



Case study

Name: Accident Exchange (AX), Project AXelerate
Sector: Financial Services/Automotive
Location: Based out of Lichfield (National coverage)

AXelerating performance in Accident Exchange Ltd

Accident Exchange, trading as AX, provides accident claim management services to the automotive sector. One of their operating divisions, AX Automotive, provides a range of services to Insurers, Brokers and end users in the event of a 'no fault' claim, which includes end-to-end claims management, the supply of mainstream and prestige replacement vehicles and management of repairs, including repairer credit funding.

The company delivers services to a number of insurance companies, such as AA Insurance and Somerset Bridge Insurance, as well as to clients in the motor trade such as Lex Autolease, Lookers and Jardine.

Key challenges

- Existing performance measures lacked the required granularity
- Understanding of how to actively manage handlers needed to improve to enable enhanced performance, better processes for issue escalation and resolution at root cause
- Clarity required on resource requirements due to fluctuating work volumes
- Interfaces between key departments through the process required improvement to collaborate effectively

Key gains

- Clarified visibility of performance and targets by individual and team across any date range
- Upskilled and more proactive management and team leaders, with clearly defined roles and responsibilities and expectation, creating accountability at the right levels to drive performance
- Effective resource models built and rolled out to allow the business to resource teams at the appropriate level to manage the expected work, including redesigned shift patterns to better cover in-day peaks
- Enhanced processes and interfaces to improve quality, customer experience and reduce work in progress (WIP) leakage

£1.05m annualised financial benefits demonstrated through:



16%

productivity improvement in operational teams

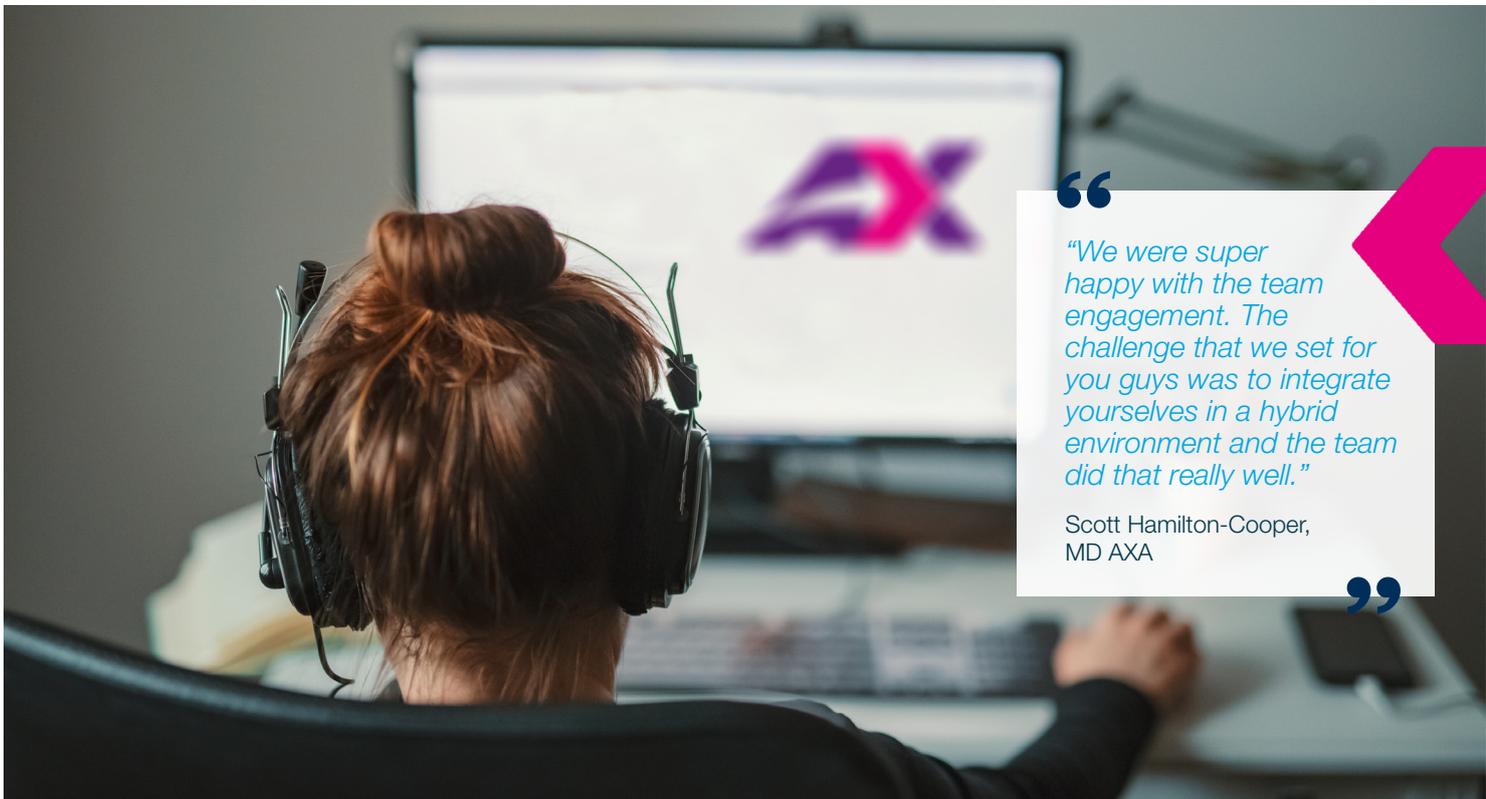


WIP leakage reduced by 24% (from 3.3% to 2.5% of billable days)



1500

more customer claims annually



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“We were super happy with the team engagement. The challenge that we set for you guys was to integrate yourselves in a hybrid environment and the team did that really well.”

