



Case study

Name: Accident Exchange (AX), Project AXiology
Sector: Logistics
Location: Across 5 branches (providing national coverage): Bracknell, Dartford, Glasgow, Lichfield, and Warrington

Driving improvement at Accident Exchange Ltd

Accident Exchange, trading as AX, provides accident claim management services to the automotive sector and delivers this through two operating divisions; AX Automotive (AXA) and AX Innovation (AXI). AXA 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

- Methods of forecasting and planning of vehicle deliveries/collections were leading to underutilised drivers, preventing vehicles being delivered to clients as quickly as possible
- Communication between departments needed improving to enhance customer journeys and create capacity for the business
- A lack of consistent working practice in each branch resulted in differing levels of performance

Key gains

- Performance of Transport Assistants, Drivers and Valeters now visible, daily, weekly and monthly, by individuals and branches, with clearly set targets and expectations enabling managers to take action and drive improvement
- Effective resource models built and rolled out to allow the business to resource teams to the appropriate level for the forecasted volume of work, while making best use of driver time
- Enhanced interfaces and understanding of other departments to improve quality, customer experience and reduce wasted time

£1.13m annualised financial benefits demonstrated through:



36%

increase in both Driver and Valetor productivity



48%

decrease in the time to deliver UnDriveable cars, resulting in increased revenue for the business

Introduction

Following the successful [Project AXelerate](#) with the Operations team, Logistics was identified as the next area of opportunity within AX for two key reasons:

- [Logistics is a key interface with both New Claims and Customer Support, directly following on from the work completed during Project AXelerate](#)
- [Preliminary data analysis from Project AXelerate showed potential opportunity as performance improved upstream](#)

Scott Hamilton-Cooper, Chief Commercial Officer of AX Automotive explained “The Logistics project coincided with one of our busiest periods in over 10 years and at a time of significant change. There were changes of management structure, fleet utilisation was becoming increasingly more important because of the rising costs in vehicles and we had also had a massive growth in both fleet and personnel. Everything was growing quickly so getting this right was important!”

“It had been a while since there had been a core focus on a lot of our external depots. We have five major hubs dotted around the country, each of which are responsible for additional “mini hubs” and we wanted our senior management team to be able to spend time in parts of the business which historically had very little management exposure.”

As a first step, Managementors was invited to carry out a short analysis of the Logistics Function, to understand, analyse and quantify the areas of opportunity, whilst also understanding any variation and difference between branches and managers.

Following the analysis, Project AXiology commenced in August 2022 and was a 24-week engagement within the Logistics department, concluding in January 2023.

The Challenge

Having carried out an analysis phase within the Logistics function, involving DILO studies, interviews with numerous levels of management and numerical analysis, Managementors was able to identify gaps and issues within the current management systems. There were also a number of variations and inconsistencies across the branches creating additional challenges when it came to managing the entire function and driving performance.

Methods and prioritisation of planning - a critical element of the Logistics function - were different across each of the branches, resulting in variations in performance that couldn't be explained by geography or the different methods of travel utilised. The siloed nature of the different branches additionally meant that best practice, ideas and learnings weren't shared across the branches, compounding the issue.



Our Approach and Outcomes

Managers worked in partnership with key AX Logistics stakeholders, using a facilitative approach working with the leaders and managers of each area of team to develop and implement processes and management controls, to establish a more cohesive and productive Logistics department as well as establishing improved interfaces between the Customer Support, New Claims and Admin teams to create a more collaborative and customer focused organisation.

At the start of the project, a primary objective was to gain visibility and agreement throughout the Logistics department on the key issues impacting the end-to-end process. Process workshops were run involving a range of stakeholders from all branches, from the Logistics Director through to Transport Assistants. These workshops mapped and critiqued the 'as is' processes and systems, and identified gaps, frustrations and bottlenecks.

A Working Group was set up with Branch Managers to prioritise, progress and review the opportunities identified and ensure solutions were both practical and successful. This group will be an ongoing forum to escalate and resolve issues from all branches, providing a setting for best-practice and learnings to be shared between branches, and enabling continuous improvement after the conclusion of the project.

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“One of the main benefits was the improvement of interfaces between the internal and external departments. The operational teams rarely interacted with the logistics teams and there was a bit of a gap between the two departments – we’ve now been able to close that gap and bridge it with both the MOS and multiple meetings. They all understand each other’s challenges now. They are able to work through the problems which each other were experiencing so there’s a bit more empathy for each other. I think a lot of the success of this project has come from that, seeing both sides of the fence and understanding the challenges which they now take into account when making decisions.”

