

RESULTS

**A DECREASE
IN THE DAMAGE RATIO**

from **110%**
to **44%**

By implementing AVRIOS

**DECREASE OF PROCESS
COSTS AND INCREASE OF
TRANSPARENCY**



Process and administration

**DRIVERS' RISK
MINIMIZATION**



With the damage analysis
provided by AVRIOS



www.ursapharm.de

Company: URSAPHARM Arzneimittel GmbH
Founded: 1974
Headquarter: Saarbrücken, Saarland, Germany
Industry: Pharma/Pharmaceuticals.
 URSAPHARM has been transferring innovative pharmaceutical concepts into effective medicaments and medical products for more than 40 years. The medium-sized company based in Saarland is one of the market leaders in the field of ophthalmology in Germany.
Numb. of employees: 650
Revenue: 170 Mio. EUR
Numb. of vehicles: 100

URSAPHARM Arzneimittel GmbH was gradually able to reduce damage rate from 110% to 44%!

Fleet management software AVRIOS has been in use at URSAPHARM for three years now. Mr. Philipp Mayer - certified fleet manager (DEKRA) working in the purchasing department - is the main person responsible for the management of company vehicles.

THE CHALLENGE

→ **Reduction of the damage rate**

Before the end of 2016/2017, URSAPHARM needed to restructure its damage management system from scratch. Their damage rate of 110% was far too high, and insurance premiums were always on the rise.

Excursus damage rate: the damage rate is the ratio of damage costs to insurance premiums:

$$\text{Damage rate} = \frac{\text{Damage costs according to the insurance}}{\text{Premium paid}} \times 100$$

If the damage ratio is above 100%, the expenses for the insurer are higher than the income from the premiums, which is why the premiums increase.

THE SOLUTION

→ Implementation of strategic damage management using the AVRIOS platform

In order to have an optimal risk and damage management system, problems must be processed in a structured manner, with the aim to take fact-based measures. The basis for this is a transparent and complete documentation of all damage processes in the company. With Avrios, URSAPHARM has found a perfect solution to pursue optimal risk and damage management.

→ Data consolidation and analysis

Initially, all data had to be registered and evaluated in a structured manner. For this purpose, all relevant vehicles, damage, and insurance data coming from sources not yet consolidated, were for the first time combined and digitized in AVRIOS. Besides the information on the number of damages and their economical amount, insurance data are particularly important for the whole damage management system.

“*With the integration of the AVRIOS fleet management software, all relevant data about damages could be consolidated in one database for the first time in the past financial years, both retrospectively and currently, and then processed in a targeted way.*”

AVRIOS makes for the first time possible to have a complete database consisting of digitized data, stored documents, damage categorization, and personal notes.

The identification of the cheapest workshops or unjustified repair costs are examples of cost optimizations that could be implemented with AVRIOS immediately after the introduction of its damage management system.

→ Action plan

After the data had been merged and analysed, the following package of measures was defined and successively implemented in order to reduce the damage ratio in the medium term:

Process definition

→ Existing processes were reviewed and internal regulations revised. For example, the internal value limit for minor damages without insurance coverage was raised to less than €1500 in order to reduce the damage ratio in the short term. Since minor damages are now borne directly by the company and no longer by the insurance company, workshops have a greater incentive to keep the repair costs of minor damages low and it is easier to claim fleet discounts on spare parts.

Developing new partnerships and workshops with experts

→ Because of their knowledge about cost drivers, a network of partners was built up to optimize the damage management. This included partnerships with experts for legal advice and expertise as well as with specialised workshops for the cost-effective repair of frequent damage cases.

Invoice validation

→ The evaluation of the repairs with the respective specialist workshops as well as the supra-regional market conditions is often difficult: without technical support, it's not possible to verify the plausibility of a quote and the necessity of a repair. However, since this technical know-how is available, considerable savings can be gained on the base of solid argumentations. With Avrios, invoices are automatically digitized for this purpose.

Optimized return process

→ The process of vehicle return and the used car market are subject to constant change. Through the digital vehicle and damage files in AVRIOS, there is clarity at the end of the leasing period about the extent of value-reducing damage. All necessary information can be retrieved from any location in order to remove the vehicles from service on time and in an economically attractive way. Even before the vehicles are returned, it is known if their value has to be reviewed by a specialist. In this way, leasing and manufacturer specifications can be satisfied and potential savings generated. Furthermore, invoices from leasing providers can simply be compared with the damage history in order to detect potential errors.

Employee sensitization and project integration

→ With the introduction and approval of the company council, company car drivers are trained and informed of the high financial consequences of the damages caused. The aim is to review the costs at regular intervals in order to improve the risk and damage situation.

Employees receive detailed feedback on the costs of closed claims.

→ A fictitious reduction in value is calculated on the basis of a value matrix developed in-house. The matrix shows the total driven kilometers and the resulting damages. This "fictitious reduction in value" serves as a value limit for a reward system. If the actual reduction in value when returning the vehicle is lower than the internally calculated value, the employee receives appreciative feedback in the form of a bonus. The information required for the calculation, such as the contract term and total mileage, can be easily checked on the vehicle file in Avrios.

Activity control

→ The aim of risk and damage management is to avoid future damage costs and to increase driver safety. To this end, the measures implemented must be checked for their lasting effects on success. URSAPHARM has therefore set up a reporting system based on Avrios which allows the company to consider all accident costs - both covered by the insurance company and handled internally. URSAPHARM uses the system developed in-house to benchmark itself against comparable companies and to continuously develop risk and damage management.

Review and adaptation of safety equipment to recurring damages

→ After a careful evaluation of the damage data with Avrios, URSAPHARM has taken some technical measures. Among other dispositions, rear-view cameras, distance control systems, and parking assistants were introduced as countermeasures for maneuvering damage and collision prevention.

Driver safety training

→ As a further step, practice-oriented driver safety training courses are offered, individually designed with a focus on the most recurring areas of damage. Involved drivers can be easily identified with Avrios.

SUMMARY - URSAPHARM IMPLEMENTED A PROFESSIONAL DAMAGE MANAGEMENT SYSTEM

A DECREASE IN THE DAMAGE RATIO

By implementing AVRIOS, Mr. Mayer was able to reduce the damage ratio from 110% to 85% within just one year, starting in 2017. Through the presented measures - which require a clean and transparent database - the damage expenses could be further significantly reduced. As a result, at the end of 2018 was achieved a damage ratio of 44%.

DECREASE OF PROCESS COSTS AND INCREASE OF TRANSPARENCY

Process and administration costs have been demonstrably reduced through the use of AVRIOS. Information is immediately available and has to be no longer collected from different departments or from external suppliers.

The added value of using AVRIOS damage management is also demonstrated by the fact that several people can access the data at the same time. Coordination of the status of the damages and the associated costs with other departments, such as accounting, has become simple and efficient. The damage situation at both vehicle and driver level has become transparent and easily analyzed through the use of the software.

“ Thanks to AVRIOS, searching for specific damage in a large Excel spreadsheet with confusing comments is no longer needed.”

DRIVERS' RISK MINIMIZATION

With the damage analysis provided by AVRIOS, the most frequent causes of damage could be determined and analysed. On this basis, preventive measures were initiated.

“ This is a slow process in the beginning, but once a strategy has been implemented and adhered to, it is worth it in the long run.”

Mr. Mayer, Buyer and Fleet Manager at URSAPHARM



CONTACT

hello@avrios.com

Germany: +49 89 215 46 45 0
Switzerland: +41 43 508 27 75

www.avrios.com
blog.avrios.com

