SOLERA Fleet Solutions | SuperVision

Creating a domino effect: 5 cascading benefits of a safety culture

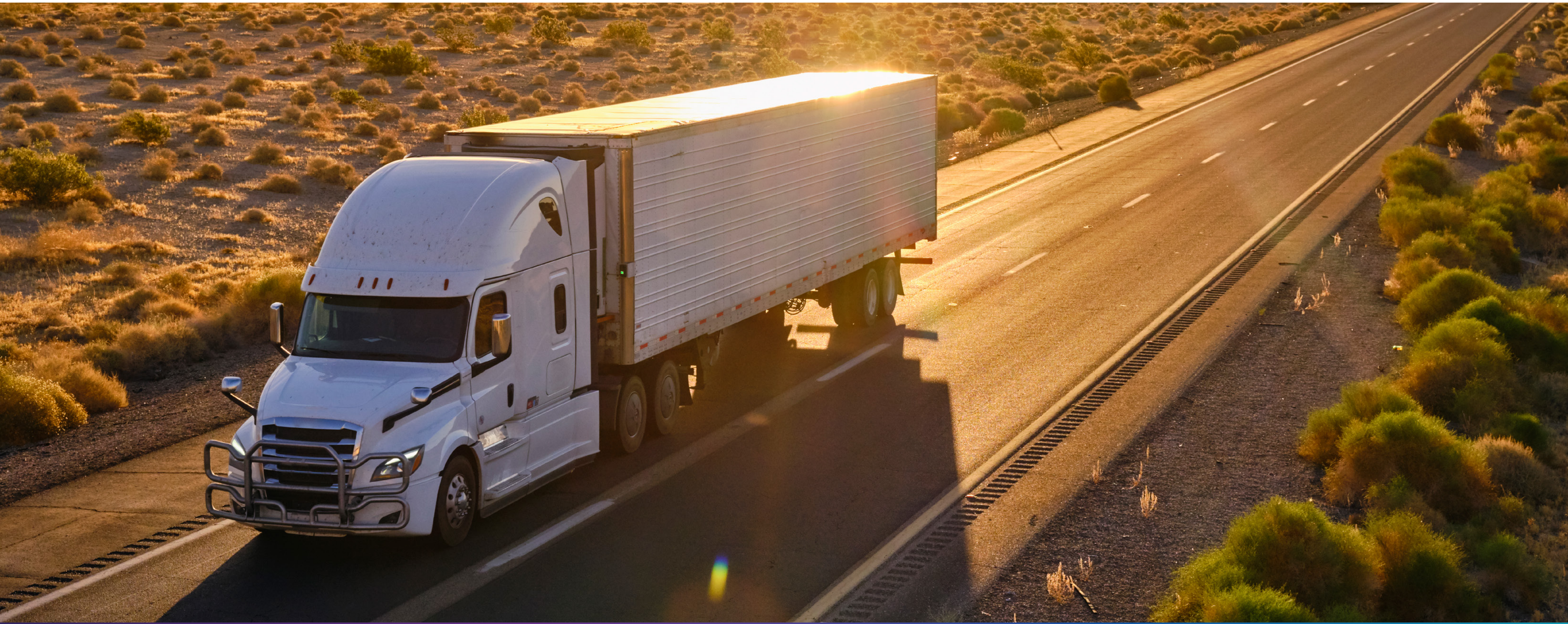
Safety is a top-of-mind concern for fleets and their companies. In addition to protecting drivers and the public, a focus on safety also maximizes company assets and cuts unnecessary operational costs.

Introduction

With safety as a top-of-mind priority for many fleets, we are currently in the golden age of the fleet safety era. Fleets, their companies and their drivers have benefited from this safety focus in numerous ways:

- **Safety programs becoming the norm, not the exception**
- **Driver training becoming more comprehensive and effective**
- **Driver risk profiles have generally improved, helping to curtail liability costs from accidents**

These benefits are only part of the safety story. Beyond creating safer drivers, fleets have experienced five bottom-line benefits as a result of prioritizing safety.

