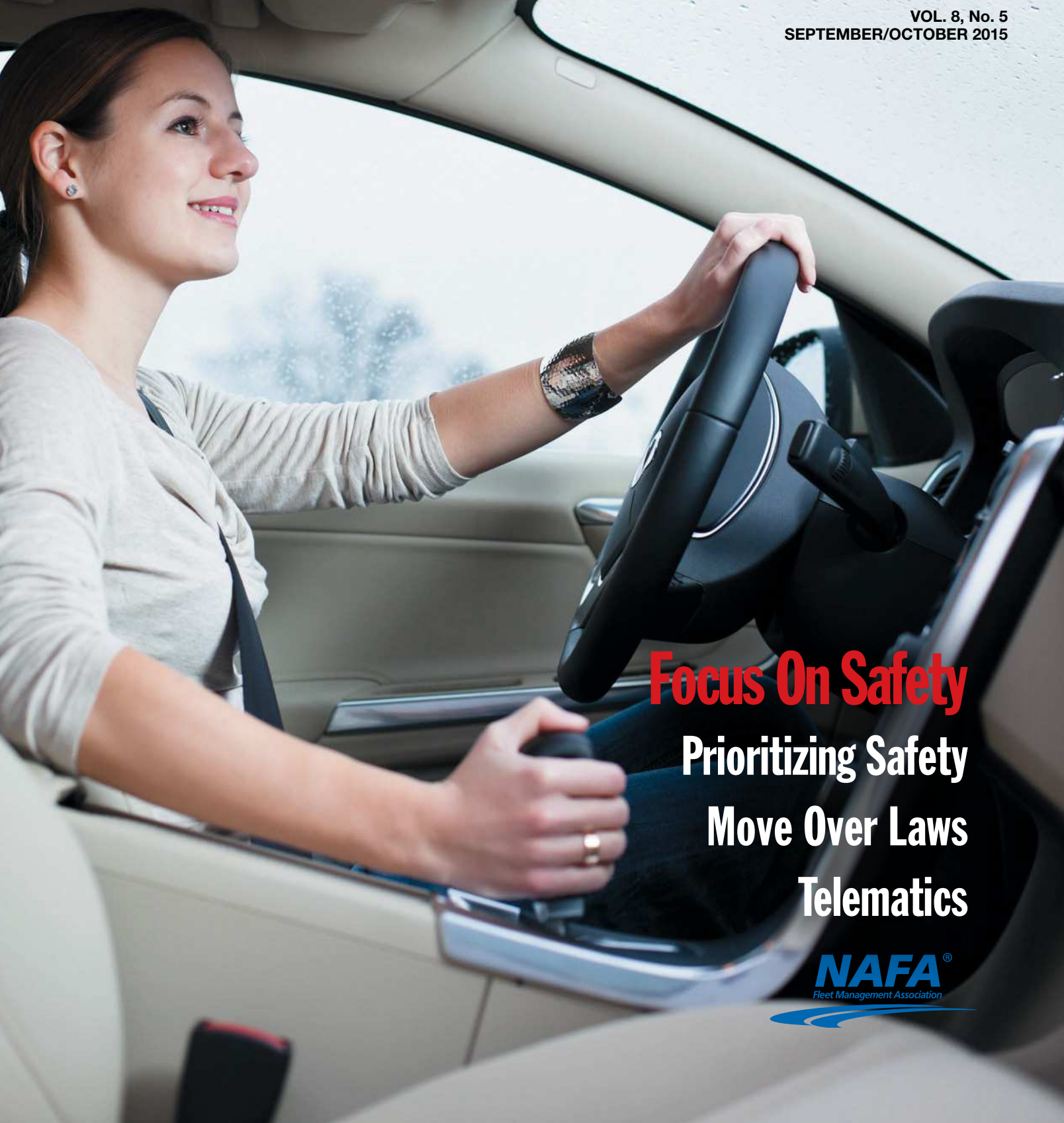


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MAGAZINE

# **FLEET** *Solutions*

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**Focus On Safety**

**Prioritizing Safety**

**Move Over Laws**

**Telematics**

**NAFA**<sup>®</sup>  
Fleet Management Association



# What Do You Really Want From Telematics?

By Donald W. Dunphy

**DURING THE RECENT FLEET** Management Company Executive Panel session at NAFA's 2015 Institute & Expo, Tom Callahan, President of Donlen, stated that the most important topic for fleet right now has to be technology. It was a sentiment shared by all on the panel.

