

irtec provides 200% Return on Investment



In 2012/13 The Institute of the Motor Industry (IMI), commissioned by the UK Commission for Employment and Skills (UKCES), undertook an in-depth analysis into the return on investment (ROI) companies achieved after providing technicians with irtec inspection accreditation.

Established by the Institute of Road Transport Engineers (IRTE), a Professional Sector of the Society of Operations Engineers (SOE), irtec is an independent accreditation scheme that assesses the competence of technicians working in the commercial vehicle, trailer and passenger carrying industries. Through irtec, technicians can add to their qualifications by demonstrating that their skills and knowledge are up-to-date. An irtec licence proves a commitment to safety, competence and demonstrable professional development by both the technician and employer.

The study's aim, which included analysis of data provided by DAF Trucks Ltd, DSV Commercials Ltd and Morrisons, was to measure and assess the business impact and ROI of adopting irtec inspection accreditation; in particular, increases in productivity and impact on monthly MOT first time pass rates as a means to improve their Operator Compliance Risk Score (OCRS).



DAF Network

At DAF Trucks there was a desire to demonstrate that a focus on further improving the OCRS across its franchise after sales network through a systematic and rigorous inspection standard would impact the network's average MOT first time pass rate. The IMI's ROI study aimed to follow through and quantify the impact on the network's MOT first time pass rate of having DAF's franchise technicians irtec inspection accredited.

An analysis of the 2009 and 2010 data forecasted an average MOT first time pass rate of 90% for 2011 and 2012. However, the actual data for those years showed a statistically significant increase to 93% in 2011 and 93.5% in 2012. It was during this period that DAF increased the number of irtec accredited technicians from 50 to 1000 a significant proportion of the technicians in the network.

Achieving a consolidated lift of over 3% across the UK network, above an already high 90% forecast base line, is a considerable business achievement and is substantially attributed to the network's commitment to its technicians achieving irtec inspection accreditation.

DSV Commercials Ltd

In 2010 DSV Commercials recognised their business needed to meet increasing customer expectations through an improved focus on customer roadworthiness OCRS. DSV Commercials attempted to take control of its MOT first time pass rate through a more efficient inspection routine for vehicles and trailers. After a successful trial using irtec to accredit two technicians, DSV Commercials ensured all 16 technicians achieved irtec inspection accreditation.

As a result DSV experienced an eight fold rise in the monthly MOT first time pass rate and a 4.5% increase in technician utilisation, and hence additional marginal productivity, wholly attributable to irtec, generating a return on investment of 220% (each £1 invested returned £2.20 net).

Conclusions

DAF Trucks, DSV Commercials and Morrisons have shown that a change in technician culture can be achieved through focus on OCRS.

DSV Commercials generated 220% ROI from irtec inspection in the first year, achieved increases in its monthly MOT first time pass rates and new business.

DAF Trucks and DSV Commercials have shown that a focus on current competence in inspection can improve monthly MOT first time pass rates.

A similar organisation, driven by technician 'skill and will' to attain the irtec inspection accreditation license, could achieve around 200% return on its investment.

Morrisons

In June 2012, despite having a 96% MOT first time pass rate, Morrisons accepted an invitation to partner with the IMI to pilot irtec inspection accreditation in two Morrisons' workshops. Following training and the underlying knowledge and practical assessments, by January 2013 all technicians had completed and reported that achieving irtec accreditation gave them more confidence in their skills and recognition of their abilities. Morrisons saw a positive shift in behaviour which, coupled with increased efficiency, has led Morrisons to roll out irtec across all its workshops.

"The IMI's ROI study has clearly demonstrated that this project has made a significant improvement to our VOSA first time past rate. This has clearly shown that DAF has moved its mark from 90% to around 95%."

Tony Shepherd, After Sales Service Manager
– DAF Trucks Ltd

"By decreasing the repeat visits to the workshop, DSV Commercials have seen an increase in 'up time' of their customers' vehicles and more available technician hours to sell."

Chris Marshall, Director, DSV Commercials Ltd

"irtec is a massive benefit to the vehicle maintenance sector, not just for Morrisons but for the whole country as well, because it gives all the technicians in the industry a licence – it proves their worth – it proves their standards."

Dave Seddon, General Manager for Vehicle Maintenance Unit, Morrisons

To find out more information go to:
www.theimi.org.uk/roi