



**Manitoba
Public Insurance**

MPI SHOP MEASURES

INFORMATION GUIDE

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Table of Contents

The Basics	3
Composite Score.....	4
Supplement Ratio	5
Net Promoter Score.....	7
Labour Cost / Total Cost	9
Ask-Approve Variance	11
Alternate Parts Usage.....	14
Repair Capability.....	17
Repair Records on File	19
Repair Accuracy	21

The Basics

The collision repair industry in many jurisdictions has been using shop measures for many years to encourage efforts to improve operations and repair quality and to reduce repair costs.

We are supplying information on eight measures that can help show you how effective your shop is at keeping MPI claim costs and administration efforts under control, satisfying customers and meeting their service expectations, completing repairs properly, and meeting MPI Estimating Standards, policies and procedures.

The eight measures provide a balanced and manageable look at customer service, financial and administrative processes, and quality of repair.

Under the new Light Vehicle Accreditation Agreement, the measures will play an important role in Performance Recognition and participation in the Direct Repair (formerly Distributed Estimating) program.

The eight measures are:

- **Supplement Ratio:** This compares the number of supplements submitted by the shop to the number of claims or repairs it does. It gauges the completeness of each supplement. Fewer supplements will reduce overall administrative efforts, making the repair process more efficient. Speeding up the repair process can contribute to customer service and satisfaction.
- **Net Promoter Score:** Following completion of repairs, a customer will receive a telephone survey (AutocheX) asking them to rate their repair experience with the shop. This measure shows overall customer satisfaction by comparing customers who are most satisfied with their repair experience with those who are least satisfied. Customer satisfaction can lead to good word-of-mouth promotion and repeat business.
- **Labour Cost/Total Cost:** This compares the cost of labour to the total cost of the claim. This shows a shop's willingness to repair parts rather than replace, where possible. Repairing, rather than replacing, can have a positive effect on overall margin or profit for the shop.
- **Ask-Approve Variance:** This looks at how well a shop follows the estimating standards, policies and procedures in preparing estimates and supplements. It compares the dollar amount a shop requests for the repair to the dollar amount approved for the repair. The smaller the difference between the asked and approved amounts, the more closely aligned a shop is with estimating standards.
- **Alternate Parts Usage:** This reviews how closely a shop follows the estimating standards for use of alternate parts. It compares the cost of alternate parts to the total cost of all parts required for a repair. Using alternate parts, whenever cost effective, reduces the overall cost of repair, while maintaining proper repair standards.
- **Repair Capability:** This indicates a repair shop's ability to perform a proper repair, through a commitment to training and continuous learning.
- **Repair Records on File:** This indicator is used to ensure that a repair shop has proper operational procedures supported by timely Mitchell status update as well as documentation attached to its claims.
- **Repair Accuracy:** This indicator is used to verify that a shop is performing collision repair as per its stated capability.

All accredited light vehicle repair shops will receive an individualized shop measures report each month that shows your measures for the past month, your average over the past three months, as well as the three-month average for all accredited light vehicle shops.

This report also includes a composite score, a weighted average of your three-month average scores. It provides a single percentage that shows overall performance on all measures for the past three months. After you receive your initial measures report, an MPI shop support representative will contact you to confirm that you received the material and answer any questions you may have.

Composite Score

Your composite score is a single value that is a weighted average of your most current three-month average scores for the eight shop measures.

As you can see below, as certain measures are more important to understand your shop's performance, they are more heavily weighted so that they contribute to the composite score more than others. Here is the weighting of all shop measures in the composite score:

SHOP MEASURE	COMPOSITE WEIGHTING
Ask-Approve Variance (AAV)	25
Alternate Parts Usage (APU)	20
Supplement Ratio (SR)	15
Net Promoter Score (NPS)	10
Labour Cost/Total Cost (LC/TC)	5
Repair Capability (RC)	5
Repair Records on File (RRoF)	5
Repair Accuracy (RA)	15
TOTAL WEIGHTINGS	100

Your weighted scores add up to a value out of 100. The composite is based on your three-month average measures. This longer timeline provides a more stable basis than a monthly score since it is subject to less fluctuation.

