# **Case Study - Central Auto Supplies**

## Profile

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| Company Name: | Central Auto Supplies |
| Business Sector: | Autos |
| Postal Address: | 7-11 Stewarts Road Finedon Road Ind Est Wellingborough Northants |
| Postcode: | NN8 4RJ |
| Fleet Size Overall: | 125 |
| HGV: | Nil |
| LGV: | 95 |
| Company Cars: | 30 |
| Private vehicles used for business purposes: | 2 additional own cars used by staff on authorised Company business – all subject to same regime & checks as per Company owned vehicles |

## Company Overview

Central Auto Supplies (CAS), a division of S.T Piercy Ltd, was founded in 1967 in Wellingborough. An independent business, the company rapidly established an enviable reputation for the supply of quality parts allied to competitive pricing into the automotive aftermarket. Its aim from the outset, however, was to provide the very best service to customers, including an 'on demand' delivery service free of charge - a radical innovation 40 years ago.
Central Auto Supplies supply only quality branded car components, exhausts and engine management parts to all areas of the Motor Trade, including garages, fast fit outlets, national chains, technical specialists and retail DIY shops. Every product and support package is carefully selected to compliment and strengthen its service to the Central Auto Supplies customer base. A key ability of the business has always been able to re-invent itself to new markets and adapt successfully to change.

## Nature of Operation and Driving Activities

Central Auto Supplies is committed to a policy of safe driving. The company regards its drivers as professionals and as valued members of staff. It expects them to exhibit the highest standard of driving at all times and to drive safely and within the law on company business. How company vehicles are driven has a significant impact on the reputation of Central Auto Supplies. Its vehicles and drivers represent the company’s most visible image.

As most of the vehicle incidents involved the company’s light commercial vehicle fleet, Central Auto Supplies have now moved from the Renault Kangoo to Citroen Nemo & FIAT Fiorino vans with ABS as standard (+ EBD in the case of the FIATs). These are fitted with reversing sensors and have shown a marked improvement in fuel economy. This plan was started in early 2009 and was completed by the end of 2011 - in just 3 years, against the normal replacement cycle of 4 years, demonstrating the investment in newer, safer, more fuel efficient vehicles.

This was accompanied by all vans being fitted with telematics, which as well as providing valuable real time data and reports, has enabled the fleet to be better utilised, resulting in needing fewer delivery vans, without any compromise to the standard of the company's delivery service to customers. In the same period several managerial staff have given up the use of a company car.

The average mileage across the fleet is 37,600 miles a year per van and 26,500 per car, with the fleet covering 4 million miles plus a year in total.

The company ensures that its vehicles are fit-for-purpose in terms of load carrying ability, have good safety features and are ergonomically sound to assist their drivers. All company vehicles are regularly serviced against a rigid maintenance schedule using our own service sheets ( SF1600 ), which are audited by senior management on branch visits to ensure conformity and safe equipment in use.

## Organisational Structure

Central Auto Supplies currently has 19 branches in a network supported by a central distribution hub, giving three times a day delivery with medium sized vans. This makes Central Auto Supplies the leading automotive parts distributor in the Midland and Eastern regions.

The company has established an enviable reputation for its training excellence. Since 1998 Central Auto Supplies have been offering technical training to it’s customers as well, in conjunction with the leading systems manufacturers, such as Bosch, Lucas, Hella and Siemens covering every aspect of new vehicle technology and systems. This training is a fundamental and vital requirement for all those involved in vehicle repair and maintenance, regardless of previous experience. This is because the technology involved in new vehicle systems is changing more rapidly than ever before, and employs specialist technical staff to advise, comission and install, diagnostic and air conditioning equipment.

All training is held at regionally based colleges and at the company’s Head Office in Wellingborough for customers’ convenience.

The number of technicians attending such courses, particularly on air conditioning, is increasing. This demonstrates the growing realisation that training is the way forward.

## Work related Road Safety Policy and Procedures

Central Auto Supplies has developed its management processes to identify occupational road risk for all 250 staff members who are likely the drive on business. The process includes:

* Managers look for the “right type of character behind the wheel” at the interview stage using character assessment guides.
* All recruits have their driving licences checked and complete a day-long duty of care course, including safe driving practice, in a classroom setting.
* Driver training is carried out by a senior driver as part of the induction process, following classroom training, with a nominated senior driver being at each branch ( who have been given additional training for that role ).
* All incidents are reported.
* All crashes are investigated and interviews are carried out with drivers to avoid repetitive failures.
* A disciplinary process takes place after each driver error incident. Punishments range from fines up to £1000 (the company’s insurance excess) to dismissal.
* Monthly driver guides are issued focussing on specific safety-related issues.
* Drivers are reassessed every 12 months and employees involved in a driver error incident undergo an immediate training course, along with any drivers returning to work following time off through any cause.

