MANITOBA
PUBLIC INSURANCE

2021 MPI Shop Measures

Information Guide

Effective April 1, 2021

Contents

Disclaimer

- MPI reserves the sole right to make changes to the shop measures, their weighting and calculation in accordance with the Industry Agreement. You may not use the Light Vehicle Accreditation Agreement's dispute resolution provisions to appeal any issues related to shop measures. You will be notified of updates to the shop measures in accordance with the notification requirements within the accreditation agreement.

- MPI will monitor and review your shop measures with you, and you may be reassigned to a different Tier based upon the criteria to maintain such Tier, according to the processes as indicated on the MPI Partners website.

- You understand that the shop measures results are based on the information recorded in Mitchell and AutocheX, plus other MPI systems. Information not on file in Mitchell or in other MPI systems at the time the reports are processed will not be included in the month's measures. Additional details on the calculation and distribution of the relevant shop measures can be found on the MPI Partners website.

- Your shop measures results may be published to the MPI public website, or in any other place MPI decides to place the information, in rank order and by location, or in any other manner as determined by MPI.

- In MPI's sole discretion, if there have been any events of force majeure beyond the control of either party, an event caused by MPI, or any other event that MPI determines has had a material impact on your shop measures, MPI may waive or make any adjustments to your shop measures to mitigate or reflect the impact of such event.

- Throughout the Direct Repair Program, MPI solely determines your Tier, Earned Approval Limit, and shop measures; however, if you have any disputes regarding your Tier, Earned Approval Limit, and shop measures, you must use the dispute resolution in the accreditation agreement.

- Notwithstanding the above, MPI will manage the Tiers and Earned Approval Limits in their own right as a companion program. If the then current versions of the Tiers and Earned Approval Limits program differ in detail or application from this information guide, the version as set out in the companion program will be followed.

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 six shop 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 six shop measures, also referred to as Key Performance Indicators (KPIs), provide a balanced and manageable look at customer service, financial and administrative processes, and quality of repair.

Under the Light Vehicle Accreditation Agreement, the measures play an important role in Performance Recognition and participation in the Direct Repair program.

The six 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.

- **Ask-Approve Variance**: This looks at how well a shop follows MPI's 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 the Estimating Standards.

- **Realized Part Savings:** Realized Part Savings (RPS) is a new metric to measure the savings that alternate parts can generate when they are used in the automotive repair process. The repair shop is evaluated at the claim level where the total of all Remove/Replace parts are accumulated to determine their overall RPS %. Using alternate parts, whenever cost effective, reduces the overall cost of repair while maintaining proper repair standards.

- **Repair Status:** This indicator is used to ensure that a repair shop has proper operational procedures. This is supported by timely Mitchell Status Reporting through all Repair Statuses as they occur.

- **Repair Records on File:** This ensures that a repair shop has proper operational procedures supported by timely Mitchell status updates and documentation attached to claims.

- **Repair Accuracy:** This indicator is used to verify that a shop is performing collision repair as per its stated capability.

Shops also receive a composite score. The composite score is a single value that is a weighted average of the most current three-month average scores for the six shop measures

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

month average for all accredited light vehicle shops. MPI emails the report on the 15th day of each month or the nearest business day.

Composite Score

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

As per the chart 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
Realized Part Savings (RPS)	20
Supplement Ratio (SR)	15
Repair Status	7.5
Repair Records on File (RRoF)	7.5
Repair Accuracy (RA)	15
Net Promoter Score (NPS)	10
Total weightings	**100**

Your weighted scores add up to a value out of 100. The composite is based on your three-month average of the six 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.

Calculating Composite

Refer to the example below to see how actual scores in the seven shop measures convert into the composite score.