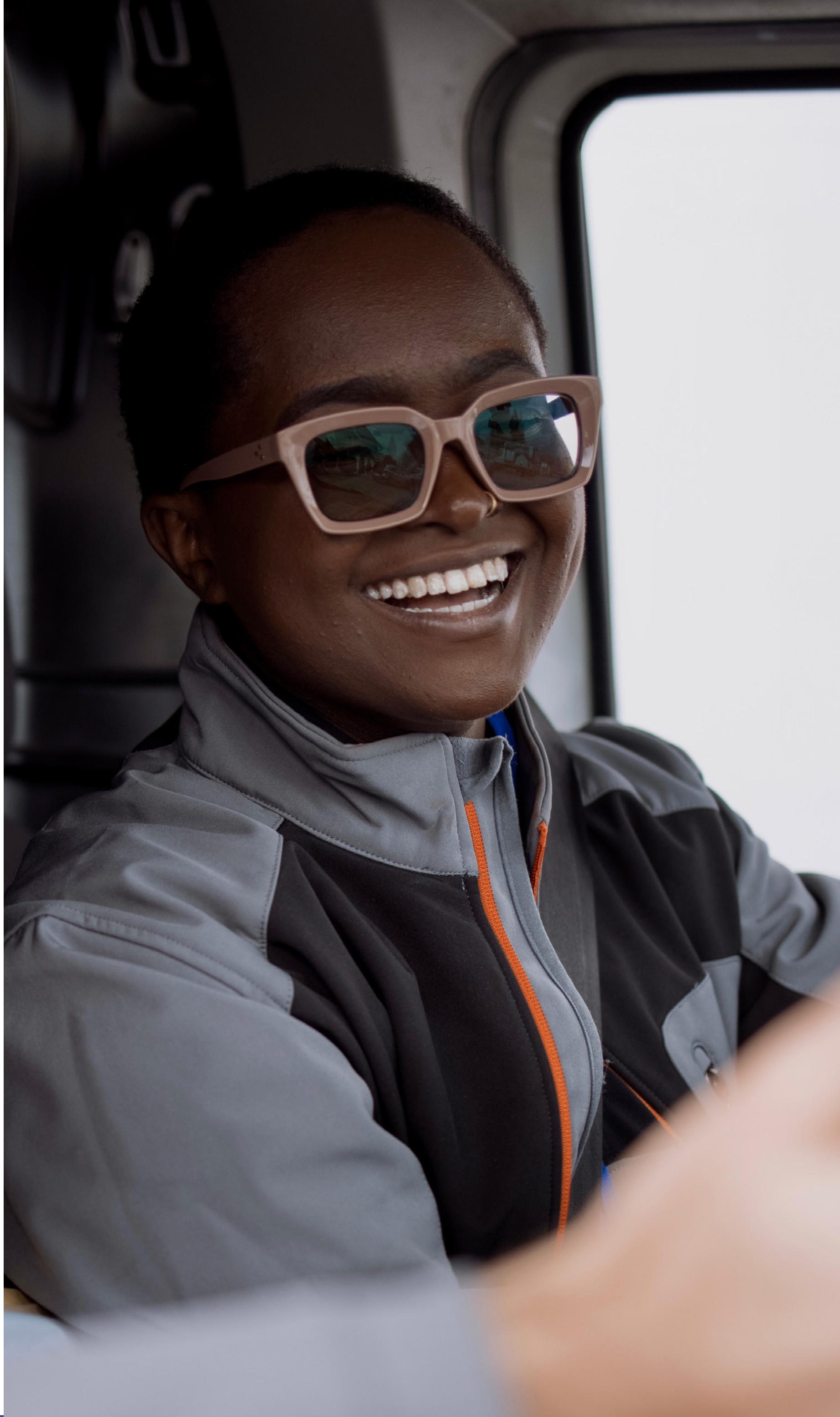


Benefit #1

Fuel savings

Fuel is typically a fleet's highest operating expense[1]. Reducing this expense — particularly during periods of rising fuel prices — is a high priority for fleet managers. Safe driving techniques that target aggressive driving behavior (e.g., harsh acceleration, harsh cornering, and harsh braking), will eliminate these risky behaviors and cut fuel costs.

