



NEW PROGRAM FAST-TRACKS PROPERTY DAMAGE RECOVERY FOR QSRs

Customized Program Helps Quick-Service Restaurants Recover Property Damage Losses

Quick-Service Restaurants (known as QSRs) are everywhere. They serve millions of customers in high-traffic drive-thrus and receive countless vendor deliveries of food and products.

While the QSR model is a fast and efficient approach to serving hungry consumers, they have an often-overlooked business problem causing them significant losses. It happens when customer vehicles or delivery vendors damage a restaurant's physical property – from menu boards, overhangs and landscaping to freezers, counters, equipment and more. Self-insured QSRs find it challenging to report the damage in a timely and effective manner -- and then to recover the costs.



In larger organizations, physical damage losses can add up to millions of dollars a year.

With high-volume traffic and a large number of restaurant sites, risk is high and solutions are few. As an industry leader in subrogation, **Fleet Response** is targeting the QSR market with smart strategies that result in loss recovery.

This is the story of our first customized “fixed property subrogation” program developed for one of the nation’s leading QSRs.

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TACKLING QSR PAIN POINTS

Our QSR client made it clear: they want to focus on running their business – not on pursuing insurance companies or customers.

They have a strong culture of care, where everyone is treated with honor, dignity and respect. They were seeking a subrogation partner who reflects those values in the way they treat customers or vendors involved in property damages at thousands of their franchised locations.

At the same time, they were seeking solutions for some very specific pain points.



Their large QSR organization was in need of:

1. **Clear, easy and timely way to report fixed property damages in the field.**
2. **A structured or centralized process to collect documentation of damages.**
3. **A partner dedicated to reporting and following up on damage claims.**

Without these in place, our QSR client often did not recover the cost of damages to their property.

At the same time, our client's workplace culture puts customer service first – so they do not want staff chasing after customers to get their contact information and insurance carrier.

Instead, they had been relying on surveillance camera footage or a license plate number or name jotted down by an employee after an incident.

“Our QSR client was very clear on this – they care first and foremost about customer service, and less about the money,” says Noel Donato, Fleet Response Subrogation Manager. “They only want to pursue an insurance company for the cost of damages, not an uninsured motorist. It speaks to their culture and mindset of preserving the relationship with customers.”

But the client also recognized that their process of incident reporting and subrogation needed to be improved and streamlined – and that they were likely missing opportunities to recover significant damages.

“They care first and foremost about customer service, and less about the money...”

THREE KEYS TO SUBROGATION SUCCESS

In subrogation, timing is critical. The more time that goes by after the original date of loss, the harder it is to collect. This often leads to a “cold case” with no reimbursement.

As an industry leader in subrogation, Fleet Response knows what will lead to success in collecting on property damages for QSRs:

1. Timely and complete loss information on who did it, how they did it, when and where. That info allows an insurance carrier to acknowledge liability and issue payment.

2. Strong internal process with a checklist of info to obtain before a customer or vendor leaves the site in order to build a strong case to recover damages – from photos to cost estimates or invoices that prove the repair costs.

3. Communication with restaurant employees on the “why” behind collecting information.

Our self-insured QSR client did not have a structured system in place for employees to report damages and start the collections process. They had no centralized data on their losses or the causes behind these losses. And they were hindered by waiting weeks or months to get information on repair costs.

TO THE RESCUE-WITH A CUSTOMIZED PORTAL

A key element of the Fleet Response solution for this QSR was designing a structured method to report QSR losses in a timely manner. That allows us to start the subrogation process even before damaged property is repaired.

We custom-built a web portal for store managers or district coordinators at the corporate level to log in and quickly report a claim. They simply fill in customized fields requesting essential information, and then receive reminders to send photos and an estimate of damage costs within days of the incident. All claims are accessible on the Fleet Response VISIBILITY dashboard.

The QSR found the custom portal to be much easier and more directed than their previous method of creating a free-form email to explain the incident. They could quickly report the facts and then gather the kind of documentation that makes a strong case for collecting damages.

This immediately kicks the collections process into gear. Even with just a license plate number, the Fleet Response subrogation team can begin tracking down a driver and find out if they have insurance.