	Monthly Shop Measures - October 2020				
REPORT DATE :	Nov 4, 2020				
SHOP NAME :	AUTO				
REG ACCT NO:					
KEY MEASURES :	Optimal Value Direction	Repair Facility 1 Month (Oct 2020)	Repair Facility 3 Month Average (Aug 2020 to Oct 2020)	Industry 3 Month Average (Aug 2020 to Oct 2020)	Repair Facility 3 Month Average Contribution to Composite
Ask-Approve Variance	Closer to 0 is better	0.0%	0.5%	1.1%	23.3 / 25
Average Supplement per Estimate	Closer to 0 is better	0.89	0.92	1.11	9.6 / 15
Real Parts Savings Variance	Higher is better	1.3%	2.2%	-1.3%	12.2 / 20
Net Promoter Score	Higher is better	85.7%	85.7%	72.5%	8.6 / 10
Repair Status Usage[1]	Higher is better	80.0%	53.8%	79.3%	4 / 7.5
Repair Records on File[1]	Higher is better	N/A[2]	80.0%	81.4%	6 / 7.5
Repair Accuracy	Higher is better	N/A[2]	100.0%	92.1%	15 / 15

[1]Repair Status Usage and Repair Records on File scores are one month behind as claims are manually audited after payment
[2]Only three month scores provided as a limited number of labour intensive Repair Records on File reviews and Repair Accuracy inspections are completed each quarter

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Composite Score	78.7%

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:

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

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	There were 1.6 supplements per claim.
Number of claims: 50	On the composite score, 1.6 counts as 4.5 points out of a possible 15.
Supplement Ratio $= \frac{\text{Shop Supplements}}{\text{Claims}} = \frac{80}{50} = 1.6$	

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 in the AutocheX section on the MPI Partners website, and you can view full results and reports in Mitchell Connect.

Examples

Scenario #1	Scenario #2
120 survey responses: • 12 Detractors (1–6 range) = 10% • 18 Passives (7–8 range) = 15% • 90 Promoters (9–10 range) = 75% **75% - 10% = 65%** In this example, the NPS is 65 per cent. On your composite score, this counts for 6.5 points out of 10.	200 survey responses: • 90 Detractors (1–6 range) = 45% • 30 Passives (7–8 range) = 15% • 80 Promoters (9–10 range) = 40% **40% - 45% = -5%** In this example, the NPS shows as zero (negative scores show as zero). On your composite score, this counts for 0 out of 10.

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 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. A shop that is regularly exceeding an 8% AAV may lose its light vehicle accreditation.

How it's calculated

The AAV measure is calculated as:

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

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 value or zero, 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%
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.

![Manitoba Public Insurance logo]

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 zero variance means the shop asked for exactly what was approved. If missed items are added during the approval phase, resulting in a higher amount approved than asked, this will not impact the AAV score.

Examples

Scenario #1
The shop asked for more than was approved:

First Estimate $4,800

Shop Supplements $450

Total Ask Amount $5,250

Total Approved Amount $5,000

$$\frac{\text{(Ask - Approve)}}{\text{Approve}} \times 100 = \frac{(5{,}250 - 5{,}000)}{5{,}000} \times 100 = 5\%$$

Under this scenario, the shop asked for 5% more than was approved.

On your composite score, +5% would earn the shop 9.49 points out of a possible 25.

Scenario #2

The shop asked for the same amount that was approved:

First Estimate $4,500

Shop Supplements $500

Total Ask Amount $5,000

Total Approved Amount $5,000

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

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.

Realized Parts Savings (RPS)

What it is

Realized Parts Savings is a new metric to measure the savings that alternate parts can generate when they are used in the automotive repair process.

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 RPS concerns.

How it's calculated

To properly evaluate the performance of the repair shop, MPI created an expected RPS % that is based on two factors: Vehicle Make and Vehicle Age. Based on data spanning two full calendar years (2018 and 2019), the following table was derived:

RPS % by Make and Age**	Expected RPS		
	2 years old and newer	3 to 5 years old	Over 5 years old
Group 1	2.1%	7.2%	10.5%
Group 2	4.0%	11.7%	18.7%
Group 3	6.7%	16.6%	23.2%
Group 4	8.3%	19.5%	27.4%
Group 5	11.4%	25.0%	30.7%
Group 6	9.6%	25.6%	31.8%

**Vehicle makes in Groups 1 to 6 can be viewed in the Realized Parts Autonomy Job Aid.

The RPS measure for a shop is calculated as follows:

RPS % = $\left(\frac{\text{OEM Part Price-Paid Price}}{\text{OEM Part Price}} \right)$ x 100

RPS Variance = Actual RPS $ − Expected RPS $

Definitions

OEM Part Price: Estimate value of all OEM parts from Mitchell database eligible for RPS

Paid Price: The price of all RPS eligible parts billed to MPI.