Changing driver behavior alone can result in a 5% to 30% reduction in annual fuel consumption[2]. Implementing these changes across the fleet can produce significant savings.



Benefit #2

Decreased maintenance costs

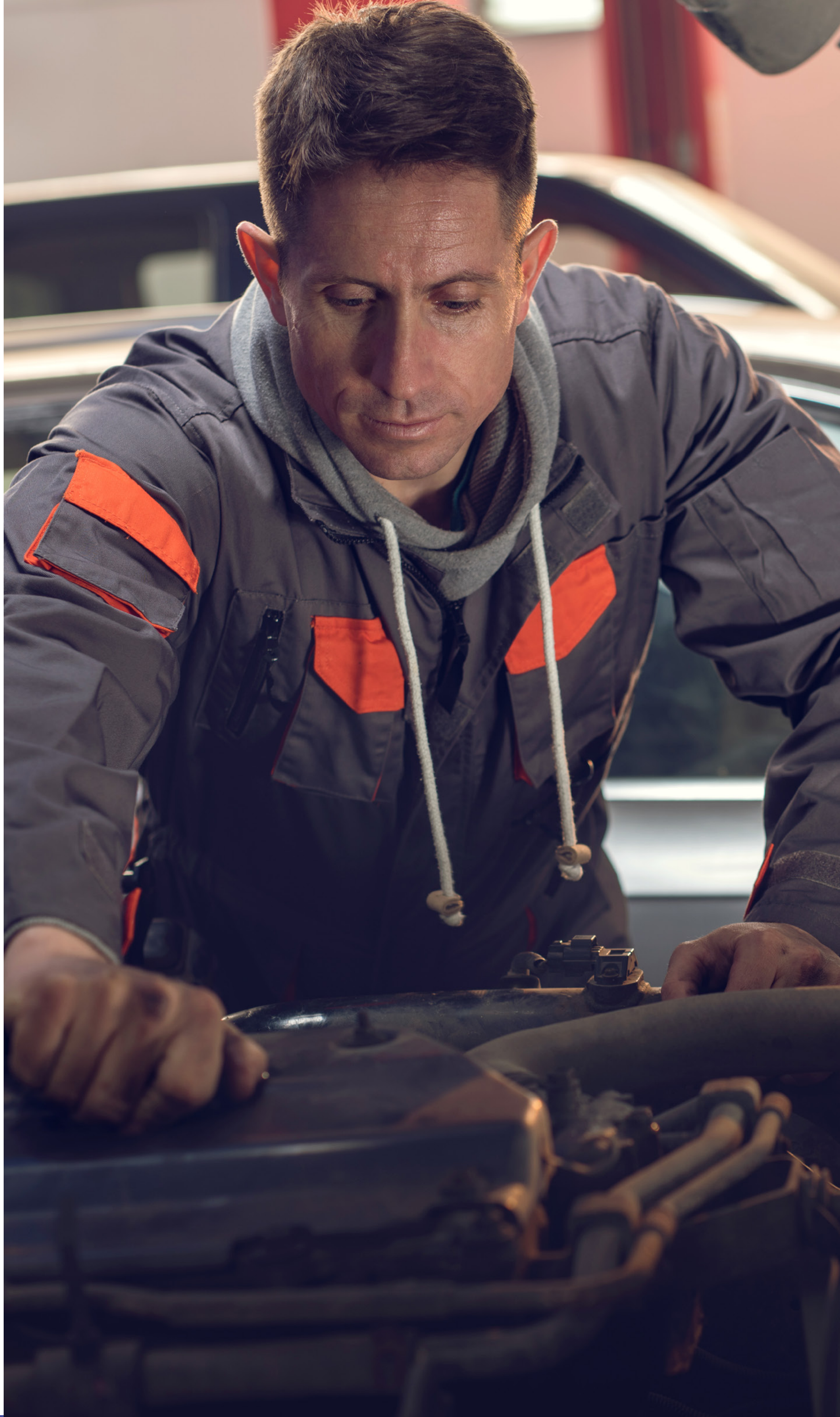
Vehicle crashes are expensive, averaging around $65,000 for an injury-related collision. That's twice the amount of the average workplace injury[3]. These costs rise exponentially in instances of fatalities.

