

First priority

Truck OEMs encourage dealers to improve by benchmarking their expectations of service levels. By publishing dealers' performance in league tables, they create a healthy dose of competition. Will Dalrymple reports

Maintaining fleets of trucks for technical and legal roadworthiness compliance involves carrying out all kinds of tasks, from small to large. Every year, of course, every truck has to undergo a statutory annual test (MOT). Since last year, the definition of 'truck' has been widened to include truck chassis-mounted mobile engineering plant such as cranes and breakdown vehicles.

One way to tell how well garages that prepare vehicles for MOT tests are faring is their first-time fail rate, which adds up all of the tests over the course of the year. Scania general manager for aftersales support services, Paul Frost, says: "We see MOT performance as a third-party qualification of a dealer's standard of inspection."

DVSA reports that the average April 2017-March 2018 MOT first-time pass rate was 86.1% (84.5% for HGVs), with the remaining being pass after rectification, retest or vehicles off road. There were more than 730,000 inspections of HGVs, PSVs and trailers.

What may be surprising to newcomers to the industry is that first-time MOT failure rates used to be significantly worse, and that this relatively high result has been raised due to effort across the industry of a decade or more. Frost admits that when it started to measure MOT statistics, in 2003, its pass rate was 68.5%.

He argues that such a low score needs to be put in due market context:

"You have to keep in mind we were no different to anyone else. It was where the industry was. But since, other OEMs have shown an interest in the MOT pass rate, and it became high on operators' agenda. Those who didn't choose to improve it have effectively been forced to do so."

Early on, Scania decided its approach to measuring MOT rates. Having discovered inconsistencies in how companies measure MOT passes, it decided to include every vehicle that Scania dealers prepare, whether or not it is a Scania truck, or even a truck at all (trailers and horseboxes, for example). Also, he says that Scania treats instances of provisional passes known as PRS, 'pass with rectification at station', as failures. That's because they attract OCRS points, he says. "We're not trying to fool ourselves. We want the number to be a true reflection. If you compare repairer against repairer, there needs to be an understanding of what the provider's figures are based on," Frost adds.

SEEING RESULTS

Having established the programme, Scania's pass rates have risen. In 2018 its MOT pass rate for its 85 dealers, about half of which are owned, was 96.48% for 2018 across 33,760 tests. Frost continues: "Now we're similar to other OEMs. We have a dealer incentive programme; that's a good way of motivating the dealer network if there's a particular area you want to move within."

Which is exactly what Renault Trucks



has done with its DQP, Driving Quality Programme, for its 52 dealers. The 18-month-old initiative tracks them on annually-set performance benchmarks weighted by importance. These are MOTs, breakdown service, customer satisfaction surveys and two third-party audits of front-of-house and workshops covering factors such as cleanliness, customer-friendliness and availability of special tooling. Audits are quarterly and conducted by an external company. Renault set the relative weighting to match its understanding of the issues' importance from a customer service point of view.

Every six months, results are published in a league table. Dealers' scores range from positive to negative, depending on a dealer's performance relative to the benchmark.

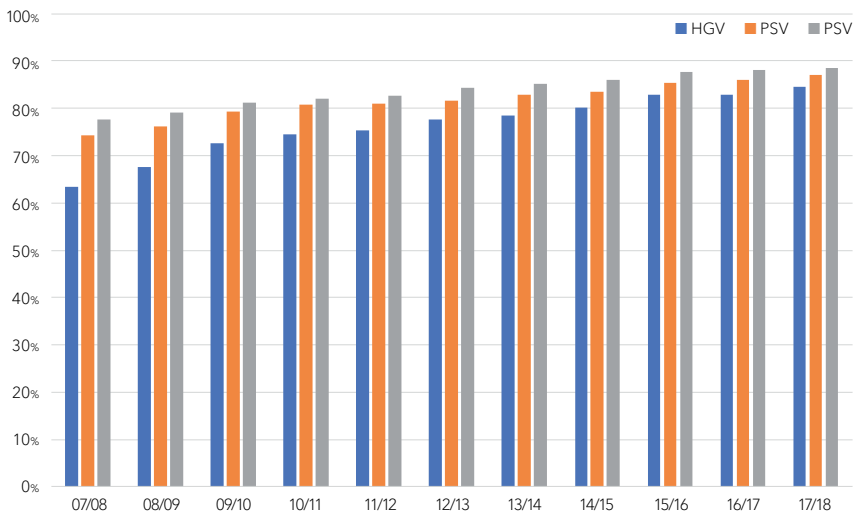
"What we have been falling prey to is being too accommodating; the truck turns up late, but we will still try to meet the inspection window, and then it ends in failure"

Graham Broughton



MOT FIRST-TIME PASS RATES BY VEHICLE TYPE

Source: DVSA. www.is.gd/kofure, www.is.gd/yodusa, www.is.gd/buluye



Renault Trucks UK service market and retail development director Derek Leech says that embarrassment drives change: no one wants to be at the bottom of the group. He elaborates: "There are dealers who were shocked to receive a low score; they thought they were doing a relatively good job, but that was before they were benchmarked against the others. The system means that there is now no argument from them."

