

## Glass Program Redesign - Road Show Summary (September 2019)

### Background

Starting in May 2019 and running for five weeks, ICBC hosted road show presentations throughout the province about the proposed [glass program redesign](#). All Glass Express repair facilities were invited to attend.

Over 30 sessions were held, with a 90-minute presentation followed by a question period. Owners, managers, general managers, regional managers, and installers representing Glass Express facilities throughout B.C. attended the road show.

For those who were unable to attend, we held an online meeting in July 2019 that featured a slightly condensed presentation and was followed by discussion with online participants.

The industry road show was designed to inform industry of, and solicit feedback on, ICBC's redesigned glass repair program. We collected all comments, suggestions and questions, and committed to reporting back to you in the fall.

Since then, we've given careful consideration to all the feedback we received and, where possible, we've made adjustments to the program. This document summarizes what we heard and explains how this has been addressed in the redesigned glass program.



## What we heard

### Feedback

Overall, feedback from the road show indicates that we are moving in the right direction with the new program and there is industry support for the changes we are making.

The main themes of this feedback, and how we considered and addressed it in designing the program, are detailed below.

*Note: Complete equipment and training requirements will be provided in the Glass Repair Program Guide, which will be published prior to program implementation.*

### Advanced Driver Assistance Systems (ADAS) Calibration Policy

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>• Industry urgently requires an ADAS policy as there is currently misinformation, lack of training, and no standards in place.</li><li>• Direction from ICBC is needed.</li></ul>	<ul style="list-style-type: none"><li>• ICBC will develop an ADAS calibration policy that will include allowances paid by ICBC to calibrate the system.</li><li>• This policy will be in place before the new program is implemented.</li></ul>

## What we heard

### Regions

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>Certain members of the Glass IAC considered some of the regions outside the Lower Mainland to be too large: the mix of business/freight times/parts accessibility varies widely in these regions, so ICBC will not be able to ensure fairness when comparing performance (KPIs) of repair facilities.</li></ul>	<ul style="list-style-type: none"><li>ICBC has made the following changes to regions outside the Lower Mainland:<ul style="list-style-type: none"><li><b>Kootenays:</b> This region, which formerly included areas from Trail to Fernie, will be split into:<ul style="list-style-type: none"><li>East Kootenays (including Cranbrook, Creston, Fernie, Golden, Jaffray, and Kimberley);</li><li>West Kootenays (including Balfour, Castlegar, Fruitvale, Grand Forks, Nakusp, Nelson, Rossland, and Trail).</li></ul></li><li><b>Prince George:</b> This region, which formerly included the city of Prince George and the area south to 100 Mile House, will be split into:<ul style="list-style-type: none"><li>Prince George;</li><li>The area south of Prince George, including the towns of Quesnel, Williams Lake, and 100 Mile House.</li></ul></li></ul></li><li>These changes also ensure that customers have access to Tier 1 repair facilities.</li></ul>

## What we heard

### Tier 1 Cap

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"> <li>• While some respondents supported capping Tier 1 at a fixed percentage, i.e. 20% - 30% of top performers, to drive competition and elevate industry performance, others provided this feedback:               <ul style="list-style-type: none"> <li>○ If a repair facility in Tier 2 meets minimum performance requirements over the annual measurement period, the facility should move up to Tier 1, i.e. Tier 1 participation should not be capped.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The proposed fixed percentage* cap on Tier 1 participation in the new glass repair program remains unchanged, as:               <ul style="list-style-type: none"> <li>○ A performance based, exclusive target that is capped at a certain percentage promotes higher overall performance in industry for the benefit of the customer;</li> <li>○ Segmenting suppliers addresses concerns raised by industry about uniformity in the current program due to fixed performance and program requirements.</li> </ul> </li> </ul> <p><i>* The fixed percentage will be reviewed over time as KPI data becomes available.</i></p>

### ICBC Staff Training

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"> <li>• General industry feedback suggested that ICBC staff may require training in order to support the new program.</li> </ul>	<ul style="list-style-type: none"> <li>• ICBC will ensure that provincial glass operations representatives receive comprehensive training before the new program rolls out, including selected iCar courses.</li> </ul>

## What we heard

### Frequently Asked Questions

Following are ICBC's answers to the most frequently asked questions during the road show.\*

*\*The information provided below is accurate as of September 30, 2019. In the event of a discrepancy between this information and that contained in the new Glass Repair Program Guide, the latter shall be deemed to be correct. The Program Guide will be published prior to program implementation.*

### Tiering

- **Do I need to make an investment to move into Tier 1?**

All glass repair facilities must meet the equipment and tooling requirements for the new program. However, no additional investment is required to be eligible for Tier 1. Entry into Tier 1 will be based on the shop's performance metrics (KPIs), measured over 12 months.

However, there are investments that can have a positive impact on performance metrics. For example, investment in ADAS calibration equipment could have a positive impact on the customer satisfaction and/or the cost control KPIs.

- **The new minimum requirements seem to benefit the bigger banner shops. As a smaller, independent shop how will I compete in this new model?**

None of the new program's minimum equipment and tooling requirements necessitate capital investments; however, shops must be able to perform OEM repair procedures. Many Glass Express shops, regardless of size, already have the equipment that is required to do so; as a result, most smaller independent shops should not be at a disadvantage.