On the material side, unscheduled maintenance can impact preventive maintenance schedules. It may be necessary to use a third-party maintenance provider or pay overtime to repair a damaged vehicle

A damaged vehicle creates not only unscheduled and unbudgeted costs, but also costly downtime. When a vehicle is out of commission, its ability to generate revenue is also put on hold. To keep fleet operations running efficiently, it may be necessary to rent a vehicle or use a bailment pool to cover for the damaged vehicle. This may result in using a vehicle that isn't well suited to your fleet's needs, which could hamper revenue-generating productivity.

It's not just the vehicle that will be idle. The driver and other employees paired with this vehicle may also be idle, meaning they're not doing their primary jobs or contributing to the bottom line. You will likely still have to pay these idle employees, further draining company coffers.

A strong safety program will help avoid these additional, budget-draining expenses by avoiding a crash in the first place. Keeping the vehicle and driver actively working maximizes earning potential.



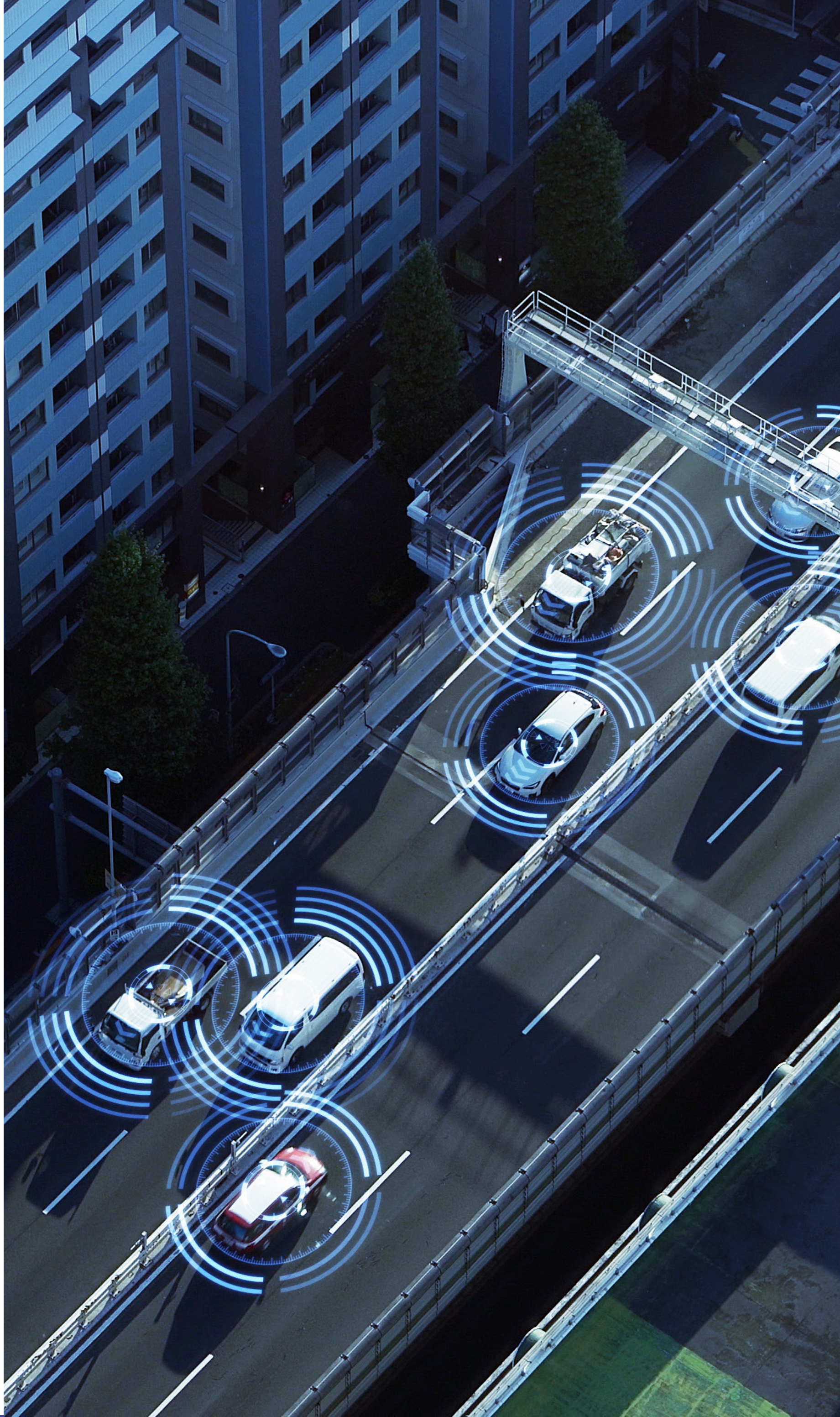
Benefit #3

Enhanced spec'ing

Spec'ing helps better match a vehicle to its role and improve productivity. As data and configuration programs become increasingly available, the role of spec'ing has become both more impactful and efficient.

The growing menu of anti-collision and other optional safety equipment helps fleets to avoid and minimize crashes. While spec'ing this technology can increase the initial cost of the vehicle, it will minimize crash-related costs, including unbudgeted maintenance and downtime. Because of the growing demand by consumers for vehicle-safety technology, when the vehicle is rotated out of the fleet it may command a higher resale value.

Beyond saving money during its operational life by avoiding a crash and improving resale value, spec'ing for safety directly affects driver behavior and productivity. A vehicle spec'd with the best features and safety equipment will give drivers confidence in their vehicles. This results in drivers taking better care of their vehicles and driving more safely. Because the company is investing in safety for the driver's benefit, it will likely incent driver adherence to the safety program – further lowering risk.