Dealers in the bottom 10% of the table enter what Renault calls an improvement programme. It starts with visits from Renault's technical manager and head of parts, to talk through where the results are weak, and what the dealership needs. Then a Renault staff member follows up with a monthly visit. If the problems continue, the dealer is given additional training. If they still

continue, the dealer is asked to visit headquarters to present an explanation and a plan of remedial action.

Leech adds: "Dealers in the programme are visited more regularly. We have field staff to support dealers who need help; that's the premise. It's a support network. If someone needs help, we should be able to offer it."

WORKING TOGETHER

Teamwork is also the operating ethos over at DAF. The dealer target programme for its 136 dealers incentivises and encourages dealers to meet a range of key performance indicators, not only MOT first-time pass rates, but also including DAFaid first-time response rate and fix time, and parts availability in the dealership, explains marketing manager Phil Moon. He says: "Of course, ultimately if they don't achieve the targets, you manage them. That's the ultimate sanction. But often, you end up working with dealers to encourage them and to provide support, because often it's not a lack of willingness, but for example a lack of technicians. Then it becomes a joint responsibility to improve the

performance of the dealers. Ultimately we're all aiming for better customer satisfaction." The brand reports its dealers achieved an average 97.07% MOT first-time pass rate in 2018 out of 34,551 tests, its highest ever.

Also having had a big year of development in MOTs is Scania dealer group TruckEast. Its western regional aftersales director Graham Broughton says that the first-time MOT performance of its 13 sites remains varied. So his focus has been to improve common processes. "For example, don't inspect a dirty truck; it's simple. Give it to inspectors clean." He also advises not to rush. "What we have been falling prey to is being too accommodating; the truck turns up late, but we will still try to meet the inspection window, and then it ends in failure."

For Broughton, the focus is all about the how. "For MOT pass rates, there's a process. The only person who is going to allow a deviation is me, and I'm never going to do that."

Last year, TruckEast began analysing in detail truck preparation reports, he explains. This is recorded by an engineer who does a quality-control



check of every prepared truck, and rectifies anything that has been missed before the MOT. Broughton continues: "Now we have a quarterly meeting with anyone involved; maybe quality control, or the workshop foreman. We share the information that we've found. We share best practice. We are getting people together and talking more, and we're looking at what we are doing. If we have 99% in one dealer, and 94% in another, what is the difference? Let's compare notes. That drives a final checksheet."

He adds: "They may have had a particular instance once that has not been found elsewhere, so we add it to quality control. Sod's law says that it will

happen again. This is not rocket science. The investment is in people's time, sitting and discussing."

MYTHS DISPROVED

All of this effort is getting results. Leech at Renault says: "There was a view before that dealers never do anything to get better; that has been disproved. We are seeing true engagement. Over the last 12 months, one of the most improved was towards the lower end of the table in the first round; now it's in the top ten. It is a very small dealer, but completely engaged. We had a concept of how

this might work, but it has surpassed everything that we could ever have thought." And the numbers back up his message: over the course of a little more than a year, the total number of points scored by all of the dealers combined in the third league table published in early 2019 was three times higher than the first.

That rapid pace of improvement may prove unsustainable. Frost recalls that Scania's early efforts made big gains; it reached 90% by 2010, but then saw a gradual taper-off as it fine-tuned and eliminated the odd one-offs.

At DAF, Moon contends: "We're always looking to improve the performance by moving the targets, making them more demanding, or by changing them. Some things become more relevant." For example, a key metric for DAF in 2019 is a new driver training voucher scheme, which will provide new CF and XF customers with a voucher for extended handover training at the dealership; and it will be tracking the number of those carried out.

But many hold on to an ultimate goal of 100% MOT first-time pass rates. Leech points out that Renault dealers have achieved perfect scores in its league tables.

Broughton is relaxed about setting a goal of 100%, despite knowing that it might be impossible: "A lot of people would say that is ridiculous. But my rationale is that we're aspiring." **TE**