The composite score will be a factor in determining eligibility for optional programs such as Direct Repair, and to move within tiers in the Performance Recognition program (available at mpipartners.ca).

Supplement Ratio (SR)

What it is

This measure compares the number of shop supplements to the number of claims in the reporting period. It gauges the completeness of estimates and supplements written by a shop.

Why it's important

Fewer, more complete supplements will reduce the overall administrative cost and effort for both the shop and MPI. Complete supplements help shops manage the repair process more effectively, and cause fewer interruptions to repair processes, leading to enhanced customer service and satisfaction.

How it's calculated

The Supplement Ratio measure is calculated as:

$$\text{Supplement Ratio} = \frac{\text{Number of Shop Supplements}}{\text{Number of Claims}}$$

Definitions

Number of Shop Supplements: Repair-shop-generated supplements (not MPI-generated supplements).

Number of Claims: The total claims processed by the shop.

Target

The fewer supplements per claim, the better. For the Supplement Ratio, the closer to zero, the better.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The Supplement Ratio counts for 15 points towards your composite score.

SUPPLEMENT RATIO	<=0.2	0.4	0.6	0.8	1	1.2	1.4	1.6	1.8	2	>=2.2
COMPOSITE SCORE	15	13.5	12	10.5	9	7.5	6	4.5	3	1.5	0

What's excluded

Supplements generated by MPI and hail claims are not included.

Example

Number of Shop Supplements: 80

Number of Claims: 50

$$\text{Supplement Ratio} = \frac{\text{Shop Supplements}}{\text{Claims}} = \frac{80}{50} = 1.6$$

There were 1.6 supplements per claim.

On your composite score, 1.6 counts as 4.5 points out of a possible 15.

Improving your score

You can improve your score by:

- Following MPI Estimating Standards to create complete First Estimates and supplements.
- Including all administrative and repair additions or changes in a single supplement.

Net Promoter Score (NPS)

What it is

Following a claim repair, customers receive an AutocheX telephone survey asking them to rate their experience with the repair shop. This measure compares customers who are most satisfied with their repair experience to those customers who are least satisfied in order to show overall customer satisfaction.

Why it's important

A high net promoter score shows that a shop is meeting customer expectations and providing a high level of customer service and satisfaction. Good customer service can help generate additional business, benefit a shop's bottom line and benefit the reputation of both the shop and MPI.

How it's calculated

The NPS measure is calculated from customer responses to the question: "On a scale of 1 to 10, where 1 is very unlikely and 10 is very likely, how likely is it that you would recommend the shop to a friend or family member?"

Responses are classified into three categories.

CLASSIFICATION	CATEGORY
1-6	Detractor – not likely to refer the shop (strong negative opinion)
7-8	Passive – not likely to either promote or criticize the shop
9-10	Promoter – likely to refer the shop (strong positive opinion)

Net Promoter Score = Percentage of Promoters - Percentage of Detractors

Target

The higher your score, the better.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The NPS counts for 10 points on your composite score. Your NPS is divided by 10 to determine the contribution to the composite score.

Additional information

Values, as reported in your Mitchell report, can range from -100 to +100. On the shop measures report, a negative value is shown as zero. Net Promoter Score is a standard measurement tool used in many industries.

Additional survey questions relate to customer service and customer satisfaction. The survey questions and background information can be found on the [MPI Partners website](#)¹, and you can view full results and reports in RepairCenter.