Scott Hamilton-Cooper,
MD AXA

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Introduction

As a result of the pandemic work volumes had been inconsistent, with an initial plummet due to less vehicle travel taking place, followed by a sharp increase once the world returned to normal. In addition, staff churn was proving challenging – experienced staff had left and recruiting, training and retaining new staff had been a struggle.

Managing Director of AX Automotive, Scott Hamilton-Cooper, explained that “We needed to put some control measures in place with regards to increasing volumes at a time where it was becoming more and more difficult to recruit.”

Whilst some staff had returned to office working, there was still a significant number working from home and a reduction in office capacity, along with the environment, meant that the operation was moving towards a hybrid model. Scott highlights “We were adapting to a ‘work from home’ environment, so we needed to upskill the managers and team leaders to enable them to work in what was a very different environment to what they were used to.”

As a first step, Managementors were invited by Lucy Woods, Chief Executive Officer, to carry out an in-depth analysis of the operation, looking at the Admin Support, New Claims and Customer Support functions.

Following the analysis phase, Project AXelerate commenced in April 2022 and was an 18-week engagement with the operational teams, concluding August 2022.

The Challenge

During the analysis phase it became clear that while elements of a Management Operating System existed, these were not robust, consistent or actively used across the teams, with the absence of an effective process to identify and resolve issues to drive performance. One of the Team Leaders reflected “We knew we needed to work more proactively and stop fire-fighting”.

While data was available to the business, metrics were inconsistent, located in numerous places and prioritisation was limited, causing a lack of clarity and visibility for Managers and Team Leaders. This resulted in them not being able to drive performance through key business KPIs. Additionally, metrics and incentives were not aligned between teams, resulting in some passive behaviour and a lack of accountability.

Finally, the existing processes, whilst varied, were relatively straightforward, however poor control, a lack of clarity, follow-up and ownership led to significant wastage, delays and rework.

Scott summarised that “The Analysis phase was hugely comprehensive. Our business is challenging and complex and the Managementors team picked it up so well, which gave us confidence to press the button and work with you on the wider programme.”

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“What we do is seen internally as quite complex, challenging and difficult, so there were some anxieties around whether or not an outside organisation would understand it. Very quickly it became apparent that the Managementors team were here to help and they managed to get buy-in from the teams really quickly. My team really valued that Managementors allowed the managers, team leaders and those involved to create the ideas themselves. It wasn't a project whereby your team really had to understand the complexities, they allowed the complexities and solutions to be brought out by the managers themselves.”

Scott Hamilton-Cooper,
MD AXA

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Our Approach and Outcomes

Taking a facilitative approach, Managementors worked in partnership with key AX stakeholders to implement processes and management controls, as well as establishing improved interfaces to form a more resilient, efficient and collaborative operation.

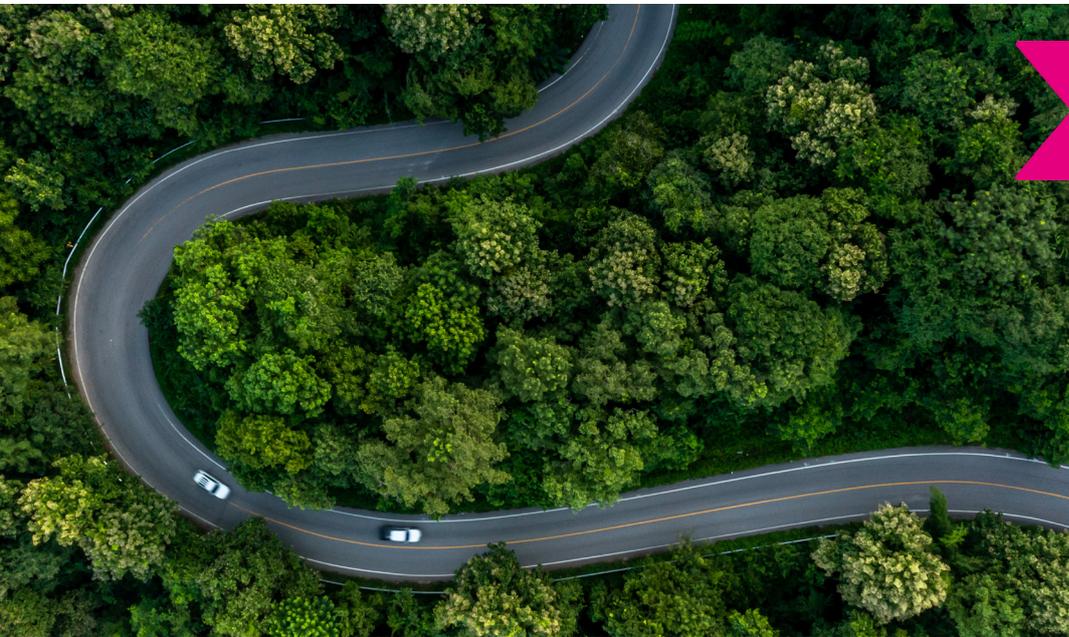
At the start of the project, it was crucial to gain visibility and agreement on the key issues impacting the end-to-end process. To achieve this, workshops were organised involving a range of stakeholders, from front-line workers to department managers, to map and critique the ‘as is’ processes and systems and identify gaps, frustrations and bottlenecks. It became evident that the processes themselves weren’t the issue, rather the lack of control, poor interfaces and clarity of targets quickly surfaced as key themes. To identify further issues, managers spent a day in adjacent departments to gain greater understanding and help identify opportunities to resolve some of the interface issues. A working group was set up to prioritise, progress and review the opportunities identified and ensure solutions were both practical and successful. This working group was set up to be an ongoing forum to enable continuous improvement after the conclusion of the project.

