



6 WAYS FLEET MANAGEMENT CAN REDUCE COSTS AND INCREASE EFFICIENCY

A Practical Guide to Deploying Fleet Management Solutions That Can Help Your Business Thrive

No matter what kind of vehicles you use, there is always added pressure to work more efficiently and improve your bottom line. It can be tough, however, to accomplish this lofty goal when everyday operations consume all your time and effort.

A good fleet management solution can be a real game-changer though, helping you to reduce costs and increase performance without sacrificing customer service and employee satisfaction.

This guide focuses on important issues that can burden all types of organizations — from field service companies to utility workers, construction crews, delivery fleets and more.

THE MOST PREVALENT CONCERNS INCLUDE:

- Reducing fuel costs
- Optimizing maintenance
- Improving productivity and efficiency
- Enhancing driver safety
- Mitigating risk
- Collaborating with customers and others to identify new ways to improve service and performance

1 | Reducing Fuel Costs

Fleet management solutions can enable companies to calculate fuel usage, vehicle location and mileage data, which makes fuel cost reduction a perfect place to start looking for cost-saving opportunities.

Rising fuel costs now represent as much as 39% of a company's operating budget, but **fleet management** solutions can help reduce idling times, better predict fuel consumption, and improve driver behaviors (and safety).

Fifty-seven percent of government and municipal work trucks such as refuse trucks and snowplows, for instance, idle between one and four hours per day, according to a recent study.¹ That burns a lot of fuel going nowhere. It also adds engine wear.

***Idling 365 hours per year,
or the average of one
hour per day, is the
equivalent of about***

64,000
miles of driving



Just reducing idling could start saving your organization money right away; doing that alone, however, still leaves potential cost savings on the table. Chronic poor driving habits, such as speeding or “jack-rabbit starts,” for example, can also significantly drag down fuel efficiency, and they are relatively easy to remedy. There are also safety benefits from addressing these habits.

Using a fleet management solution to also optimize routing, to avoid high-traffic lanes and peak traffic hours for instance, can shave additional per-mile operating costs.



Better routing can help make drivers' work lives less stressful, too. No wonder 56% of fleets (in the services, government, public utility, sanitation, education and retail/wholesale categories) in a Fleet Owner reader survey reported using a fleet management solution for dispatch and routing and another 13% plan to add one.²

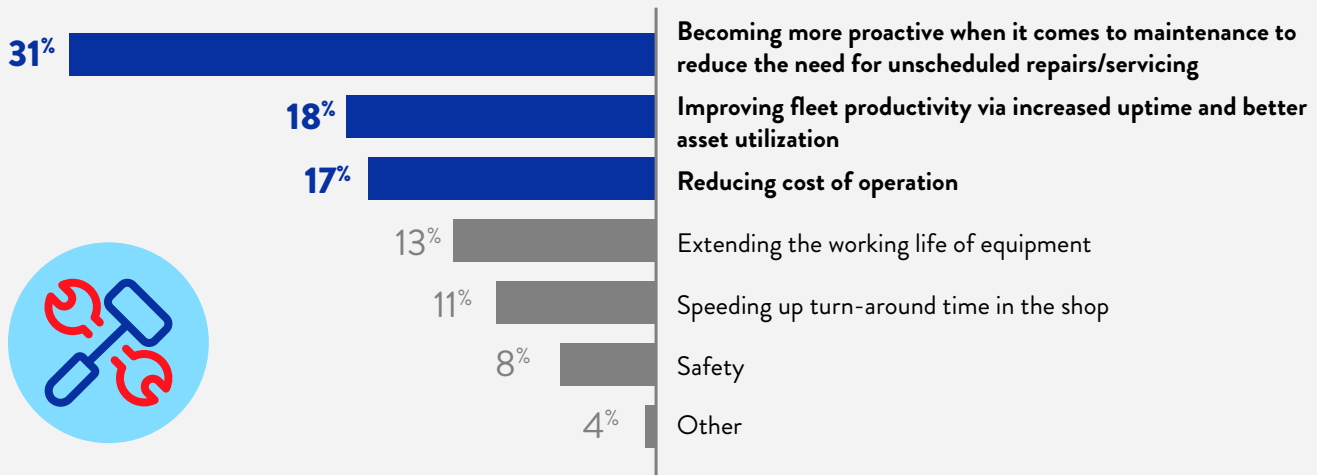
Fleet management solutions can make it easier to do eye-opening comparisons that reveal still more opportunities for reducing fuel costs. For instance, you could compare fuel costs for older vehicles in your operation versus newer equipment doing the same work. Those older vehicles may be less fuel efficient, enough so that a trade up to newer equipment may make financial sense. Or perhaps you can shift older equipment to different duty cycles where miles per gallon numbers are not such a big factor in total operating costs.