Examples

SCENARIO #1	SCENARIO #2
<p>120 survey responses:</p> <ul style="list-style-type: none">• 12 Detractors (1–6 range) = 10%• 18 Passives (7–8 range) = 15%• 90 Promoters (9–10 range) = 75% <p>75% - 10% = 65%</p> <p>In this example, the NPS is 65 per cent.</p> <p>On your composite score, this counts for 6.5 points out of 10.</p>	<p>200 survey responses:</p> <ul style="list-style-type: none">• 90 Detractors (1–6 range) = 45%• 30 Passives (7–8 range) = 15%• 80 Promoters (9–10 range) = 40% <p>40% - 45% = -5%</p> <p>In this example, the NPS shows as zero (negative scores show as zero).</p> <p>On your composite score, this counts for 0 out of 10.</p>

Improving your score

Improving customer service should improve your score on this measure. Suggestions include:

- Keeping customers informed of the progress of the repair
- Scheduling work so that repairs are completed in a timely manner
- Addressing customer questions
- Responding to and resolving concerns
- Ensuring the repair shop is clean and comfortable
- Ensuring customers understand the AutocheX process
- Ensuring proper repair

¹ <http://mpipartners.ca/LightVehicles/PoliciesProcedures/AutocheX.html>

Labour Cost / Total Cost (LC/TC)

What it is

This measure compares the cost of labour to the overall cost of the claim, in the reporting period. This shows a shop's willingness to repair rather than replace parts, where cost effective.

Why it's important

Repairing parts where cost effective, rather than replacing, can have a positive effect on overall costs.

How it's calculated

The LC/TC measure is calculated as:

$$\text{Labour Cost/Total Cost} = \left(\frac{\text{labour cost}}{\text{total cost}} \right) \times 100$$

The calculation results in a decimal figure, which is multiplied by 100 to achieve the final percentage measure.

Definitions

Labour Cost: The total labour cost for all claims.

Total Cost: The total overall cost of all claims.

Target

A score of 45% on this measure, or higher, is considered better.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The LC/TC measure counts for five points on your composite score. The composite scoring is based on the following chart:

LC/TC	>=45	44	43	42	41	40	39	38	37	36	<=35
COMPOSITE SCORE	5	4.5	4	3.5	3	2.5	2	1.5	1	0.5	0

What's excluded

Hail claims and claims for vehicles with less than 20,000 kilometres.

Example

Labour Costs: \$1,000

Total Claim Costs: \$2,500

$$\text{Labour Cost/Total Cost} = \left(\frac{\text{labour cost}}{\text{total cost}} \right) \times 100 = \left(\frac{1,000}{2,500} \right) \times 100 = (0.4) \times 100 = 40$$

In this example, labour costs account for 40 per cent of the total cost of repair.

On your composite score, 40 per cent counts as 2.5 points out of 5.

Improving your score

You can improve your score by:

- Repairing parts, rather than replacing them, where it is cost effective to do so while ensuring a proper repair.

Ask-Approve Variance (AAV)

What it is

This looks at how a shop follows MPI Estimating Standards in preparing estimates and supplements. It compares the dollar amount a shop requests for the repair to the dollar amount approved for the repair, in the reporting period.

Why it's important

Knowing and following MPI Estimating Standards and policies and procedures can generate efficiencies in the estimating and supplement process for shops.

How it's calculated

The AAV measure is calculated as:

$$\text{Ask-Approve Variance} = \frac{(\text{Ask Amount} - \text{Approved Amount})}{\text{Approved Amount}} \times 100$$

Definitions

Ask Amount: The total amount requested (the original net estimate, regardless of whether MPI or the shop creates it, plus any shop-created supplements and without MPI-created recycled parts supplements).

Approved Amount: The final net repair amount.

Target

Achieving a target score of zero demonstrates estimating competency. An absolute value of 2.63 or less is required for Direct Repair eligibility.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The AAV counts for 25 points towards your composite score. The AAV can be a positive or negative value, and must be converted to an absolute value to determine the composite.

AAV SCORE (ABSOLUTE VALUE)	0%	1%	2%	3%	4%	5%	6%	7%	8% or more
CONTRIBUTION TO COMPOSITE	25	21.9	18.8	15.6	12.5	9.4	6.3	3.1	0.00

What's excluded

Hail claims are not included in this measure.