A key benefit that came from the engagement was the willingness across the wider business to be a part of something similar. Scott noted “It’s a reasonably big business with different departments and we’re able to explain within the operations department where the programme originally sat, what we achieved, what we delivered and the tools we now have. A lot of other departments have asked to be part of it, so I think that it opened a number of eyes in terms of what was possible and what we should be looking at doing. Everyone wanted to be a part of that development. AX’s Claims Progress Manager added “It was really helpful to actually understand what it’s like to work in other departments. We always think certain things about them but this was an eye-opener and helped me understand their perspective.”

A series of training workshops were also held during the project, accelerating the team leader’s and manager’s understanding of the project and key principles, such as active management, short interval control and the Management Operating System (MOS).

Another of the Team Leaders commented “For me the workshops really stood out. I thoroughly enjoyed them and have used them with my own team. I really enjoy working with external companies as everyone looks at everything different and it’s great to get a fresh pair of eyes.”





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“It was really insightful in terms of how to deal with conflict in the right way and gave me a new approach to solve problems going forward!”

Technical Claims Manager

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At the heart of the project was the development and implementation of a bespoke MOS – providing management with the tools and reporting needed to gain control of the operation and build a strong platform for continuous improvement.

Key elements of the AX MOS included new resource forecasting, shifting and planning processes, supported by simple and effective tools to ensure the right staffing decisions were made and to enable managers to plan their resource to match customer and business demand.

Scott commented “Being able to understand what the headcount requirements were and, more importantly, why they were what they were was key, as recruitment has been a challenge all along. This was one of the most valuable elements that came out of the project. We were able to recruit to the right level, which was so important.”

Another key element introduced was the performance reporting, including key operational measures such as individual team member productivity. With this came various additional benefits such as:

- Increasing accountability for both handlers and team leaders
- Visibility of performance by team, repair type, across any date range
- Trends and root causes of delays and WIP leakage

A robust review structure was also introduced supporting the suite of reporting, focusing on performance and tackling operational issues.

Additionally, Managementors developed Planning Guidelines (PGLs) to provide clarity on how long each step in the processes should take and the expected hourly/daily output as a result.

Finally, coaching was provided to support the Team Leaders and Management Team in shifting towards a more 'active' style of management and in using the new reporting to understand their team's performance and achieve a step-change in performance. Sean Murphy, Head of Operations, commented that "Our team leaders are now proactively enabling their teams to achieve their targets!"

Scott added, "We've already conducted our first audit of the MOS since the Managementors team have moved on and it went really well. It's become key for us to make sure that all of our managers are fully versed on the way in which we now work, so that when new managers join the business they can seamlessly slot into the Management Operating System and they understand their role within it."

When reflecting on Project AXelerate, Scott concluded "I've learnt a lot through the process. A lot of the accountability has shifted from me down to the managers. On a personal level, that's probably the biggest win that I've had. It's far easier to work with a team who understand the way in which we now want them to work through KPIs and targets, which they didn't prior to the programme."

"The project exceeded expectations for me. We've increased productivity, got a robust set of processes that we can continue on with, a true tested resource model and improved staff morale."

Sean added "The progress we've seen throughout the project has been great, but I'm now excited to see how we can continue this into the future and use the structures in place to make even further improvements".

We're pleased to have played a part in AX's journey towards becoming a more collaborative, customer-centric operation whilst supporting their transition to a hybrid model. The success of the project and the results delivered led to a follow-on project within Accident Exchange - Project Axiology - to implement a continuous performance improvement solution within their Logistics operation.



Contact us to find out what Managementors can do for you

Call +44 (0)1256 883939

[e enquiries@managementors.co.uk](mailto:enquiries@managementors.co.uk)
[w www.managementors.co.uk](http://www.managementors.co.uk)