



Progressive Insurance Company

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Using HPI and Performance DNA in the Claims Group of Progressive Insurance

We used Human Performance Improvement (HPI) principles and Performance DNA to improve performance in a major strategic initiative within the claims division at Progressive Insurance. This initiative is a network repair service we provide to all of our insured's and claimants, which enables us to handle the vehicle repair process from "end to end", covering every part of the claim and repair process.

When a claim is called in to our organization, we let customers know that they have the choice to handle the repairs on their own, take the money and not repair the vehicle, or use our network repair service to handle everything. The success of the network service depends on the ability of the claims rep to refer the customer to the service. For the service to be cost effective, we need a high percentage of vehicles to be repaired through our network of repair shops. **Our goal is to have at least 50% of all repairable vehicles acquired by the network service by the end of 2006.** Since the program began three years ago, our acquisition rates have been flat (around 30% on average). To support this process, we provide "referral training" to all claims reps, to teach basic sales and communication skills (how to identify customer needs, how to overcome objections, etc.) Despite training, retraining, and more retraining, acquisition rates were not improving at the desired rate to meet our goal in 2006. The business leaders recognized that training probably wasn't the answer (or at least not the only answer), so they agreed to allow us do conduct a thorough analysis to recommend some new solutions.

Interviewing and observing key performers represented one of the most significant shifts from the way management had previously analyzed their problems. We used the classic performance bell curve to explain why it was not effective to keep re-training your lowest performers. (That had always been the strategy--keep giving more sales training to your reps with the lowest acquisition rates.) Each part of the organization had groups of reps who far exceeded the average acquisition rate--some were consistently getting 60% or more of their customers into the network (without steering or failing to inform the customers of their choice in repair options; i.e. staying within accepted guidelines.) Because these people (key or exemplary performers) were performing well, managers spent little time with them and were missing some great "keys" to successful performance in this area.

By using the Performance DNA analysis process, we unlocked several influences on high performance. **Many of these influences are highly replicable and are very feasible to implement across a large company.** The managers who participated in

the analysis reviewed our list of simple recommendations and reacted, "That's it? It can't be that simple." They learned that some very feasible, high impact solutions were right under their noses (within their key performers day-today activities), but they weren't looking there. This is a bit of a shift to look at 'key performers' instead of low performers, when trying to fix a problem. The areas that participated in the analysis and implemented a "basket" of relatively simple, related solutions have not seen a quick spike, but steady and incremental improvement in their acquisition rates. According to the managers, they believe the incremental change is more sustainable and will have a greater impact.

Today, we are rapidly expanding the opening of our 'network services' and this expansion will continue to be tied to continually using HPI processes along with our more traditional processes and methodologies.