Expected RPS: The minimum alternate parts savings 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 RPS target makes you eligible for 50% of the maximum score possible. A variance score of 10% or more above Expected RPS makes you eligible for 100% of the score.

Contribution to composite score

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

RPS Variance	≥ 10%	8%	6%	4%	2%	0%	-2%	-4%	-6%	-8%	≤ -10%
Contribution to Composite	20	18	16	14	12	10	8	6	4	2	0

What's excluded

- Wheel repairs
- NAGS glass
- Sublet parts
- Parts not published in CEG (i.e., accessories, powertrain)
- OEM parts without a published price

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 RPS is calculated on all Remove/Replace parts which have both an OEM Part Price and a Paid Price.

OEM Part Price	$1000
Paid Price	$750
RPS	25%

1. Shop's RPS =($1000 - $750)/$1000 =0.25
2. Expected RPS = 19.5%
3. RPS Variance = 25% Actual RPS – 19.5% Expected RPS = 5.5%

In this example, the RPS Variance for the shop is 5.5% at the claim level. For the composite score, all OEM Part Prices and Paid Prices are included and compared to the weighted average of expected RPS. If this was the shops only claim, this would earn that shop 15.5 points out of a possible 20 on the composite score.

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 Car Part Pro when parts don't appear available.

Quality of Repair: Repair Status, Repair Records on File, and Repair Accuracy

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.

Repair Status

How it's calculated

A sample of claims is selected and audited 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:

Mitchell Status Reporting through all Repair Statuses as they occur: 7.5 points total

The following must be present on each claim processed:

- Arrived at Shop
- Disassembly
- Repair in Progress
- Paint
- Ready for Delivery
- Delivered

Component	How it's Scored	Max Score	Shop Score
Mitchell statuses are updated	Full marks are given if all required statuses are updated accurately and on-time or live. Partial marks are not given for missing statuses.	7.5	7.5

In this example, the shop scores 7.5 points out of 7.5 points for the audited claim. A simple average is then taken of all your claim-wise scores as your Mitchell Status score for that month. An average of your previous three monthly scores is used as your Repair Status score for the composite to account for monthly fluctuations.

Improving your score

You can improve your score by completing all Mitchell statuses as they are occurring.

Repair Record On File

How it's calculated

Depending on the repair, the following artifacts may be required: 7.5 points

- Frame 3D Measurement (before and after repair)
- Wheel Alignment (before and after repair)
- Diagnostic Scan (before and after repair)
- MPI Frame Inspection Sheet
- Pictures of attachment methods
- OEM Repair Procedures
- 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 7.5 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 7.5 points towards your composite score.

Additional Information

More information is available in the Measures & Performance Recognition section of mpipartners.ca.

Example

For each claim in the sample:

Component	How it's Scored	Max Score	Shop Score
All required documentation evidence is attached to the claim	Full marks are given if all required documents are attached and complete. Partial marks are given if some documentation is missing.	7.5	6

In this example, the shop scores 6 points out of 7.5 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 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. It is assessed through in-person shop visits and vehicle inspections based on customer referrals.

Why it's important

MPI validates that a shop's resources are being properly used and provides collaborative coaching and guidance on proper repairs.

How it's calculated

The following criteria is used to evaluate in-progress repairs and customer referral inspections:

1. 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.

2. 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 visit and inspection 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. If a shop doesn't have any shop visits or customer referral inspections within three months, their score is carried forward from the previous period.

Additional Information

Refer to the Repair Accuracy Job Aid on mpipartners.ca.

Example

For each visit:

Component	How it's Scored	Max score	Shop score
Vehicles are being accepted and repaired according to the shop profile/capability	No point	Yes/No	Yes
Evaluation Criteria • 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 in that tool • OEM/MPI repair procedures are available to the technician working on repair • OEM/MPI repair procedures were followed by technicians		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 scores arising out of shop visits and customer referral inspections during the last three months. This counts towards the shop's composite score. If there's been no evaluation in the last three months, the last available score is carried forward.

Improving your score

You can improve your score by:

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

Issues Resolution

Accredited repair shops may appeal certain disputes with MPI in accordance with its accreditation agreement and this policy. The accreditation agreement identifies certain disputes which may not have to follow this policy.

The first step to resolve a dispute is to discuss it with the appropriate MPI representative. Refer to the Issues Resolution page on mpipartners.ca for expected resolution timelines, and levels of escalation.