“The neat thing is that 100% of the time, these property damage cases can be subrogated. A building never jumps out in front of a car. There is always clearly an at-fault party in these cases,” explains Jeff Fender, Fleet Response VP of Sales and Marketing.



PROOF IS IN THE PROCESS & THE RESULTS

Our initial QSR client operates on a large scale, with nearly 3,000 restaurants throughout the U.S. and territories. Together, we decided to launch a pilot program only in their Southwest region. This is their busiest area with the highest volume and total amount of losses.

In the first year of partnership, 196 claims were reported with an average demand of about \$10,000 each. With the total in damages in active claims approaching nearly \$2 million, it quickly became clear to the QSR that they have a significant amount of damages occurring.

“Having a formal program in place really opened the floodgates for their staff to be able to submit claims,” observes Kari Hagan, Fleet Response VP of Client Development

“It turned out to be more than what the client originally thought was occurring. Our program not only helps them recover on damages they had been paying themselves, but it also reveals data to inform better business decisions.”

With 81 claims “closed and collected” so far, Fleet Response has collected on a phenomenal 98% of the total request demand amount sent to at-fault parties or their insurance carrier. This resulted in nearly \$500,000 collected for the QSR, with the remaining claims still being actively pursued.

RESULTS

Clearly, the stakes are high – and opportunities for recovery had been missed.

POWER OF DATA TO DRIVE BETTER BUSINESS DECISIONS

The real power of the Fleet Response solution goes beyond recovering the cost of physical damages caused by drivers and delivery vendors.

That power is in the data. It tells a valuable story and can help the QSR see the “bigger picture” of underlying problems –leading to better business decisions.

Our data analysis helped the QSR client spot trends in frequency and severity of damages, allowing them to understand why damages happen and then address it in their restaurant design or vendor partnerships.

“The data can help them realize they may need to design their awnings two feet higher to prevent future damage or make other changes. When they work with us, they get centralized data and a company that doesn’t leave money on the table,” says Hagan.



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BUILDING TRUST AND RESPECTING THE CULTURE

In any new business partnership, close contact is important. It helps build trust and establish good procedures. Two dedicated Fleet Response reps worked closely with our QSR client to launch the program. We traveled to their sites for training on their corporate culture, had weekly and then monthly meetings, and provided extensive training on their new customized portal.

“We got rave reviews from the field about the portal and the new reporting process,” reports Hagan. “It’s so simple that district coordinators said not much instruction was even needed.”

Fleet Response had already perfected property damage portal designs for clients that include a global paint retailer, a national tire business, quick-serve oil change businesses and valet services. We leveraged that experience to become experts in creating systems to streamline reporting on property damage – and to recover losses with our highly skilled subrogation team.

READY TO SERVE THE OTHER LARGE QSRS

The Fleet Response program is a perfect fit for QSRs with numerous properties, high traffic areas and higher risk due to multiple vehicles, including customers in cars and vendors in delivery trucks.



In the QSR market, we manage the details of reporting and collections so that store managers and risk assessment departments don’t have to. And we respect the unique needs of a business where customer service is king. A QSR never wants to look like “the bad guy” when collecting damages, so a third-party like Fleet Response can navigate that role with customers.

“The recovery dollars for QSRs are important, but respecting the importance of the customer relationship is also critical,” says Noel Donato, manager of subrogation for Fleet Response. “Our team represents the company and that’s important to us. In seeking recoveries, we want to uphold their relationship with the customer and not cause any kind of friction. We want their customers to continue to be satisfied restaurant patrons.”

“With a streamlined process in place to report incidents and get help collecting damages, our initial QSR saw results – in dollars collected and data that sheds light on why incidents are occurring.

Our secret to success is customization of the entire QSR program,” says Fender. **“We work closely with their people, help determine who should be reporting the claims, and push information back to their risk management department. They can quickly check the status of any claim on the VISIBILITY tool and see what’s happening – from the demand date to documentation of the damages, repair status, invoices, and when recovery is expected.”**

After building a strong success story with our first QSR client, Fleet Response is primed and ready to develop customized property damage reporting and subrogation programs for other large QSRs around the country.