"We're living in exciting times. Right now, we see telematics that can bring data, seat belt utilization, and other things. We'll get more and more of those codes of data going forward. As fleet managers, it's important for us, and you, to stay up-to-date. More data is coming into the fleet. The challenge will be making it into usable information."

Callahan isn't making idle predictions. New vehicles are already more computer than machine, and with such technology available, fleet vehicle telematics are becoming more a necessity than an option. Donlen was one of the major companies that saw the value of telematics several years ago.

The possibilities of the connected vehicle and the Internet-of-Things include greater insight and oversight of a fleet's cars and trucks, fuel savings, safety oversight and auditing, and on. Furthermore, it is now being asserted that a company or organization should incur liability for not

adopting a known technology that could have prevented a crash. What was once viewed as an advantage could quickly become a requisite. Is it any wonder then that descriptions of the vast buffet of the things these systems can do can make the eyes glaze over and the ears shut down?

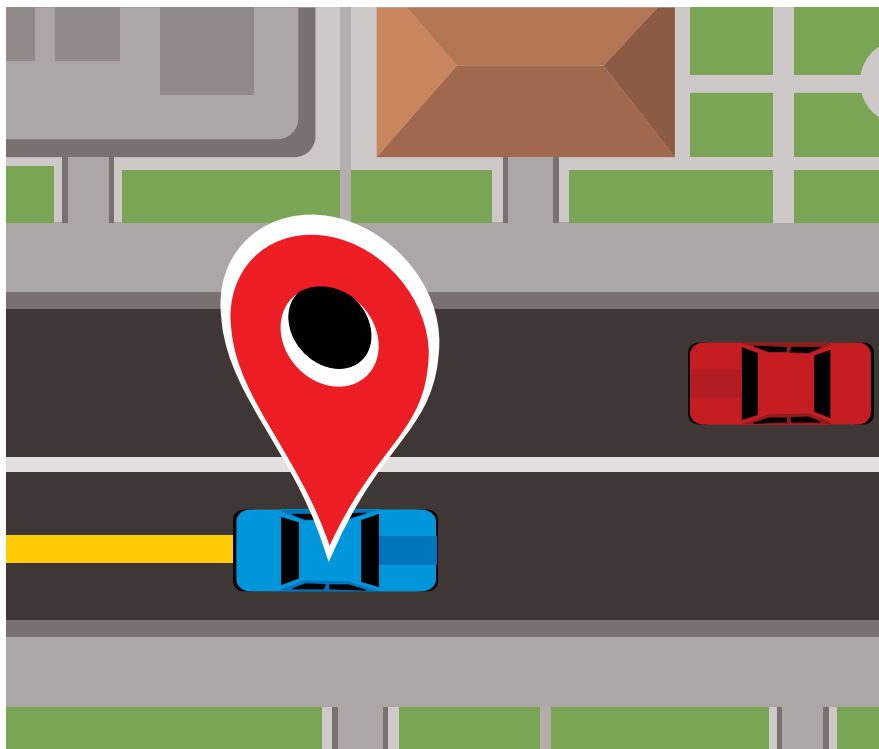
While no two fleets are 100 percent the same, can there be common ground regarding what they are looking to achieve with a telematics platform? *FLEETSolutions* spoke with fleet professionals who have a range of experience with such systems and are now in the market again, as well as with product providers who believe their companies' solutions are what fleets are looking for.