Additional information

The AAV is greater than zero when the ask amount is more than the approved amount, most often caused when estimates and supplements contain non-compliant parts or non-compliant labour costs, or are not properly supported with photos and documentation. A negative value means more was approved than was requested, which indicates essential items were missed. A zero variance means the shop asked for exactly what was approved.

Examples

SCENARIO #1	
The shop asked for more than was approved:	
First Estimate	\$4,800
Shop Supplements	<u>\$450</u>
Total Ask Amount	\$5,250
Total Approved Amount = \$5,000	
$\frac{(\text{Ask} - \text{Approve})}{\text{Approve}} \times 100 = \frac{(5,250 - 5,000)}{5,000} \times 100 = 5\%$	
Under this scenario, the shop asked for 5 per cent more than was approved. On your composite score, +5 per cent counts as 9.49 points out of a possible 25.	

SCENARIO #2	
The shop asked for less than was approved:	
First Estimate	\$4,500
Shop Supplements	<u>\$400</u>
Total Ask Amount	\$4,900
Total Approved Amount = \$5,000	
$\frac{(\text{Ask} - \text{Approve})}{\text{Approve}} \times 100 = \frac{(4,900 - 5,000)}{5,000} \times 100 = -2\%$	
Under this scenario, the shop asked for 2 per cent less than was approved. On your composite score, -2 per cent counts as 18.8 points out of a possible 25.	

SCENARIO #3

The shop asked for the same amount that was approved:

First Estimate	\$4,500
Shop Supplements	<u>\$500</u>
Total Ask Amount	\$5,000

Total Approved Amount = \$5,000

$$\frac{(\text{Ask-Approve})}{\text{Approve}} \times 100 = \frac{(5,000-5,000)}{5,000} \times 100 = 0\%$$

Under this scenario, the shop asked for the exact amount that was approved.

On your composite score, zero is the target score and counts as 25 points out of a possible 25.

Improving your score

You can improve your score by:

- Closely following MPI Estimating Standards to conduct a complete and thorough estimate.
- Ensuring the estimate contains no non-compliant parts or labour costs.

Alternate Parts Usage (APU)

What it is

This measures how closely a shop follows MPI Estimating Standards for use of alternate parts. It compares the cost of alternate parts with the total cost of all parts in a repair, in the reporting period.

Why it's important

Using alternate parts, whenever cost effective, reduces the overall cost of parts, which reduces the overall cost of the repair while maintaining proper repair standards. This provides shops with the ability to direct attention to APU concerns.

How it's calculated

All repairs performed at a shop are grouped by vehicle age and make. Each bucket is compared and scored against APU expectation for that group. It accounts for a shop's weighted composition of work.

VEHICLE MAKE	EXPECTED APU		
	2 YEARS OLD AND NEWER	FROM 3 TO 5 YEARS OLD	OVER 5 YEARS OLD
Asian	34.0%	45.5%	60.0%
European	28.0%	40.5%	42.0%
Luxury	9.0%	14.0%	21.0%
North American	38.5%	54.5%	68.0%
Premium	20.0%	27.0%	37.0%
Truck	28.0%	42.5%	58.0%

The APU measure for a shop is calculated as follows:

$$\text{Alternate Parts Usage} = \left(\frac{\text{Cost of Alternate Parts}}{\text{Total Cost of All Parts}} \right) \times 100$$

$$\text{APU Variance} = \text{Alternate Parts Usage} - \text{Expected APU}$$

Definitions

Cost of Alternate Parts: The price of all non-OEM parts that are billed to MPI.

Total Cost of All Parts: The price of all parts billed to MPI.

Expected APU: The minimum alternate parts usage that MPI expects on claims during the period under review.

