

CollisionWeek

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CollisionWeek Feature

Allstate Shares Details of Next Generation DRP Program

Insurer lifted the wraps off its new performance driven DRP model due to be launched later this year.

Allstate is on the verge of launching a new way of doing business with the insurer for shops within its Priority Repair Option (PRO) direct repair program. Nick Notte, Auto Director for Allstate, and Bill Daly, Assistant Vice President of Auto Process Mastery & Development, appeared as guests Thursday on the Collision Repair Executive Webcast (CREW) to explain the coming changes for its DRP program that Allstate is calling Next Gen 2.5.

The biggest changes surround the use of a new proprietary shop application, called ERL (Express Repair Link), that Allstate has developed to increase efficiency, eliminate redundancy, and improve the transparency of Allstate's relationship with its PRO shops.

One of the main reasons for this change, according to Notte, is to make it easier for shops to do business with Allstate. For instance, the application will allow shops to use any estimating system they choose, as well as benefit from a direct link with Allstate, in addition to niceties like electronic funds transfer.

However, one significant enhancement coming from this program, according to Daly, is the ability for Allstate to track individual shop performance, as well as share that information with the shops, on a real time basis. "This is not a 45 day delayed report of shop performance," Daly said.

The presentation included an example of the metrics Allstate may track during a particular period. Some of the metrics included cycle time, customer service, repair quality, estimate accuracy, total repair costs (broken out by drivable and non-drivable jobs), average parts per estimate, and average hours per estimate- also broken out by drivable and non-drivable as well as a breakdown of refinish, repair, and replace hours.

Daly was quick to point out that this list of performance indicators is not final by any means, and may change significantly when the application is launched. The list also

included recognition of shop certifications achieved, such as ASE, I-CAR, and S/P2 safety training.

Shops will be able to view their performance, and relative ranking in their specified markets, in real time. "What we are trying to do," explained Daly, "is to take out as much of the subjectivity on the interpretation of that performance as we can."

Daly said shops will not have to rely on human intervention for the delivery of the data or the interpretation of the data.

That doesn't mean the elimination of the personal communication and discussion around a shop's performance, Daly explained, but the goal is to take out as much of the subjectivity surrounding a shop's performance, by sharing all of the data with the shops, and allowing them the same access to their performance data and ranking as Allstate has.

"We are going to spend a lot of time with our front line employees as we roll out the Express Repair Link. We're going to spend a significant amount of time training them on the measurement tools that the shops will be held accountable to. First and foremost, we will do a better job, and the industry has our commitment on that, on educating and training our folks on the interpretation and analysis of shop performance data.

But an efficiency leap is what Allstate is hoping for. Some of the main benefits for the collision repairers that Allstate sees is, first and foremost, the ability to use any estimating system the shop chooses, the elimination of transaction upload fees, the ability to request assignments electronically, and electronic funds transfer, and real-time payment status and history reports.

"We think we have achieved a number of efficiencies for your front offices as well as our claims center front office," said Daly. "We believe we have eliminated a lot of the phone traffic between our claim centers and the shops."

Another aspect of this new technology that Daly stressed was that this is a "push technology", and the shops will control what data they push to Allstate. In other words, the application, which resides on the shop's computer, does not have the ability to capture and send any data that is not entered into it by the shop operator. "The shops will control what they push to us," Daly said.

In this first release, the ERL application does not interact directly with the shop management systems, and there will be some redundant data entry required on the shop side. But, Daly explained, Allstate will be looking to eliminate as much redundancy as possible as the program matures.

Another interesting facet of this program is the built-in ability for non-PRO shops to also communicate with Allstate through the ERL application. That capability will not be

implemented immediately, Daly said, but the capability is there. "We do foresee a day when we will be able to communicate, at the shops' choice, with non-PRO shops. We're taking a look at that. The technology will permit us to both send assignment data to a non-PRO shop, as well as allow them to directly upload their estimate back to us as, including the audit functionality that exists in the PRO environment."

Allstate had announced in October that it was beginning to test this new program and said at the time that the goal was for deployment throughout the country later in 2008.

During the CREW presentation, Nick Notte discussed some of the shop feedback Allstate has received so far in testing this application. "They seem pretty pleased with it," said Notte. "Eliminating a lot of the frequency of telephone calls to the claims offices, the reinspection process being semi-automated, eliminates a lot of the administrative work that came with the program before."

"We're happy that the design, based on input from collision repairers, seems to be playing out in the field. So we're very happy with that," Notte concluded.

Daly noted that improvement will be ongoing as Allstate gathers continuous feedback through an industry advisory group that will be meeting several times a year.

The next CREW Webcast will take place in July featuring State Farm's George Avery who will return as a guest of CREW to provide an update on the insurer's electronic parts ordering initiative in the Select Service program.