## What the Tech Users Require

From across all fleet segments – from both corporate and government, university to utility – the requirements of fleet managers tend to fall along the same four lines: safety, productivity, utilization, and fuel savings.

At the beginning of 2015, NAFA Member Keith Leech moved from his position with the City of Sacramento, CA, to its equivalent for the County of Sacramento. This meant that a lot of what he did for the former would now have to be done for the latter, including incorporating a system that would capture accurate odometer readings. "Now I've come into an organization where I don't already have good odometer readings, and I'm looking for the most cost-effective way to get that."

NAFA Member Ronald Gitelman, CAFM®, Fleet Coordinator for Yale University, was looking for several things



for his fleet – diagnostics, recalls, idling, utilization, mileage, and fuel fraud protection – because self-reporting and manual reporting was not working out. “As for mileage and utilization, our Fleet Information Management System was able to provide some information but it required significant work on our end and with low staffing levels wasn’t the best approach. We believed telematics was the best way to go.”

Leech said that something which gets overlooked in discussions like these is the usability of the equipment; something that directly impacts whether it will be used, and how much value is derived from that use.

“One of the things I’ve talked about to all the solutions companies we’re dealing with...is there should be an open type of architecture where everything will feed into our fleet management software,” he said. What Leech is trying to avoid is working with any system that runs on its own proprietary programming format.

“We’re looking for plug-and-play devices that have as small a capital outlay as possible, so that way – like a lot of things in fleet – as the technology advances, we’re not locked in and married to a particular technology. In that way, (GPS and telematics solutions) should all be device-agnostic,” he said.

Gitelman needed to work with equipment that was not plug-and-play capable. “The vendor had their contractors do the initial installations and it would take up to a few days until the information would show up on the system. Since we realized this was an issue, we decided to use an in-house contractor to handle installations and troubleshooting, as the information is on the site immediately and allows the (integration of) telematics information from the beginning of usage.”

“Once you get systems rolling, you can benefit from more efficient dispatching. Drivers are given shorter routes and can get to the next job faster, and the closest vehicle to an emergency call can be sent, rather than pulling someone from across town, which wastes time and fuel,” said Ryan Driscoll, Marketing Director for GPS Insight, LLC.

“You can also automate the software to regulate the length of time a person stays at a jobsite. If you know a delivery should not take more than thirty minutes and one does, you can send an alert to the driver,” Driscoll added. “That helps keep them on schedule.”

Todd Ewing, Director of Product Marketing for Fleetmatics said that scheduling and location I.D. is crucial for utility fleets, “...especially if you want to see where these vehicles are, in real-time, during a power outage. It’s similar to a police force, where it is about real-time dispatching, getting the right people to the right location the fastest. This tends, for them, to be more of a priority than fuel savings.”

By Leech’s estimation, fuel spend is where the major return-on-investment for these systems will ultimately be realized. “In the investment phase, the City of Sacramento was looking for the most bang for the buck. That’s going to be where your fuel-burn is. Reduced idling and speeding are the typical areas that facilitate fuel reductions.”

“When you’re a small business owner, fueling is a frustrating metric for you because it is something you don’t have total control over,” said Ewing. “Without telematics, not only don’t you control the price, you’ll also struggle with how to control the volume (of fuel) you bring into that price.”

“Our customers tend to see changes around fuel savings the fastest,” said Roni Taylor, Vice President of Industry Relations with Spireon, Inc. “As soon as fleet managers start using the data to coach their drivers, they can help them be more efficient, and you see a dramatic change in driver performance quickly. That’s why you see it almost immediately on the fuel (savings) side.”

Telematics can also protect fuel card credits, according to Ewing. “With fleet fuel cards, there’s an opportunity in many cases to use that card away from the vehicle to which it’s assigned. Today with these systems, we can compare the location of the fuel transaction versus the location of the assigned vehicle, and identify theft.”



