

Why is Realized Parts Savings (RPS) Important?

Parts Autonomy (PA) was developed with the repair trade to allow qualified repair shops to make part type selections providing the following benefits:

- More flexibility and better control of the overall repair processes
- Ability to choose a parts strategy and manage profitability
- Efficient parts procurement with more ability to manage and leverage vendor relationships
- Less MPI related administration as there are less situations where MPI is involved in the parts process (parts with no CEG pricing do not qualify for PA)

To participate in the PA program, a shop must meet their RPS target.

RPS Basics

- 1. Familiarize yourself with Mitchell Cloud Estimating in particular <u>Add Parts and Repair Lines</u> as well as the <u>Estimate Part Selection</u> estimating standard.
- 2. Ensure Car Part Pro is installed correctly and functioning with Mitchell Cloud Estimating (MCE).
 - For installation and setup help, Car-Part Pro contact information can be found in the Integrated Car Part Pro/Mitchell Estimating Quick Reference Guide.
- 3. Review the following reference material to understand RPS calculations and targets:
 - Pages 12 to 14 of the <u>2023 MPI Shop Measures Information Guide</u>
 - RPS Vehicle Groupings
- 4. Create a plan to track your RPS. This will allow you to meet targets while managing profitability.



Realized Parts Savings Job Aid

What to Review with your Shop Relationship Advisor (SRA)?

Review multiple claim examples with your SRA and ensure you practice the following:

- How to use the compare window in MCE to review other pricing options
- How to search for and add a correct part number when CEG data is incorrect
- How to search for recycled parts in Car-Part Pro and expand searches for self-sourced pricing if using vendors not on Car-Part Pro (<u>Self-Supplied Recycled Part Process</u> on MPI Partners)
- How to utilize published alternate part pricing for OE price matching
- How to calculate RPS including what period claims will impact your scorecard
- How to track RPS including ensuring claims are recorded in the correct month and the tracking tools available

Best Practices for RPS

- 1. Use alternate parts.
 - Check the compare window in MCE for additional price options.
 - Check recycled inventory available on Car Part Pro.
 - Reporting supplier grading issues will increase the quality of recycled parts (see Reporting Car-Part Pro Issues on page three).
 - Follow the <u>Self-Supplied Recycled Parts Process</u> job aid when using a self-supplied part.
 - The price of a self-supplied part cannot exceed published pricing using the standard MPI workflow in Car-Part Pro (option one on the job aid).
 - If no suitable parts are found after searching MPI preferred suppliers, use option two from the <u>Self-Supplied Recycled Parts Process</u> job aid.
 - On your option two search, ensure all filters are updated correctly per job aid.
 - Only manually enter a price if no published prices are available.
- 2. Capitalize on RPS opportunities for mechanical/undercarriage parts not populated in MAPP.
 - This is important as MPI estimators only add OE mechanical/undercarriage parts to estimates.
 - Shops should be sourcing alternate parts for all mechanical/undercarriage parts that can be priced to provide RPS savings.
- 3. Adhesive templates are populated by MAPP for additional RPS opportunities.



- Email address for ordering can be found within alternate parts supplier information on the estimate.
- Supplier phone number can be found in <u>Alternate Parts Supplier Lookup Tool</u>.
- 4. Line discounts are available as an option for RPS credit and can be applied to any **published part price** (OE, aftermarket, recycled, etc.).
 - Apply line discount values using a negative ahead of the number as follows:
 - 1-49% & 51-99% Okay to use.
 - o 50% Do not use (reserved for wheel repairs).
 - See <u>Parts Autonomy Additional Positive RPS Credit</u> job aid under "Line Discounts" for further details.
- 5. Incorrect part line entries can negatively affect your RPS.
 - Avoid manual part price entries and changes by using the part price lookup in MCE.
 - If it is determined that the wrong part has been selected, delete the entry, and select the correct one, do not update the part number and/or price.
 - See the Estimate Part Selection estimating standard for further details.
 - Do not add line discounts to manual part price entries.
 - Any changes to a part line will update the OE database price for the RPS calculation.
 - This is the case even if you have not chosen to update part pricing.
 - This includes adding a line discount, changing part types, and price changes.
 - Always use "My Templates" as prescribed in the applicable estimating standards, for example when adding custom aftermarket accessories to an estimate.
 - Do not add multiple parts to the same estimate line using the quantity function in MCE (instead add a line for each).



Other Tips for RPS Success

- 1. Make good repair / replace decisions.
 - Choose to repair instead of replacing when a cost effective and safe repair option is available.
 - Ensure you are aware of the latest repair techniques as MPI estimators will review repair / replace decisions.
- 2. There are no "cookie cutter" approaches to RPS and each claim will have its challenges and opportunities.
 - Is there a greater opportunity for RPS than the indicated target?
 - If yes, decide if you need to exceed the target to offset claims where few opportunities exist.
 - Tracking your RPS will allow you to ensure you are making good decisions.
- 3. Always discuss betterment with the insured prior to beginning repairs.
 - Parts autonomy privileges require part type options to be discussed with the insured prior to making part type selections when betterment applies.
- 4. Be aware that audit recoveries and short pays will impact RPS in future periods.
 - RPS is calculate on your scorecard using the date a claim was submitted for payment in Mitchell.
 - All audit recoveries and post repair supplement claims will move to a future scorecard based on the date the audit or post repair supplement was completed.
 - Ensure you have good administrative practices to reduce the number of claims moving.

Additional Resources

Links:

- <u>Parts Autonomy Program Guide</u> on MPI Partners
- <u>MPI Parts Business Rules</u> on MPI Partners
- Your SRA or the SRA mailbox at sra@mpi.mb.ca

Reporting Parts or Supplier Issues:

- Recycled Report directly to Car-Part Pro, see the <u>Reporting a Problem with a Listing</u> document for direction.
- MAPP Report directly MPI by completing the Parts or Supplier Issues form.