## Handbook

Central Auto Supplies provides a handbook to all employees required to drive Company vehicles on business as part of their job, which covers a thorough description of their responsibilities within Company Policy and provides assistance to them as a reference at any time. It is subject to review and with the 2012 edition having more guidance on best practice behind the wheel, is now some 50 pages.

This handbook lays down those practices and guides to complete the successful delivery of goods to their destination, in line with those laid down in the Company Procedures Manual. The Company Procedures Manual is freely available to all staff to access via the computer system. In outline these are:

* QP100 provides an index of all the subjects and topics with descriptions within each section of which drivers need to be aware.
* QP200 series which is dedicated to vehicle use & driving while on Company business.

### Licence Checks

It is a condition of employment that a driver holds a current relevant driving licence, which should be produced for the company on demand. Upon commencing employment, drivers’ original driving licences will be sent to Head Office, for inspection by a director and for copying and retention on file for insurance purposes. Thereafter every six months, or at the company’s discretion, drivers’ driving licences will be subject to a checking procedure to ensure company records are accurate. Drivers must be aged 21 or over to entitle them to drive a Company vehicle. Licences may be demanded should a driver have an accident.

### Induction

As part of induction to the Company, all drivers will have their responsibilities explained and be subject to formal assessment during their probationary period. Drivers may be subject to re-assessment due to the Company’s appraisal process periodically, or as part of any safety training decided upon by management. All drivers must sign to say they have read and understood the instructions as laid down in the printed copy that each branch has in use. This policy is applicable to all staff members who drive a Company car or van and includes situations under which the vehicle(s) may be taken home overnight. All users are also directed to the Company’s comprehensive supporting documentation governing use of motor vehicles, contained in the Company procedures manual, in addition to this policy.

### Aptitude Checks

It is a condition of employment that all drivers of Company vehicles will be assessed, during their probationary period, by a senior driver or authorised member of staff against pre-defined criteria on form SF8. This is to measure and record their aptitude and skill in driving a Company vehicle. This will be completed and signed by the employee and the assessor. Upon successful completion it will be placed in the employee’s staff file. Where a sub-standard performance is recorded, the employee will undertake further training and assessment to reach the standard laid down in TM011-020. Failure to complete this will result in re-assignment of duties or may lead to disciplinary action. The Company reserves the right to re-assess its drivers should their conduct give rise to concern or following an accident. No driver is allowed to drive a vehicle alone prior to the SF8 assessment.

## Work related Road Safety Guidance for drivers

### Vehicle Selection

Company vehicles are allocated to the business needs of the branch and of the individual. All vehicles are replaced when necessary according to a laid down schedule and this is subject to change at the discretion of a Director. All vehicles are purchased by the company, with regard to design of purpose, lifetime cost, and safety equipment levels. Vehicles issued to branches and individuals may not be new ones. All vehicles will be diesel powered unless otherwise stated.

## Specific examples of procedures

### Mobile Phones

For safety reasons drivers are not permitted to use mobile phones whilst driving at any time. It is a criminal offence to use a hand held mobile phone whilst driving – or stationary with the engine running. Any driver using a mobile phone to make and receive calls and /or texts that contravene this will be subject to dismissal. The company bans all use of mobile phones, along with smoking, eating, drinking or use of sat-navs whilst driving that may lead to distracting a driver. No mobile phone numbers will be on display and contact with a driver should be made to the site of the delivery or visit by use of the SF3A delivery schedule. Linked with the computer 'Despatch Board', the vehicle tracking and resultant reportage for driver's time at the wheel, with the actual delivery time is accurate.

### Drink and Drug Testing

Random drink and drugs tests are carried out by senior managers equipped with a comprehensive kit and instructions for safe and accurate results. In the lateset round: 134 drivers were tested with 5 failing. Since then no drink or drugs have been detected in 2012 to date. Good Driver Guides regularly reinforce the message over complying with company procedures - QP150B - which carries a zero tolerance of such abuse in the workplace.