**Keith Leech, Chief of Fleet Division & Enterprise, County of Sacramento Department of General Services**



**Ronald Gitelman, CAFM®, Fleet Coordinator, Yale University**



**Donlen President Tom Callahan**

### **If You Buy It, Use It**

While telematics companies state that customers should be able to achieve return-on-investment within 6 months to a year, none will deny that this is a significant spend for a company or an organization. Further, there are no one-size-fits-all platforms that cover every need for a fleet, both the previously-mentioned “big four” items and the numerous others, and fleet managers must shop wisely.

# TELEMATICS PROVIDERS

“(Our company) has customers of all sizes, and they’re all looking for similar things, just in different scopes,” said Roni Taylor, Vice President of Industry Relations with Spireon, Inc. “They want to know where the vehicles are, and they want to know they don’t have too many vehicles (for their needs), so it really comes down to the utilization of the vehicle.”

On the subject of utilization and risk management, Todd Lewis, President of SkyBitz WorkFleet said, “These often come via the elimination of unauthorized vehicle usage and through analyzing risky driver behaviors such as harsh braking or rapid acceleration. These data points can help warn companies, which can then correct risky driver behavior before a crash happens.”

“From a productivity standpoint, the fact that the organization is starting to track employees immediately causes them to be more productive,” said Ryan Driscoll, Marketing Director for GPS Insight, LLC. “The driver who has bad habits, or has been abusing the freedom of driving beforehand, tends to immediately stop that behavior once he or she knows they’re being monitored. So right out of the gate, before the company even fully begins to utilize the software, bad habits are changing.”

“It’s hard to quantify the reduction in accidents, but it was really amazing that, just when the guys were starting to be monitored, they changed their driving behavior without us having to be heavy-handed with a punitive approach on enforcement,” said NAFA Member Keith Leech, County of Sacramento.

“We’ve seen customers who use (technology) as a carrot and as a stick, but the companies that utilize tech best start with a very positive program,” said Todd Ewing, Director of Product Marketing for Fleetmatics. “The initial reaction to anything new that tracks and manages will always be, ‘what will this mean to me?’ However, the majority of drivers at a company – particularly if it is a successful

company – tend to be doing a pretty good job.”

“We’re looking to have something that can establish a program for monitoring and educating proactively on driver behavior,” said Leech. “Driver behavior influences costs not only from fuel consumption, but also for accident reduction, and just by being a little more aware of how your foot on the accelerator, or hard braking, impacts costs.”

Donlen’s DriverPoint Telematics platform offers features that support routing compliance, as well as alerts to potential unsafe driving behavior, among other benefits. The latter captures instances of driver behavior and vehicle health, integrating telematics information with the rest of the fleet data. Tom Sloan, Manager of Telematics Products for the company, mentioned, “Odometer information can feed directly into service and replacement recommendations, engine fault codes can be sent directly to service advisors, and fuel card misuse can be identified.”

“Safety is a huge part of telematics implementation, but unfortunately companies are frequently reactive when it comes to getting systems in place,” Driscoll said. “They don’t do it until after something bad happens.”

Once a fleet has the data it needs, decisions have to be made to address unsafe driving habits. “An effective fleet safety program geared toward improving driver behavior begins with developing driver risk profiles. Today, there is a host of driver risk data available that can be collected from crashes, telematics, MVRs, and violation records,” Donlen’s Manager of Maintenance, Accident, and Safety Products Oliver Zerhusen said. “A holistic review of that data enables companies to not only identify training needs for drivers on an individual level, but also detect overall driving behavior trends in their fleet. That data can then be used as input to draft and implement more effective fleet safety policies.”

They also must get out there with the equipment, and Driscoll insisted that there’s no avoiding the need to pilot any system an organization intends on adopting. “But you have to know before you get into a pilot what you want and need from the telematics system,” he added. “That way, you have your expectations established and you can compare different companies against each other.”

