

# Steven Fitzpatrick

## Executive General Manager Motor Repair Model, IAG

AS THE INDUSTRY IS ABUZZ WITH TALK OF IAG RE-ENTERING THE REPAIR SPACE, WE TOOK THE OPPORTUNITY TO SIT DOWN WITH STEVEN FITZPATRICK, THE ARCHITECT OF IAG'S MOST RECENT PROJECT, TO GET THE REAL FACTS AND SET THE RECORD STRAIGHT.

**NCR:** How would you best describe the "Customer Hub"?

**SF:** The Customer Hub is essentially a one-stop shop where the customer can drop off their vehicle and we look after the whole repair process. We have been able to combine the service with that of our partner, NRMA Motoring Services, who does car servicing, and offer a true motoring experience – the customer's car can be repaired and serviced whilst it is in our care. It makes good sense to bring NRMA Insurance and NRMA MotorServe together and provide the customer with a seamless experience as we share a common, trusted brand.

The current trial is taking place at the NRMA MotorServe site in Seven Hills, where we utilise the facility to assess the damaged vehicles, effectively do the triage on the vehicle before sending it out to the best repairer for that specific repair. This

may be an existing partner repairer, a repairer that is part of Repair Hub or, if the customer has choice, to the repairer of their choice.

We make no apologies for taking greater control of the process to ensure the customer receives the best service we can offer. This includes, damage assessment, indicating the time required, providing a hire-car or other mobility solution if appropriate and keeping them informed at every step of the process.

Key differentiators of Customer Hub are that we minimise the number of trips the customer needs to take to get the car repaired, provide the best mobility solution, simplify the communication with the customer and offer the option of servicing the vehicle at the same time.

Early indications are that customer satisfaction is at unprecedented high levels.

**NCR:** So, to clarify, how would you describe "Repair Hub"?

**SF:** This is a joint venture between IAG and RACV, SmashTec and SRS that is designed to develop our own internal capabilities whilst leveraging the experience of those who know how best to repair cars. The focus here is "rapid repairs" so that we can optimise the repair processes and get the customer back on the road as soon as practicable.

Both SRS and SmashTec have been involved in early trials and the JVs now take our partnership to a whole new level.

**NCR:** So, how does this differ from the Accident Repair Centres that you divested earlier this decade?

**SF:** The Accident Repair Centres were quite a different business model as we owned the entire business and ran it as a commercial venture. They were big and not necessarily nimble enough to give our customers what they wanted. Customer Hub is about enhancing the customer experience and Repair Hub is about utilising the pre-existing skills and capabilities of our preferred partners. We are not trying to be all things to all people, we are focusing on what we do best and leaving the repairs to those that know best.

**NCR:** So, just to be clear, IAG is investing in body shops?

**SF:** Yes, this is by every definition, a joint venture. We are responding to the market's needs by utilising the skills of our partners.

**NCR:** One may suggest this is a direct response to the growing influence of the consolidators.



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**SF:** The reality is that we are giving our partners the opportunity to focus on a specific type of repair and invest in the technology needed to deliver a safe and proper repair, both now and in the not-too-distant future. With light impact repairs, we want to ensure that our network shops are focused on optimising their processes by applying a “manufacturing mindset” to minimise cycle times, whilst we focus on the customers’ experiences. Our broader network can focus on the more technical, more complex repairs that require sophisticated techniques and significant investment.

We need to get the repairs done correctly, provide the best service, leverage our scale to get the right price, and deliver an enhanced customer experience.

**NCR:** So, on the question of “the right price”, how does this align with the OEMs’ focus on genuine parts, approved repair processes, and certified repairers?

**SF:** It’s clear you must follow the manufacturer’s procedures if you want to repair a car to the right quality standard. This is entirely consistent with IAG’s purpose, to make the world a safer place, and so we must ensure that all our repairers repair to these standards. Our PDS’ specify genuine parts and we offer a lifetime warranty,

so we are happy to stand behind the work that we authorise.

**NCR:** Has the JV impacted the nature of the relationships with your existing preferred partner network?

**SF:** No, we continue to work with our partners and there has been no fundamental change in the way we work together. Anything else is just pure speculation.

**NCR:** Back to Customer Hub – how long do you expect to be running the trial site at Seven Hills?

**SF:** We kicked it off in February and our volumes are still relatively small, at an average of 40 cars per week. It is a significant logistical exercise with numerous variables. We are developing the model throughout the trial period, including where any future Customer Hubs need to be to support our customer base, typically a radius of 20 km. We expect to be running the trial through the remainder of the year.

**NCR:** I’d like to turn to a third area of focus, your Apprentice Academy. How is it going?

**SF:** We all know that there are just not enough technicians in the industry and so we are looking at a traineeship, initially with our JV partners and then potentially extend it to our broader network. One of the things we will do is increase the level of diversity in the industry.

The industry is cleaner, more technically advanced and we believe more attractive than ever before. We will work with the RTOs to find a way to attract the next generation. Marketing the value proposition of our industry will be critical as we must find a way to break down the preconceived ideas of what the industry is and clarify what it has to offer.

**NCR:** Surely technology will be a major factor?

**SF:** Undoubtedly. We know that some cars today are more complex than passenger aircraft, and as autonomous and semi-autonomous vehicles become more prevalent, this will certainly be an attractive proposition to the next generation. We believe we can play a role in this process and we are working how best to be a key player.

**NCR:** So, what is the key message from IAG?

**SF:** We will see improvements in customers’ experience by having repairers repair the right type of vehicle to the right quality standards. We will continue to work with the industry to meet the changing customer needs and ensure each shop can achieve our expectations of quality, particularly with the rapidly changing technology in the vehicles. It really is a customer-centric model.

We also visited the NRMA MotorServe site in Seven Hills to see Customer Hub in action. This site was the first of a network of 23 NRMA Motoring Services sites and has been operating for 11 years.

Max McCoy, who is co-ordinating the test and learn for IAG, explained the process:

When a claim is lodged it is “pre-qualified” to ensure it is a suitable repair for the “test and learn” trial. If so, the customer is advised when to bring the car to the site to ensure they are serviced on arrival.

When the customer arrives, the vehicle is assessed to ensure the damage is consistent with the claim and description of the incident. The assessor, together with the customer, checks the vehicle and they agree on the scope of work.

The customer is provided with a mobility solution and the vehicle is taken into IAG’s care and transported to the repairer that is best suited to the scope of work.

Using a body shop management system, IAG has established a link to each body shop in the test and learn to monitor the progress of the repair and ensure they are fully informed and can communicate effectively with the customer.



Assessor Brett Shelton gave a live demonstration of how he tracks the 40 vehicles in the system, which gives him the capability to allocate repairs to optimise Repair Hub’s capacity.

The last word goes to Troy Johns, Industry Risk and Governance Manager: “We embarked upon the trial because we could see the potential to leverage synergies with the NRMA brand, fine tune our operations and enhance our customers’ experience, and the early indications are really positive.”