### Recent Changes

The major safety initiatives introduced from 2009 are:

1. The roll our of a revised Drivers handbook (HK4) 2012 edition, with an expanded section on road conditions and the risks they pose to drivers, allied to experience and best practice guidance.

2. Senior driver training (T5DS) with the aim of developing greater understanding of actual and likely behaviour patterns which affect driving styles and attitudes. As a result, it has been possible to better assess a driver's ability after returning to work following a long term illness or injury.

3. The introduction of a computerised delivery system showing all deliveries by each route at every branch.

4. The introduction of telematics to the whole fleet of vans. This allows for the following to be monitored:

* Performance in terms of mile per litre of fuel
* Acceleration patterns
* Braking patterns
* General Performance
* Useage - time on the road, at customers, loading, down time at site
* Real time tracking

 5. Continued use of monthly 'Good Driver's Guides' by all drivers. These guides provide information on operational and topical driving issues that have a safety aspect.

## Auditing and review

All branches have a audit carried out by the Operations Manager at least twice per year for compliance with vehicle servicing standards being maintained locally. All RTAs are sent in the same day as they occur, including details on the revised SF19 accident report form and are logged, documented and reported to the insurer at the earliest.

Drivers are instructed on using the camera in the report pack to capture as much visual information of the scene every time a third party is involved.

Quarterly reviews and trends are briefed to Managers' meetings.

Training records are sent monthly on an A4 summary sheet for display on the branch bulletin board, so that the manager and staff can see by names and dates of attendance against the type of course completed.

This in turn links with the training schedule sent each month with the next four months activity and training courses available - with the names of expected staff - for better planning and attendance.

## Performance measures

Monthly MPG figures are calculated every month, which are cross indexed against drivers for individual results against laid down minimum standards. The company relates low MPG directly to poor /risk taking driving styles. Drivers with these attributes are subject to remedial training, instruction or disciplinary measures in accordance with the company’s regulations. All such service figures / costs are recorded and analysed for life expectancy – tyres, brakes, clutches & steering / suspension parts.

## Accident reduction

In 1998 Central Auto Supplies operated a fleet of 86 vehicles. The fleet was involved in 38 vehicle crashes of which 75% were as a result of driver error. The company’s management was keen to improve the safety of its drivers and implemented the policy described above.

Central Auto Supplies currently operate a fleet of 95 vans and 30 company cars, down slightly from the 140 vehicles in 2008, but representing an average of 50% more vehicles overall to look after each year.
In 2007, the fleet safety record show a total of 47 vehicle crashes of which only 30% were attributed to driver error.

The incident rate for Central Auto Supplies has therefore dropped from 44% to 33%, while the sector norm as given by insurance companies is 66% (with 50% attributable to driver error). The records from 2008 to 2011 show an incident involvement of 29% with own fault collisions being just 10% average over the last 4 year period, being mirrored with ‘bent metal’ costs going down from over £20630 per annum 10 years ago to just £11220 currently – an average cost of £312 and 2 days down time, from £589 & 4 days down time back in 1999, and in actual prices paid out then. The company is committed to reducing further the incident rate because of the financial costs of repairs, insurance and administration.

Central Auto Supplies incident data show that in 1999 it suffered one driver error crash per 90,322 miles driven. By 2007 that figure had declined to one driver error crash per 285,714 miles. Since 2008 the average miles driven between each driver error incident is 408,225 miles. No serious injuries have been suffered by Central Auto Supplies staff or third parties in the period 2008 – 2011.

Central Auto Supplies believe that speed is not the major issue affecting their drivers. With confirmation by the vehicle trackers showing that from 2009 onwards the minimum percentage of vehicles involved in incidents below 5mph was 51%, and when including speeds up to 10 mph, that percentage rose to 70%, 76% & 65% respectively in 2009, 2010 & 2011.
The issue is their alertness to other road users. In particular, they have identified problems with establishing who has priority on roundabouts. They note the involvement of continental and foreign drivers in the “other party” role in some 20% of their reportable accidents with these drivers being invariably at fault, particularly on roundabouts.

## Financial and other benefits

Central Auto Supplies are concerned that crashes prove costly mainly as a result of personal injury claims – the largest so far amounted to £40,131 – where 3 people in the same car made claims, despite there being little damage to either vehicle. The company was concerned that these claims were likely to increase and affect its insurance premiums.

As a result it introduced the procedures described above, whilst lobbying over the perils of this pernicious situation with both organised gangs and opportunists taking advantage of insurance companies for the flimsiest of excuses over mounting claims. Something born out from the actual collision speeds ( or lack of them ).