Benefit #4

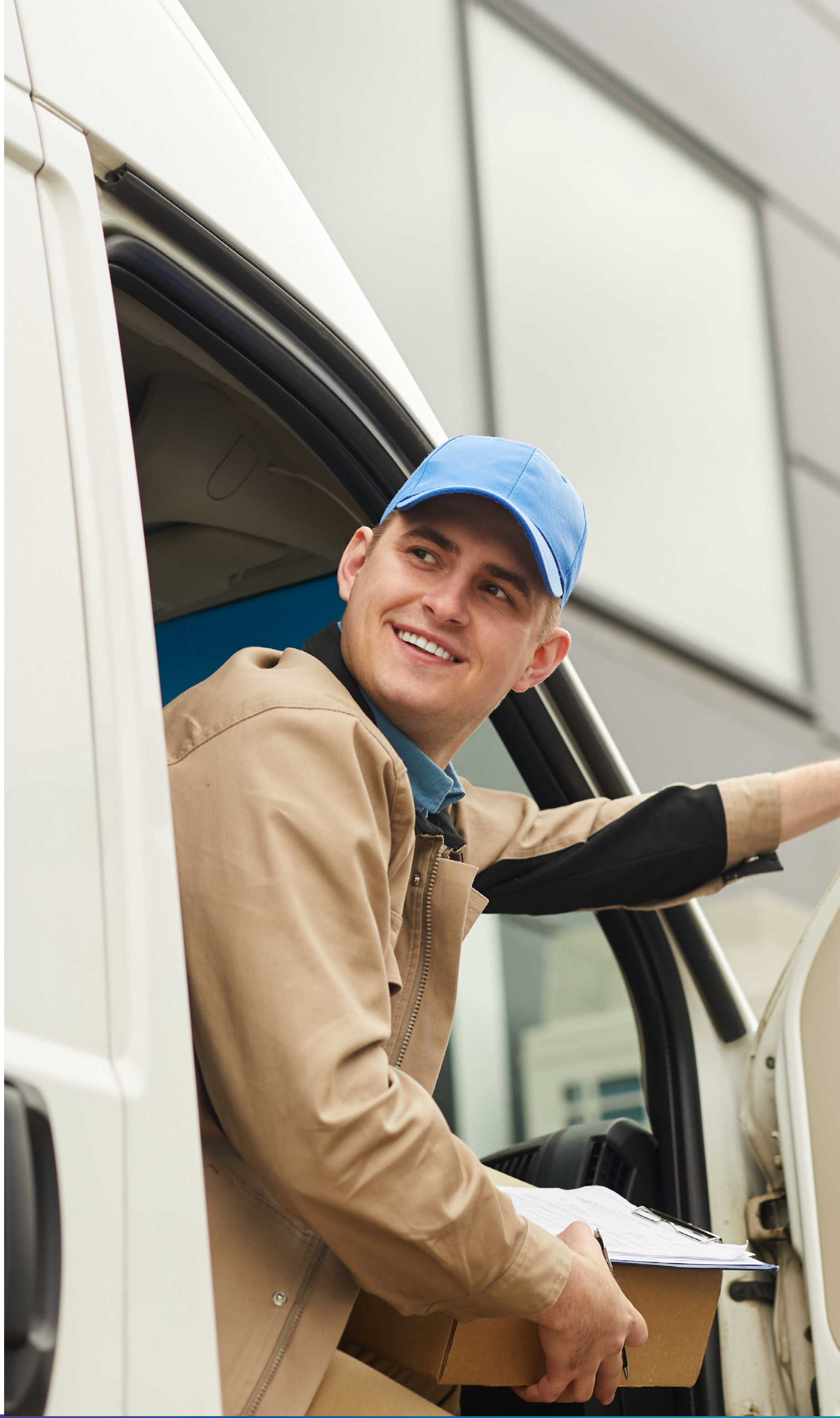
Lower total cost of ownership

While the previous benefits all contribute to improving total cost of ownership (TCO) for fleet vehicles, a fleet safety program underpinned with telematics will provide a full account of every aspect of a vehicle's operation.

Many fleets currently implement telematics as a key part of their safety programs. The insights telematics provide about vehicle operations allow managers to hold drivers accountable for their behavior. Telematics also offer cost-savings benefits related to monitoring vehicle health, utilization, and fuel use — all areas that directly affect profits.

Vehicle-health monitoring technology alerts fleet personnel to potential imminent high-cost repairs, allowing them to fix issues before they become a costly problem. Utilization, particularly for shared fleets, is an important and difficult TCO measurement that telematics can solve, allowing fleets to better spec vehicles for maximum use, right size the fleet, and remove vehicles that drain the budget. Fuel use isn't just about driving behavior. Telematics can detect where, how often, and how much drivers are refueling, identifying better ways to control fuel costs.

Telematics is a win-win for fleets because it provides detailed visibility on operational expenses while alerting fleet and driver managers about risky driving behavior.



