How to use telematics
TO CONTROL FLEET COSTS
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Whether public or private, large or small, every fleet can use help in controlling costs. That’s why more and more fleet operators are turning to telematics as an effective solution for managing their fleets within limited budgets. When properly implemented, GPS vehicle tracking systems can generate positive results in many areas, including employee productivity, driver safety and more. But for most fleet managers, what really stands out is telematics’ ability to help lower operational expenses.

For example, according to research from Frost & Sullivan LCV Telematics Market¹, companies that implement a telematics solution can achieve reductions in fuel costs by up to 20-25%. This research also shows that companies can reduce vehicle idle times by up to 20-30%, reduce total miles driven by up to 5-10%, and increase vehicle utilization by 15-20%. These performance improvements help managers control costs by producing efficiency and productivity gains throughout the fleet.

Depending on their goals, every company will achieve different types and amounts of cost savings with a wireless fleet management system. However, most can realize measurable results in the following cost-containment areas.

FUEL USAGE

Fuel purchases represent one the biggest expenses for most fleets. GPS tracking can help you control these costs in six different ways:

• **Reduce idle time.** Use near real-time alerts and summary reports to understand your fleet’s idling patterns and take steps to improve them.
• **Reduce speeding.** Monitoring the speed of your vehicles at all times provides the data you need to hold drivers accountable and, when necessary, to coach them to adopt slower, safer driving habits.
• **Prevent unauthorized vehicle use.** You can reduce or eliminate unauthorized use by automatically tracking the location of every vehicle in your fleet, 24x7. This includes verifying daily routes and vehicle stops, checking on odd-hours movement, and monitoring other driver behaviors that may indicate unauthorized personal use, such as fuel purchases at odd hours.
• **Improve routing efficiency.** A wireless vehicle tracking system lets you plan routes more efficiently by understanding the location of your vehicles, and using sophisticated mapping technologies to determine the closest drivers and most efficient routes. Improving routing by even a small percentage can make a big impact toward reducing fuel usage and costs.
• **Leverage engine diagnostics.** Well-maintained engines typically use less fuel. Automatic engine diagnostic alerts provide advance warning of potential engine trouble, so you can fix small problems before they become big ones and keep your engines in top condition.
• **Verify fuel expenditures and reduce fraud.** Some telematics systems offer national fuel card programs to provide more control over fuel purchases. These come with reports that allow you to verify the time, location and amount of all fuel transactions.

**DRIVER WAGES**

In some cases, controlling labor costs can lead to diminished service quality. With GPS vehicle tracking, you can control labor costs and improve service quality by managing your entire fleet more efficiently. Telematics helps you achieve these goals by:

- Monitoring driver and vehicle performance 24x7
- Using speeding alerts, idle time reports, and other vehicle data to pinpoint problem areas and create strategies for improvement
- Optimizing routing and vehicle utilization to reduce overtime and other inefficient use of labor
- Using system data to enforce company policies and reward drivers for developing more efficient driving habits

With GPS tracking, you can also reduce the amount of time drivers spend behind the wheel (by driving fewer miles), reduce driver downtime by helping prevent vehicle breakdowns, and use trip and fleet utilization reports to boost driver productivity. Your drivers can get more work done in the same amount of time or less, helping to lower costs and improve customer satisfaction.

**MAINTENANCE**

A wireless fleet tracking system provides the engine diagnostics data you need to develop the discipline required to streamline the maintenance process and control costs. With telematics, you can:

- Eliminate paperwork via online vehicle service tracking and intuitive maintenance management features
- Set proactive reminders for oils changes, tune-ups and other preventive maintenance activities
- Control repair costs and help extend the life of vehicles by automatically tracking all service records, including maintenance performed, date of completion, and the service technician
- Monitor automatic engine diagnostic alerts to identify minor problems before they become major ones, helping reduce expensive roadside repairs
- Analyze comprehensive service reports to improve fleet health and lifecycle maintenance management

Better maintenance also helps you reduce idle times, improve fuel efficiency, and more. You save time and manage costs – including reduced overtime caused by unexpected breakdowns and repairs – while operating your entire fleet more efficiently.

**TIRE REPLACEMENT**

Driving fewer miles puts less wear and tear on tires and other vehicle parts, so they need to be replaced less often. For example, telematics can help control costs associated with cracked windshields and other types of damage that increase according to how much time a vehicle spends on the road. To reduce total miles driven, telematics provides a diverse array of features and functions that help you:

- Make better dispatching decisions by viewing near real-time maps of all vehicle locations and their status
- Route the closest vehicles to the next job and provide point-to-point driving directions
- Review fleet utilization reports to monitor overall fleet mileage trends and develop more efficient routes
- Use landmarks and geofences to help reduce unauthorized and off-hours vehicle usage
- Use jobs management and dispatch capabilities to schedule and organize job assignments more efficiently

With GPS tracking, you can control labor costs and improve service quality by managing your entire fleet more efficiently and effectively.
INSURANCE

One cost reduction area associated with telematics that often gets overlooked is the potential to lower fleet insurance premiums. By itself, using a fleet tracking system to monitor vehicle and driver performance is not enough to impact your rates. However, when used as part of a fleet safety program that includes using GPS tracking data to coach employees to drive more safely, telematics can often contribute to lower insurance premiums.

The key is showing your insurance carrier that you are using the GPS tracking data to improve fleet safety. For example, suppose monitoring your vehicles identifies speeding as a fleet-wide problem. Unless you take corrective action to reduce or eliminate the speeding, it will not have an impact on your premiums. Not all insurance companies offer discounts for utilizing vehicle tracking systems. However, many will consider your telematics safety program when setting their premiums.

RISKY DRIVER BEHAVIOR

Accidents, traffic violations and other risky driver behaviors can also add to fleet operational costs. GPS vehicle tracking can help reduce these events and their associated costs by providing more visibility into what your drivers are doing while on the road.

For example, automatic speeding alerts notify you when speeding incidents occur, so you can take immediate corrective action. You determine the criteria for the alerts – such as speed thresholds, time of day, type of vehicle, etc. – and the system automatically sends the alerts when a violation occurs. To further support your efforts to modify driver behavior, system reports provide “after the fact” data on all speed-related incidents. These customizable reports allow you to organize the data by driver, vehicle, location, number of violations, and more. With this information, you can discipline drivers who continually violate company policies and create incentive programs to reward drivers who comply with them.

Speeding isn’t the only driver behavior that increases the risk of accidents or injury. With a vehicle tracking system, you can also monitor seat belt usage, hard braking, and hard acceleration to help improve driver safety. And in those rare cases where drivers might be falsely accused of speeding or reckless driving, you can defend against these claims by providing precise data on the vehicle’s speed and location.

THE VERIZON NETWORKFLEET SOLUTION

In well-managed fleets, everyone takes responsibility for controlling costs – not just management. Networkfleet makes it easy to get the right information to the right people when and where they need it, allowing you to correct problem areas and identify opportunities for improvement throughout your fleet. When implemented with a disciplined, focused approach, Networkfleet helps you control costs, automate processes to avoid wasting time and money, and utilize your people and your vehicles more effectively. The result is a leaner, more efficient fleet that can help improve your business and your bottom line.

To learn more about how our GPS fleet management solution can help you control costs and utilize your fleet resources more efficiently, visit networkfleet.com or contact us at 1.866.869.1353.

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