The new program will introduce minimum performance requirements, set on a regional basis, that ensure all participating repair facilities are proficient in, and focused on, glass repair. These requirements may include minimum annual claim volume, minimum repair ratio, quality assurance scores, and the customer satisfaction index.

- **Will ICBC consider reducing the 12-month review time for the evaluation cycle?**

A period of 12 months is a reasonable amount of time to collect sufficient performance metrics (KPIs), and will ensure that results are not skewed by seasonality or unusual repairs.

- **I have a dual shop: could it be in two different tiers and two different regions simultaneously?**

It is possible for a shop to be in two different tiers of ICBC's two new programs, i.e. Tier 1 of the new collision repair program and Tier 2 of the new glass repair program. Dual shops will receive separate scorecards for collision and glass, enabling each side of their business to be managed separately. It is not possible for a shop to be in two different regions, as the new collision and glass repair programs have the same regional boundaries.

- **Why are the requirements for uploading photos different for Tier 1, Tier 2, and the Assessment Tier?**

The higher the tier, the greater the autonomy and ability to realize efficiencies. For example, Tier 1 glass repair facilities will not have to upload photos for windshield repair (although the facility is still required to take photos and retain them for two years for audit purposes). In addition, glass repair facilities in Tier 1 and Tier 2 will no longer be required to photograph a vehicle's four corners.

The existing photo requirements will apply to shops in the Assessment Tier of the new glass repair program.

## **KPIs and Regionalization**

- **How are the KPIs defined, and how are they applied regionally?**

Key Performance Indicators (KPIs) for the new program have been developed based on industry best practices. The three main KPIs in the new program are cost control, customer satisfaction, and quality assessment. KPI's will be used to measure shops performance against their peers in each of their regions.

- **How can shops manage costs per claim in smaller regions?**

Factors such as mix of business and freight times vary widely depending on geographic location. Grouping shops according to geographic location will establish an even playing field, as shops will compete against others facing similar market conditions.

However, there are a number of factors within a shop's control that can help reduce costs per claim – the most significant is the shop's ability to safely repair a windshield instead of replacing it. Shops can also select more cost-effective parts when alternatives are present in Glass Web Express, and perform ADAS calibrations in-house when possible.

- **If I have an issue with my designated region, can I dispute it?**  
Regional boundaries for the new glass repair program will be the same as those for the new collision repair program. While these are not open for dispute, ICBC will review the geographic regions on an annual basis.
- **How is ICBC counting repairs - per claim or per repair?**  
Windshield repairs will be captured per claim. For example, a windshield repair claim consisting of three chip repairs will count as one windshield repair claim.
- **Why would I help to increase the repair ratio when I'm only getting paid for one repair?**  
When safe, proper windshield repairs are performed instead of unnecessary windshield replacements, the glass repair program saves money. These savings will be shared with high-performing shops through the Shared Benefits pool. Therefore, shops will be incentivised to perform a windshield repair when a replacement can be safely avoided.

While the repair ratio is an important performance metric, there are several other KPIs that contribute to a shop's overall performance – and this directly impacts both tier status and eligibility for the Shared Benefits Program.

- **Customers with high-end vehicles who insist on a glass replacement will negatively impact our repair ratio. How will this be addressed?**  
While the repair ratio KPI is heavily weighted in the new program, a shop can achieve strong performance overall through its quality assessment and customer satisfaction scores.

Glass Web Express indicates when a customer has requested a replacement but the windshield damage is repairable. All shops will be expected to educate customers about safe, cost-effective repairs.

- **Will ICBC investigate why shops are replacing windshields?**  
Yes. By tracking repair ratios and comparing the performance of shops against others within the same region, ICBC will be able to identify shop trends and behaviours that warrant further review.

- **How will customer satisfaction be measured?**

Customer satisfaction will be measured through customer surveys. We are currently in the process of selecting a vendor to design and administer the survey.

- **If shops already survey their customers, will ICBC use that information when scoring for customer service?**

We are currently seeking a vendor to manage the survey process for all shops in the program. This process will establish consistency across the program and ensure that customers do not receive multiple surveys. For this reason, results from independently-conducted surveys will not be used to determine a shop's customer satisfaction score.

## **Training**

- **Will ICBC cover the cost to access OEM repair procedures?**

Gaining access to OEM repair procedures is the responsibility of the repair facility. ICBC considers this information to be necessary for the execution of safe, proper vehicle repairs.

## **National Auto Glass Specification (NAGS)**

- **If there are changes to NAGS, will ICBC review the redesigned glass program?**

Mitchell has committed to providing the NAGS benchmark in the near-term and to providing adequate notice of any changes. In the event of significant changes, ICBC will review the new program to determine the impact on its billing and pricing policies.

## **Shared benefits**

- **What are the criteria for participation in the Shared Benefits Program?**

The Shared Benefits Program will apply only to years in which the new glass repair program achieves savings. In those years, the top 40% of shops in each region will be eligible for shared benefits (Tier 1 shops, plus the highest performing Tier 2 shops).

If you have questions, please contact <mailto:MDPrograms@icbc.com>. Thank you!