Benefit #5

Improved fleet reputation

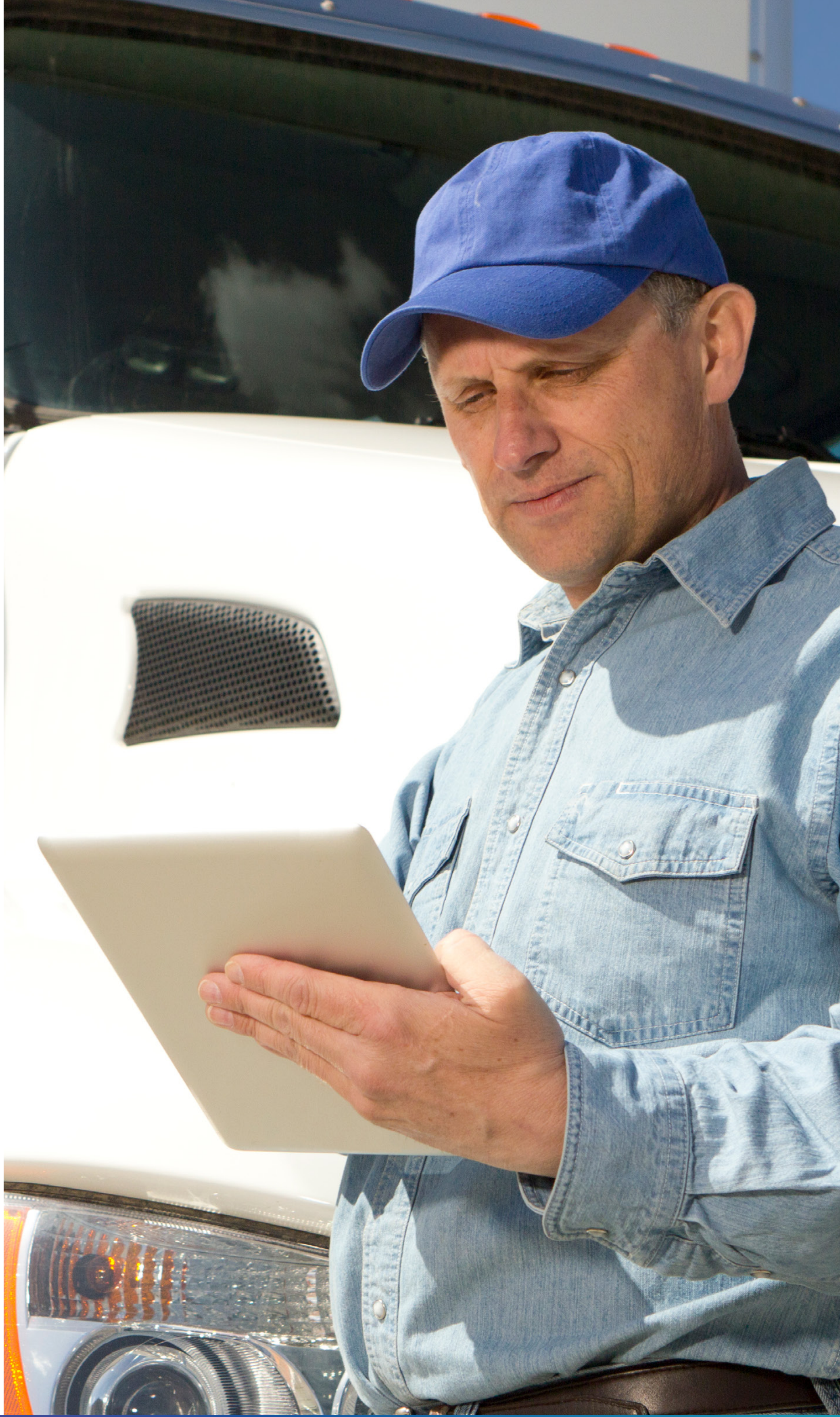
A safe fleet operation contributes directly to a company's bottom line. With a focus on safety, fleet vehicles are well maintained and can be most efficiently used. As a result, driver productivity can be maximized.

This is only one of the numerous benefits fleets experience from creating a track record of safety. Driver retention is higher because they will be motivated to join and stay with the company because of the fleet's safe reputation.

Drivers motivated to work for a company because of its safety record will likely model that behavior. A solid safety record could also increase employee retention, saving the company turnover-related costs. The average cost to replace a driver in the trucking industry is $8,200, which includes hiring (advertising, interviewing, screening), onboarding and training of the new employee[4].