2 | *Optimizing Maintenance*

Fleet Owner published a special survey report called: “Vehicle maintenance professionals speak out.”² One survey question was: “What are the biggest areas of opportunity for your maintenance operation to help your fleet?” The top three choices are highlighted in the bar chart below.

Which of the Following is Your Biggest Opportunity?²



If you think this sounds like another job for a fleet management solution, you are right. At the simplest level, the vehicle tracking capability can make it easier and quicker to dispatch maintenance help if a vehicle requires service or repair assistance while it is away from home base, and **extend the life of the vehicle.**

A good next step is to use your fleet management solution to create automatic “alerts” – reminders of when it is time to do various scheduled maintenance tasks for each vehicle. Handling things like oil changes, tire rotation and fluid checks in a timely fashion can help reduce the need for unscheduled repairs.

Data from numerous onboard vehicle “smart” systems can also be transmitted back to the organization in real time via the fleet management solution. This can make it possible for fleets to spot emerging problems before they result in a breakdown or, even worse, an accident. Timely notification concerning engine fault codes or brake system leaks, for example, can enable fleets to prevent costly events from happening in the first place, sometimes even before the driver knows there is an issue.

Your own maintenance records are also a source of valuable information that can make a difference to the bottom line. With the help of automated data analysis tools, fleets can identify component failure patterns, for instance, and schedule replacement of key parts before the failure point, not after. Maintenance record analysis can also enable fleets to compare the performance of different vehicles or vehicle systems to reduce cost of operation and improve uptime. Does tire Brand A have better wear characteristics than Brand B? Does switching to a synthetic engine oil allow you to extend oil change intervals and reduce downtime?

It may also help fleets to identify parts usage patterns that can improve parts ordering and inventory management. In turn, that can reduce time lost because of having to “special order” something while a vehicle sits parked and out of service.

Every new maintenance insight represents an opportunity to increase productivity, extend vehicle life and reduce cost utilizing the fleet management solution. And they all add up over time.

3 | *Improving Productivity and Efficiency*

GPS tracking and the related ability to use your fleet management solution for geofencing provides an invaluable window on your fleet operation when it comes to productivity and efficiency. For example, it may be easy enough to do a good job manually building and managing a daily route for a few service technicians, but what if you have a large crew? How do you avoid needlessly overlapping routes or sending someone across town to handle an emergency project when there was a service technician only blocks away just wrapping up another job?

A fleet management solution can enable fleets to create better routes upfront and then make dispatch and route changes on the fly to reduce wasted time and unnecessary miles. It can also help organizations to keep track of inappropriate use of equipment, or even of **theft**.

Geofencing data can also provide information about how much time it takes to serve a given customer. Anomalies and expensive exceptions can become visible. For instance, suppose your local produce delivery driver frequently spends more time at one stop than at other similar stops on the route. “What is going on?” you ask the driver. “Often, the geofencing data shows you at this stop up to an hour longer than at the others.”

It turns out the driver is frequently kept waiting at the back door of the same small grocery store because the off-loading area is blocked with other incoming products. This means the driver must sit and wait, running the refrigeration unit all the while to keep the produce at the required temperature. The result: lost time and extra cost. Knowing what is causing the problem points the way to possible solutions, such as changing the delivery time or day.



4 | *Enhancing Driver Safety*

Today, driver safety is a top priority for every fleet. Thanks to fleet management solutions linked to onboard driver and vehicle monitoring systems, organizations can access real-time data about seatbelt use, speeding, hard-braking, distracted driving and more.



That information can enable fleets to identify and address opportunities for improvement driver-by-driver, compare driver performance, and make better decisions about where training is required to deliver the biggest safety benefits. Good drivers also appreciate feedback from systems that allow them to identify and fine-tune their own driving habits to enhance safety.

Safety is not just about stopping bad driving habits, though. Fleet management solutions can enable organizations to identify and objectively measure good driving behaviors as well as those that need improvement. You can accurately count days without hard-braking or speeding incidents, for instance. You can count hours spent idling at a job site, or seatbelt usage over time. Tie performance metrics such as these to operating costs, and you have the foundation for building a data-driven driver incentive program to help reward and retain top employees.