Scott Hamilton-Cooper,
Chief Commercial Officer – AX Automotive

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“It’s been really great working with you because we’re being listened to and our ideas are being heard.”

Dartford Transport Assistant

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To accelerate and embed the understanding and learning of the key principles being implemented, such as active management, short interval control and the newly developed Management Operating System, training workshops were held with all Branch Manager Transport Assistants. These also covered transferrable skills such as, a structured approach to problem solving, how to run effective meetings and understanding different management styles.

To build upon the training workshops, desk side coaching was continuous throughout the project to support the Branch Managers and Transport Assistants 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 while embedding a culture and appetite for continuous improvement.

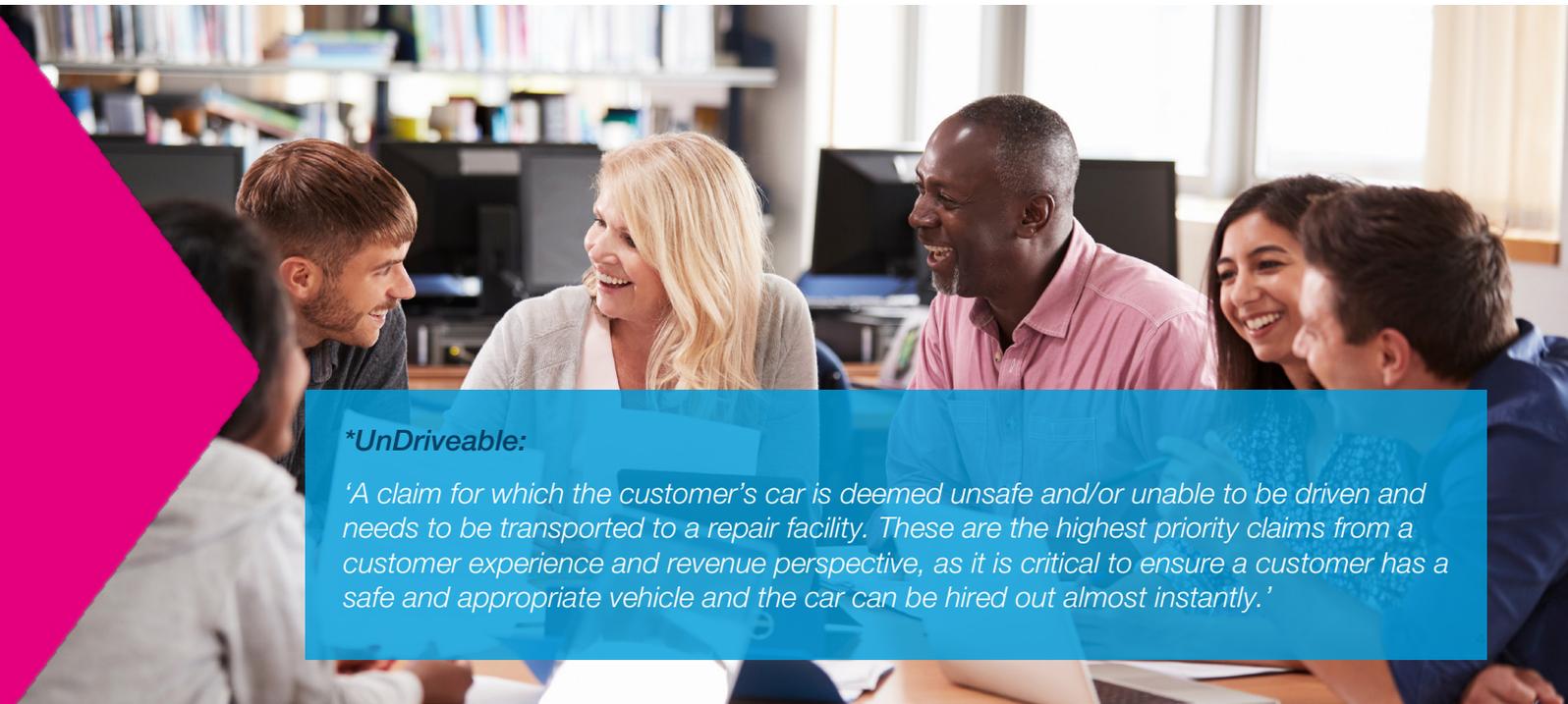
At the core of the project was the development and implementation of a bespoke Logistics MOS – providing management with the tools and reporting needed to gain control of the department and to drive continuous improvement. A key element of the Logistics MOS was an enhanced method of planning, which gave management clear visibility of the plan. This held the Transport Assistants and Planners to account and ensured that drivers were fully utilised and the prioritisation of **UnDriveable*** claims to maximise customer satisfaction and revenue. Scott explained "Getting the resource right in Logistics has always been particularly challenging. With the MOS came a Resource Planner which enabled us to make quicker decisions in terms of headcount. We can now forecast much more quickly. We can make sure we're planning ahead and getting the heads in ahead of time."