Target

The target score is based on the age and mix of the vehicles in the claims period. Meeting the Expected APU target makes you eligible for 50% of the maximum score possible. A score of 15% or more above Expected APU makes you eligible for 100% of the score.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. APU counts for 20 points towards your composite score. The APU score is calculated as follows:

APU VARIANCE	SCORE
>=15%	20
12%	18
9%	16
6%	14
3%	12
0%	10
-3%	8
-6%	6
-9%	4
-12%	2
<=-15%	0

What's excluded

This measure does not include claims where the vehicle has less than 20,000 kilometres, nor does it include hail claims.

Additional information

Amounts are from the final approved estimate and do not include taxes, betterment, or deductibles. Alternate parts are aftermarket, like-kind quality (LKQ), re-cored, re-manufactured, re-chromed, and sublet parts.

Example

The APU is scored by comparing a shop's APU against the expected APU:

Alternate Parts Cost for a repair make group	\$40,000
Total Cost of all Parts in that group	\$100,000
Expected APU (based on the shops repair composition)	\$43,000

1. Shop's APU = $\$40,000 \text{ alternate parts} \div \$100,000 \text{ total parts} = 40\%$
2. Expected APU = 43%
3. APU Variance = $40\% \text{ APU} - 43\% \text{ expected APU} = -3\%$

In this example, the APU Variance for the shop is -3%. On the composite score, this would earn that shop 8 points out of a possible 20.

Improving your score

You can improve your score by:

- Increasing the use of alternate parts to reduce repair costs, as long as it doesn't affect a proper repair.
- Ensuring that your Mitchell products are set up accordingly and staff are following their Mitchell and MPI Estimating Standards training.
- Looking beyond the parts availability of MAPP and RPP when parts don't appear available.

Repair Capability (RC)

What it is

This indicates a repair shop's ability to perform a proper repair, through a commitment to relevant training and continuous learning. It confirms technicians have received the required training for their role.

Why it's important

Proper repairs ensure safe vehicles are on the roads, and help protect all Manitobans.

How it's calculated

A shop profile is maintained for all accredited repair shops through self-reporting, shop visits and I-CAR data. This profile shows if a shop meets the following criteria:

1. Has achieved or is actively working towards I-CAR Gold Class Professional recognition. (A maximum three points are awarded for achieving Gold Class recognition. Points are pro-rated based on the percentage of required courses completed.

$$\text{ICAR} = \left(\frac{\# \text{ courses completed}}{\# \text{ courses required}} \right) \times 3$$

2. Has attended MPI mandated training, such as Estimating Standards training. (One point for attending, zero points for not attending.)
3. Employs technicians with current (less than 5 year old) steel welding certification. (One point for having a current certification, zero points for not.)

Target

The target is to complete all required training, which would give you a full score of five points.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The RC measure, calculated at the end of month, counts for five points towards your composite score.

Additional Information

More information on required light vehicle training is available at mpipartners.ca.

Example

COMPONENT TRAINING	HOW SCORED	MAX SCORE	SHOP SCORE
Welding	One point	1	0
MPI-mandated training	One point	1	1
I-CAR	Three points distributed among 60 courses and continuous learning requirements	3	2.5 50 courses complete <i>(50/60) x 3 = 2.5</i>
TOTAL		5	3.5

In this example, the shop scores 3.5 points out of 5 points.

On your composite score, this counts as 3.5 points out of a possible 5.

Improving your score

You can improve your score by:

- Completing all required training.

Repair Records on File (RRoF)

What it is

This indicator is used to ensure that a repair shop has proper operational procedures. This is supported by timely Mitchell status updates and documentation attached to each claim to support a proper repair.

Why it's important

Repair records demonstrate that a repair shop has built-in processes that are consistently applied.

