

Q&A

INDUSTRY INTERVIEW: Ian Pugh, Fix Auto

Ian Pugh, MD, Fix Auto UK, began his career as an apprentice with a Ford main dealer before moving on to become a motor engineer for the insurers RSA Group and Direct Line and then holding senior positions in repair network management and engineering with Norwich Union Insurance (Aviva). In 2004, he became operations manager for Allianz (UK) Insurance before joining Audatex in 2007 as head of client relationships. Ian joined Fix Auto in February this year. Here, he tells Kelly Dalwood why.

Ian, you're now two months into your role at Fix Auto, do you still feel like the new person?

Not at all, I've hit the ground running and the chairman, Robert Hadfield, the Fix Auto team and the Fix Auto Advisory Committee have been extremely supportive. As a result, positive feedback from insurer customers and bodyshops has been absolutely magnificent. But perhaps what gave me the biggest boost was my induction trip in week two to Canada, the home of the Fix Auto brand. Quite simply, it confirmed that I'd made the right career move. The positive attitude and ideas flowing through the organisation at all levels is fantastic.

I feel excited about the future and the ability of my team and our community of bodyshops to influence the UK motor accident repair process.

Why Fix Auto?

I saw an opportunity in a market that's consolidating at a rapid pace and I believe Fix Auto UK's strategy is the most innovative and fit for the future.

Your career to date includes some of the biggest names in our industry: Ford, RSA Group, Direct Line, Aviva, Allianz and Audatex. How does your knowledge and experience benefit the Fix Auto network?

The key to any successful business is to really understand your customers' needs. I have end-to-end experience of the claims process from the technical workshop floor through to operational management and commercial relationship management with FTSE 100 companies. My understanding of the claims process helps me to shape the strategic delivery of Fix Auto and complement the key business drivers of our customers.

The Fix Auto UK team has expanded considerably in the past year. Has the new team changed the direction and drive of the business? If so, how?

The influence of the UK Fix Auto team guided by our chairman has been the key to progress in the past 12 months. Together, they've unlocked the potential of the Fix Auto network. It's my objective now to take this good work forward.

The direction has been set and we are reinvesting within our business to complement the support function to our bodyshop network. As we create further scale, we will continue to reinvest and take the business to a higher level. Fix Auto's operations team are all experienced bodyshop people and a recent recruitment to the team brings insurance expertise to the group.

What's your strategy for 2011?

Scale – delivering cost reduction by removing the fragmented approach and the costs associated with managing multiple relationships of a supply chain. Fix Auto is one of the largest branded networks in the UK with 64 bodyshops and sustainably growing. We have seen unprecedented growth both in 2010 and 2011 against a global economic downturn. Our plan is to develop our network to 150 bodyshops whilst at the same time forging close relationships with key clients. We're on target: we added 20 shops to the network in 2010 and in the first quarter this year alone, we've added 10 shops. Our predicted growth is 20 shops per year.

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We have also been able to attract key bodyshops and personnel to Fix Auto, which has created a positive momentum within the marketplace.

Consistency – reduces frictional costs and improves efficiency by the removal of failure demand within the claims process. Fix Auto has one common management system across the Fix Auto network and has invested heavily in Microsoft Cloud technology. With this we are able to utilise real-time management data into our performance dashboard and drive real time self-managing performance measurement across our entire network. The ability to track and measure key-to-key data and actual data from the management system has created a credible data warehouse for our clients.

Best performance – to be best in class through training and support



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functions creating a sustainable operating model and to deliver best in class cost control of motor damage claims spend. Utilising a full time operations team managing KPIs and performance, identifying training needs and integrating into performance in estimating training. Financial analysis of our bodyshops to create a sustainable model and standard operating procedures.

The pace of growth of the UK Fix Auto network has been impressive over the past 12 months. What's the reason?

A significant amount of growth has come from existing bodyshop franchisees recommending the Fix Auto culture to their fellow bodyshops based upon their experience of the support and community spirit within Fix Auto. The market is also consolidating and the needs of our clients are changing. The bodyshops that have joined understand that today's methods will not support tomorrow's business.

Fix Auto repairers provide many of the leads and suggest shops that are ideal additions to the network. The operations team also identify locations and work with potential Fix Auto shops. For example, we now have a London solution well underway, with six appointed shops providing coverage, and we're running a series of recruitment roadshows this month in the south and East Anglia region.

What are the fundamental differences between Fix Auto and other repairer networks?

Fix Auto is a global brand and a proven franchise model. It is a legal entity made up of successful bodyshops working together to promote their businesses. Key to the success of Fix Auto is the brand, our values and business proposition. Plus the operations team managing KPIs and performance, identifying training needs and integrating into performance in estimating training. I'd say that's unique.

How does the UK Fix Auto operation differ to those in other countries?

It's exactly the same ethos, but tailored to suit the UK business model. In some countries we share common insurer customers which helps validate the UK proposition.

Is it difficult to convince some repairers to 'lose' their name and rebrand as Fix Auto?

In the early days it was but not anymore because they see the value in having a Fix Auto seat at the negotiating table.

I have led teams of people through organisational change and the process is one not be underestimated. We clearly communicate the value and benefits of the Fix Auto community and the support function which exists. The most effective way to articulate the change is to share experiences and knowledge with our bodyshops who have been through the real process.



What does the ideal Fix Auto shop look like?

A very interesting question. The ideal Fix Auto shop has a can do attitude, is willing to work as part of a team and community, and one that is willing to share ideas and innovation with fellow franchisees across the UK.

As the network continues to grow and the proposition evolves, the bar is continually raised. New shops will join and some shops currently on the network may find they no longer fit. PAS 125 is a must. 72% of our network currently has PAS 125 and we've issued a deadline of the end of 2011 for the entire network to reach the standard. Of course, we're offering support to our bodyshops who need to achieve PAS 125.

Do you believe there's a future for independent repairers?

Absolutely. We are operating in a commercial industry worth approximately £5 billion within the UK, with over three million insurance claims. While there are certain to be other organised bodyshop networks in the future, they will only serve to validate the Fix Auto proposition. There will always be a place for the quality independent bodyshop to service local requirements. Their ability to grow, however, will be constrained by their inability to have a seat at the negotiating table.