In the field, these safety-oriented drivers will act as ambassadors for the company, spreading its safety message to suppliers and customers through their actions and attitude.

These bottom-line benefits extend to customers. Customers want to work with companies that prioritize safety. Today's customers are vocal about all of their interactions — good and bad. Given the viral nature of social media, a poor safety record is sure to get out. Conversely, the perception of a safe, efficient operation will attract and retain customers.



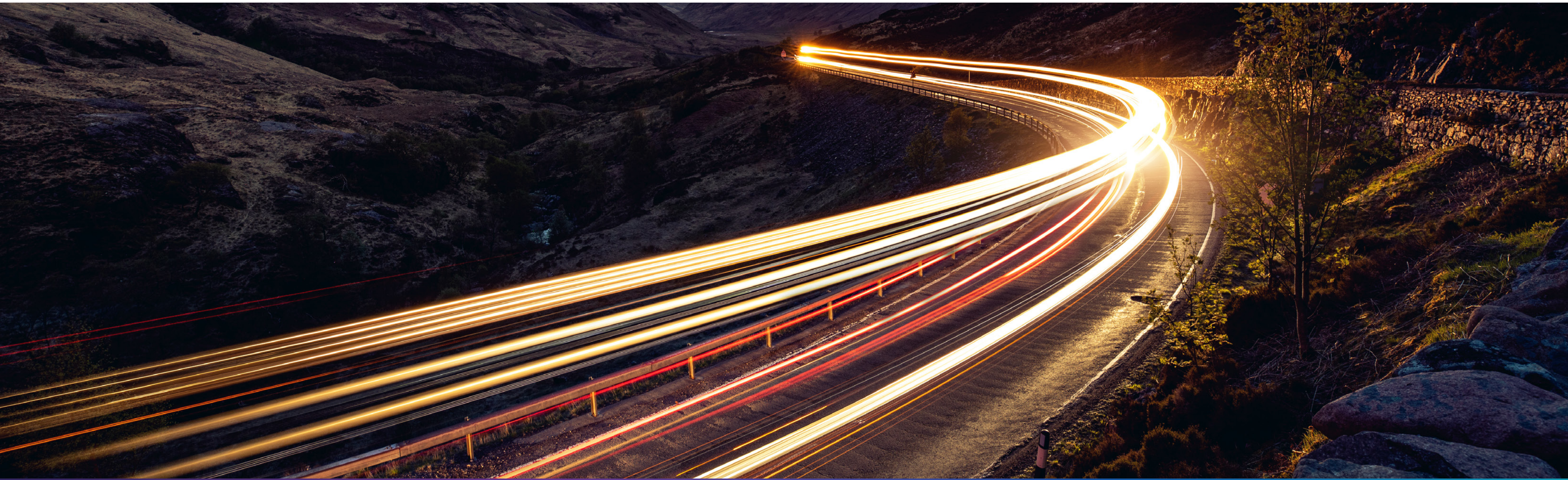
Starting the process: continuous license

Safety policies, training, vehicle anti-collision technologies, and telematics are all tools and techniques that will create a safety domino effect.

The catalyst that will put the dominos in motion and guarantee the ongoing effectiveness of these factors is the implementation of a continuous license monitoring program. A continuous license monitoring program helps identify risky drivers and gives fleet managers the opportunity to coach and correct any behavior that is costing the company money.

Addressing this behavior as it occurs will not only help reduce violations, but will also minimize costs related to these incidents. For example, a driver who receives a speeding ticket is likely wasting fuel. A violation for aggressive driving means the driver is at increased risk for an expensive downtime accident (and a potentially ruinous liability payment).

Using a continuous license monitoring provider such as SuperVision is the first step to not only create a stronger safety environment, but to find cost savings. To find out how you can create your own domino effect, visit **esupervision.com**.



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