How it's calculated

A sample of claims is selected for each shop and verified for Mitchell status and artifacts attached to the claims. The sampling follows the ISO standard 2859-1. Each claim is scored as follows:

1. Mitchell Status Reporting through 3 Repair Stages: 1 point total

The following must be present on each claim processed:

- **Vehicle at Shop**
- **Repair in Progress** (select one):
 - Disassembly
 - Structure
 - Body
 - Mechanical
 - Paint
- **Ready for Delivery**

2. Depending on the repair, the following artifacts may be required: 4 points

1. Frame 3D Measurement (before and after repair)
2. Wheel Alignment (before and after repair)
3. Diagnostic Scan (before and after repair)
4. MPI Frame Inspection Sheet
5. Pictures of Undressed Welds
6. OEM Repair Procedures
7. Certificate of Repair (Final Repair Account Signature Sheet)

Target

The target is to submit all required documents with each claim, which would give you a full score of five points.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The RRoF measure, calculated as a rolling average of your RRoF scores for the previous three months, counts for five points towards your composite score.

Additional Information

More information is available at mpipartners.ca.

Example

For each claim in the sample:

COMPONENT	HOW SCORED	MAX SCORE	SHOP SCORE
Mitchell statuses are updated	One point	1	1
All Required documentary evidence is attached to a claim	One point	4	2.5
TOTAL		5	3.5

In this example, the shop scores 3.5 points out of 5 points for the audited claim. A simple average is then taken of all your claim-wise scores as your RRoF score for that month. An average of your previous three monthly scores is used as your RRoF score for the composite to account for monthly fluctuations.

Improving your score

You can improve your score by:

- Completing all Mitchell statuses.
- Attaching all relevant documents to each claim.

Repair Accuracy (RA)

What it is

This indicator is used to verify that a shop is performing collision repair as per its stated capability.

Why it's important

Through regular physical visits, MPI validates that a shop's resources are being properly used and also provides coaching and guidance to ensure proper repair through collaboration.

How it's calculated

The following criteria is used to evaluate a shop for repairs in progress as well as customer referrals:

3. Entry Criteria: 0 points

Vehicles are being accepted and repaired according to the shop profile/capability (if not, score for the entire visit is zero). For example, a complex repair requiring a certified repair shop that is trained and equipped with the right environment to complete the repair is being repaired by a shop who doesn't meet those requirements.

4. Evaluation Criteria: 15 points

Each observed repair in progress is scored as for the following components:

- *Trained technicians (as per shop capability) are working on vehicle repair*
- *Right tools are calibrated and being used as per OEM recommendation*
- *A technician working with a tool is trained on that tool*
- *OEM/MPI repair procedures are available to the technician working on repair*
- *OEM/MPI repair procedures were followed by technicians*

Target

The target is to score full points on each inspection and visit by demonstrating that quality processes are in effect at the shop.

Contribution to composite score

Your composite score is a weighted ranking of all your measures. The Repair Accuracy measure, calculated as an average of your previous three monthly scores, counts for 15 points towards your composite score. This score is carried forward from the previous period if a shop hasn't been scored in last three months through shop visits, customer referrals or review of claims with the shop.

Additional Information

More information is available at mpipartners.ca.

Example

For each visit:

COMPONENT	HOW SCORED	MAX SCORE	SHOP SCORE
Vehicles are being accepted and repaired according to the shop profile/capability	No point	Yes/No	Yes
Evaluation Criteria – <i>Trained technicians (as per shop capability) are working on vehicle repair</i> – <i>Right tools are calibrated and being used as per OEM recommendation</i> – <i>A technician working with a tool is trained in that tool</i> – <i>OEM/MPI repair procedures are available to the technician working on repair</i> – <i>OEM/MPI repair procedures were followed by technicians</i>		15	7
TOTAL		15	7

In this example, the shop scores 7 points out of 15 for that visit. A simple average is then taken of all your scores arising out of shop visits, customer referrals and review of claims during the last three months. This counts towards your composite score. Your last available score will carry forward in case no evaluation has taken place in last three months.

Improving your score

You can improve your score by:

- Ensuring your shop is performing as per its stated capability.
- Ensuring your staff understand the inspection process and results.

Notes