"It was the first time I've ever been invited into a learning environment like that before. I felt really valued to be a part of that group."

Glasgow Transport Assistant

"It's not just about the value of the information we've gained from the MOS reporting, we're now striving towards fixing issues within a forum between departments, instead of blaming other teams. We have a channel for raising issues between teams and the data to back-up the issues we experience in Transport which we didn't before."

Branch Manager



***UnDriveable:**

'A claim for which the customer's car is deemed unsafe and/or unable to be driven and needs to be transported to a repair facility. These are the highest priority claims from a customer experience and revenue perspective, as it is critical to ensure a customer has a safe and appropriate vehicle and the car can be hired out almost instantly.'

A crucial feature of the enhanced planning methodology was that jobs were allocated by maximising a Driver shift to full capacity before assigning jobs to the next Driver, as opposed to spreading jobs evenly across Drivers.

Allocating jobs in this way enabled Drivers to be fully utilised and additional capacity to be left available to deliver any high-priority claims or ultimately, redeployed depending on the amount of spare capacity. This resulted in cases where an UnDriveable car was able to be delivered to the client on the same day by a Driver who had capacity because of the new method of planning.

Planning Guidelines (PGLs) were introduced to provide clarity on how long each task should take, and to enable the monitoring of performance by using effectiveness measures. PGLs for Driver's journey times were based on Google Maps, rather than a Planner relying upon their experience of the maximum time this journey had taken previously. This gave greater consistency and accuracy of the planning, reducing any unnecessary additional time in the plan.

Another fundamental element introduced was the performance reporting, including clear and appropriate operational measures such as Driver Utilisation, Deliveries and Collections per Driver day, and the time to deliver UnDriveable cars. With this came the results of:

- Increasing accountability for both Branch Managers and Transport Assistants
- Visibility of performance by branch, and individual Transport Assistants, Drivers and Valeters across any date range

- Visibility of both planned and actual Driver utilisation to enable and support the use of updated planning methods to maximise Driver utilisation

- Visibility of trends and recurring issues e.g. the causes of failed deliveries or collections

A robust review structure was implemented, supported by the upgraded reporting suite, focusing on performance and tackling issues to drive continuous improvement rather than merely explaining away past results. This element was central to achieving target times for the delivery of UnDriveable cars and maximising Driver productivity. Instances where the target was not going to be achieved in the plan were escalated to the Branch Manager, to scrutinise and modify the plan to ensure the target timeframe for delivery would be reached.

This change enabled the demonstrable performance improvement of a **48% decrease in the time to deliver UnDriveable cars**, and **38% improvement in productivity of drivers**, which both increased revenue and decreased costs for the business. Scott highlights "Improving our fleet utilisation and the speed at which we deliver vehicles in turn resulted in greater revenue. The ability to have a set of processes which allowed us to plan far better both now and as the business grows, will enable us to have more scalability in the department. We saw significant productivity improvements at a time where we were particularly busy which exceeded our expectations!"

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“To be able to maximise the use of a vehicle by primarily delivering it more quickly has been hugely helpful from a cost perspective. It also allowed us to plan better logistically, we have multiple different requirements in terms of the speed of getting a customer a car, but also a high proportion of these deliveries that we carry out are not planned – they are customers that have an urgent requirement for mobility. So having to emit both the urgent mobility where we need to be there primarily within a couple of hours, with the planned work was a key driver for us and we were able to solve that.”

Scott Hamilton-Cooper,
Chief Commercial Officer –
AX Automotive

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Contact us to find out what
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