Worryingly, a third of all third party claims are investigated by the insurers as spurious cases from the very outset against a backdrop of 75% of all collisions being caused by third parties. A complete reversal of the situation that the Company experienced back in 1999.

The result has been that awareness of road safety among drivers has improved and Central Auto Supplies’ insurance premiums have stayed roughly the same over the last 4 years ( 2012 premium per vehicle is £84 below the 2008-11 average ) in a period where insurance premiums generally have risen dramatically.

## Lessons learned

Training – particularly in group style discussion sessions favoured by Central Auto Supplies, is the best and most cost effective method of delivering results. Members of staff are able to recognise, relate to and express their views on driving situations faced under the various types of road and conditions. Training must be a continuous process, not just a one-off or once only task. The Central Auto Supplies process is based on:

* conducting driver assessments.
* getting drivers to read and sign the Branch Driving Handbook.
* following up with monthly guides.
* conducting an annual assessment ( November ).
* following this appraisal by the Drivers’ Annual Appraisal, which uses factual information.

The process ensures that road safety continually remains fresh in Central Auto Supplies drivers’ minds. It is backed up by a fair and objective disciplinary procedure. Central Auto Supplies believes that incentives and trying to ‘sell’ road safety as an aspirational goal does not work.

Central Auto Supplies believes that its work related road safety policy and training process is clearly not just focussed on their drivers’ skills on the road, as such, but strives to challenge and then alter the drivers’ habits and beliefs on how they should conduct themselves on the road.

In general, the cost of deploying a training scheme is minimal – other than any time spent on collating the data and writing the presentations and preparing attendee packs etc. Central Auto Supplies believes that it is not always necessary to use external or specialist companies. Having utilised training, including courses and tests, provided by these companies, Central Auto Supplies’ experience is, that, left to their own devices, members of staff tend to revert back to their previous habits and failed to apply the techniques they had been taught. Central Auto Supplies’ continuous evaluation process helps overcome this.

In addition, the fitting of active rear sensor arrays to all vans in 2006, to assist in detecting other vehicles, people or objects in close proximity, has reduced reversing incidents by 75%.

## Current and future developments

Central Auto Supplies are fitting further telematic systems to the fleet cars to collate accurate data on actual movements for it’s Business Representatives in order to maximize call routing, vehicle and driver efficiencies, after the success with the vans.

Central Auto Supplies highlight the errors drivers are making by combining all data on one report - RTA\_MTO log : showing drivers with accident involvement, licence offences, violations, below standard MPG’s, training information & speeding together; all with a period to improve. Although using historical information, it is valuable in showing potential trends for the future conduct of an individual. It is sent out on a monthly basis to Regional & Branch managers. This process precedes formal management action.

Central Auto Supplies are conducting an extensive study into the latest generation of vans & cars – including EV’s - to determine which offers the optimum economy, low emissions, performance, load, safety and operating characteristics against it’s requirements.

Central Auto Supplies aim to reduce the turnover figures for its drivers, a consideration in it’s industry sector showed this is possible following the NVQ2 driver training program in 2010 & 2011- where 159 drivers were enrolled, with 156 completing & passing the City & Guilds Standard. This measure with others have seen an 80% annual staff retention level.

## Additional information

Supporting Documentation:

1. [QP200 Vehicle Maintenance](http://www.drivingforbetterbusiness.com/pool/qp200.pdf)
2. [QP200A Maintenance Proceedures](http://www.drivingforbetterbusiness.com/pool/qp200a.pdf)
3. QP201 : Vehicle Security.
4. QP202 : Private Use of a Company vehicle.
5. QP203 : Vehicle Fuel & Mileage Records.
6. [QP204 : Vehicle Accidents / Insurance.](http://www.drivingforbetterbusiness.com/pool/qp204-205.pdf)
7. [QP205 / T68-HK4 : T5 Drivers Handbook on Use of Company Vehicles - Checks / Standing orders.](http://www.drivingforbetterbusiness.com/pool/t68.pdf)
8. QP207 : Use of Barrel Trailers.
9. QP208 : Tyre care and checks.
10. QP209 : Company Policy.
11. QP150B - Drink and drugs Policy.
12. T5DS - Senior Driver Training.
13. [HK4 Fleet Drivers Handbook – 2012 edition](http://www.drivingforbetterbusiness.com/pool/hk4.ppt)