5 | *Mitigating Risk*

Managing risk is the other side of the safety coin. It does not take an insurance expert to tell most fleet managers that the cost of insurance has been rising, largely due to increasingly high legal settlements and escalating repair costs. Still, there are things fleet operations can do to keep insurance costs as low as possible, and fleet management solutions can make the job easier and the results better.

Insurance giant, HUB International, for instance, recently shared a list of the company's "top 10 suggestions for surviving and thriving in this hard, fleet insurance market." Implementing a safety program, keeping Compliance, Safety and Accountability (CSA) safety violation scores low, holding drivers accountable, and being able to document that your fleet is using "best practices" were all high on the list.³

A fleet management solution can be the lynchpin that pulls your safety program together, from driver monitoring and accountability, to guiding training and retraining efforts and measuring success. It can also enable you to see and track the safety improvements that result in the programs and practices you implement, making it easier to document what your company is doing well when it comes time to review and renew your fleet insurance.

Drivers themselves can become advocates for fleet management solutions and driver monitoring when they understand how incident-specific video and/or data concerning their driving practices can be used to defend them in the event of wrongful accident claims.

"Insurance carriers want to see a proactive approach to fleet safety," notes HUB, "not just data collection without follow-through." Whether your business is hauling goods, or you use vehicles in your local roofing company, the advice applies.³

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– HUB International



6 | *Collaborating with Ease*

Collaboration is one of the best remaining ways to make businesses and services run better. It can take advantage of opportunities remaining in the often overlooked "hand-off" points – the spaces where separate entities or operations meet and where better efficiency is possible, but only with cooperation. A fleet management solution can be the ideal tool for facilitating that cooperation and it does not have to be saved for problem solving, either.



Service fleets, for instance, can take advantage of geofencing to more accurately predict when they will arrive, reducing customer waiting time — a benefit that can help turn first-time customers into long-time customers. Data from a fleet management solution can also help service fleets go beyond that, however.

Suppose, for example, that a landscaping company has grown its client base over time and now serves regular customers in two counties. The additional business is great, but it has also added more driving time and cost to every day. Thanks to the fleet management solution, the landscaping company owner can see how much time and fuel could be saved by serving clients closest to one another on the same day.

Furthermore, if the current clients are willing to adjust their service days, the landscaping company can offer them a discount — a percentage of the savings realized by optimizing the landscaper's work schedule and routing. It is a win-win opportunity for the service fleet and for its regular clients.

The fleet management solution makes this beneficial collaboration possible. It enables the landscaping company to:

- Optimize daily work routes based on shortest travel time/distance between stops
- Calculate the reductions in driving time and in fuel usage
- Use that data to measure total cost savings
- Share this information with his existing customers so that they can see for themselves why the changes proposed will benefit them as well as the landscaping service

Many organizations are using their fleet management solutions proactively to redesign operations or develop new ways to enhance services or streamline tasks. Fleet management solutions are ideal for such “what-if” thinking and for evaluating ideas to see if they make bottom-line sense.

In fact, when you get right down to it, this collection of ideas is all about “what-if” thinking. And that capability is at the heart of fleet management solutions. The fresh perspectives and clearer insights they can offer are both a doorway to innovative solutions and a powerful tool to help fleets of all types realize new ways to make their organizations better and improve the bottom line.



About UScellular®

Fleet management from UScellular is an easy-to-use Internet of Things (IoT) solution that connects vehicles, routes, assets and drivers so you can see the big picture. Actionable insights delivered directly to your laptop, tablet or smartphone reveal how to save time, money and resources, while GPS-enabled features help you deliver the outstanding service your customers expect.

Fleet management is one of a full suite of business solutions offered by UScellular. Each is backed by the support of local Business Solutions Experts who provide guidance every step of the way, and powered on a nationwide, fast and reliable network that keeps you connected where you do business — in the city and beyond. UScellular’s 5G network provides higher speeds, broader coverage and customized network options.

¹ National Truck Equipment Association, “Work Truck Electrification and Idle Management Study: Exploring advanced vehicle technologies.” As published in the U.S. Department of Energy’s Office of Energy Efficiency & Renewable Energy, Fact of the Week, “Fact 917: Work Truck Idle Time by Industry.” www.energy.gov/eere/vehicles/fact-917-march-21-2016-work-truck-daily-idle-time-industry

² Fleet survey indicates modest equipment purchases for 2020 [Fleet Owner Proprietary Survey](#).

³ HUB International. “Fleet Insurance Market.” www.hubinternational.com/blog/2019/07/fleet-insurance-market/

To see how your organization can benefit from fleet management solutions for field services, construction, utilities and more, call **866-616-5587** or visit **[UScellular for Business](#)**.