Driscoll also believes that head-to-head trial periods, with vehicles using a couple of similar systems from different providers, are useful. “That way, you can make more of an educated choice on what you prefer, what’s easier to use, which has the features and information you need most, and so forth.”

“We offer a 30 day free trial or money back guarantee on our products,” Todd Lewis, President of SkyBitz WorkFleet said. “Most companies know within about two or three days if the system makes sense for them.” His company is the result of a recent acquisition of the former GPS North America by SkyBitz, the trailer tracking company.

“We did not pilot the equipment,” said Gitelman. “Since telematics was in use by several departments there was (already) a general awareness.”

Yale’s initial assessment, according to Gitelman, came as a result of attendance at NAFA’s Institute & Expo. “After a session on telematics I met with our Fleet Director, George Longyear (also a NAFA Member), and we discussed the issue. He contacted the departments to determine the current use. We had a demo for the fleet department and then with several of the large users on campus so we could determine whether the product would meet our needs. Over the period of a few months a contract was worked out, and in the first quarter of 2014 we began installing the units on vehicles. We are continuously monitoring the telematics program to determine where we need improvements and how we can better utilize the system.”

“We did an initial pilot and the refuse areas got huge reductions and savings in fuel,” Leech said. “We commissioned an independent R.O.I. analysis from a consultant that showed we were saving

*continued on page 37*

the video and score 100 percent on an accompanying test. Those can be completed on an iPad, which each foreman in the field has. That lessens downtime in training classes.

There's also a policy that determines how many times an employee can view the remedial training videos. "It gets progressively worse as far as disciplinary action," Fay said. "We have not had to terminate anyone for being required to go through an excessive number of classes. It definitely appears the drivers are making good use of the information provided on the videos."

Just as NPL is making good use of its telematics. ■

**Boone and Allen,**  
*continued from page 34*

place, however, the two workers involved felt strongly that they should share in the lessons learned. They openly spoke about what happened and even created a video.

"It was a substantial piece of work," Boone said. "And it was very brave of them to do, to show something like this to all of the shop staff to create a safety discussion."

While at I&E, Boone said she was struck by how many fleets appear to outsource safety programs and initiatives. It validated that what the branch had done in-house was a "huge undertaking."

Both Allan and Boone said it wouldn't have been possible to make the changes involved without the support of upper management, and that's where they would advise other interested fleet professionals to start.

"It takes some time and money, and you have to get the right people involved," Allan said. That doesn't mean buying "fancy stuff," he said, though training modules do take funds to produce and make available. "Then it's just about having a good plan to share the incentives, and getting the marketing pieces out to the staff. The size of the staff (Edmonton's Fleet Services branch has roughly 700 employees) will determine how extensive that marketing plan will be...but what you're really doing here is creating a culture where safety is everyone's responsibility, and not just the work of the committee." ■

*Telematics, continued from page 28*

25 percent in fuel." Those numbers are important because, when it comes to justifying the spend to upper management, it's the numbers that they'll want to see, suggests Leech.

That aspect has become easier to handle as well, said Taylor. "Just about every company uses a 'fast model' of integration, where there's nothing up front for the customer to pay. They pay on a monthly basis, which includes software and devices. Typically they'll have a one-year contract. Some will opt for a three-year contract."

"It used to be that the timing to reaching R.O.I. was a lot longer because you had that lump (sum) payment up front that you had to overcome," said Ewing. But

because it's a pure monthly subscription fee now, the time to R.O.I. can be as short as 60 days...and a lot of our small business customers will see that return on investment within the sixty days."

Keith Leech said that it all comes down to a very basic and fundamental point. If you buy into a solution – any solution – use it for all it's worth, or reckon the waste of the costs later. "This stuff's expensive, particularly for a municipal fleet. We're not running a lot of miles on these vehicles, and you don't want to make a huge investment (and not get its value). It's so important that when you have these solutions – no matter what solution you pick – that you're doing something with it." ■

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