility.



In Summary: "Do you currently track Cycle Time?"

- 94% of respondents do in fact, track cycle time. 61% of those participants currently use a computerized management or scheduling system.



In Summary: "How do you think Insurers track Cycle Time?"

- 50% of SHOPS feel insurers track cycle time from date of claim or loss to delivery of vehicle or settlement. Some declare "Keys to Keys". The balance of participants did not provide clear answers or misunderstood the question.



In Summary: “What impacts on poor Cycle Times?”

- 27% admit poor communication between Insurer and Shop.
- 38% feel inspections and re-inspections are a serious hindrance.
- 61% admit some form of internal issues
- 44% eluded to AM parts, parts availability, and used parts versus OEM



Questions???

- Thank you to all our participants from the Insurer and Collision Repair Facility level. Your comments, suggestions and feedback are encouraged, welcomed and always appreciated.



Cycle Time Committee!

- Thank you Audience!!!