



5 Ways to Prepare Your Business for **Vehicle Tracking Success**



Visit us: [uscellular.com/business](https://www.uscellular.com/business) | Call us: 1-866-616-5587

All rights reserved: 2018 U.S. Cellular

Vehicle tracking can be key to the growth of your business and the performance and safety of your employees. To fully realize this technology's wide range of benefits, it's important to set yourself up for success before implementation.

Your company's preparedness for implementation can make as big a difference to your success as the solution you choose. Before making the leap, educate yourself on the top five things every business should take into account to prepare for a vehicle tracking solution.

1. Read the Fine Print

Before committing to a solution, make sure you understand all of what you're agreeing to.

Most providers ask that you sign an initial two- or three-year contract. Although this timeframe is standard, other variables of the contract can cause unforeseen problems in the future if you don't pay close attention. Read the contract closely before signing on the dotted line.



Don't get locked into a long-term agreement that doesn't benefit your company for its entire length.

Some vendors may attempt to slip automatic renewal clauses into your contract. Be careful to read through a contract in its entirety and be on the lookout for any dates or auto-renewal clauses. The fine print will let you know if the contract is set for auto-renewal. Typically, the only way out of an automatically renewing contracts is a buyout or early termination fee, so it's important to know what you're signing up for from the get-go.



Contract Watch List

If you see these phrases in a contract, pay close attention to the surrounding language:

- Sometime within
- Not less than
- Sometime before
- Before the end
- Sole discretion
- Without cause
- Further assurances





Mark your calendar with the contract expiration date to ensure that you are able to cancel services if they aren't working for you.

Moreover, consider how your organization may change over the length of the contract. Examine any surcharges for additional devices or software upgrades. The right solution scales comfortably with your business at a reasonable price point. Ideally, your vendor will notify you ahead of your renewal date and keep an open line of communication should your needs change.

2. Develop a Sound Strategy

Purchasing a vehicle tracking solution isn't a one-size-fits-all proposition, and neither is implementing one. A poorly defined strategy for installation, configuration and organization-wide adoption and training will impact the success of a vehicle tracking solution.

Make sure you have a deep understanding of what your vendor proposes, paying particular attention to how they'll integrate with your existing technology and business processes. Few things are more discouraging than a new technology that promises to alleviate headaches, only to clash with long-established processes that are already working.

Many providers offer vehicle tracking solutions with "free" implementation or hardware. Although lower initial hardware costs can be appealing, they

can mean higher monthly prices to recoup the vendor's profit. And a vendor may offset the cost of implementation with a reduction in the level of service they provide. Consider your solution's total cost of ownership over the first three years to determine whether paying these costs up front could save your organization money in the long run.



The cheapest option is not always the best option. Assess your needs and find a solution that accommodates them.

Finally, don't forget about the post-implementation period. Your provider should provide service guarantees at key intervals after you've had a chance to apply your new solution, so you can make optimizations and new feature additions. After all, even the best-crafted implementation plan cannot take every foreseeable detail into account.



Plan Ahead:
When it comes time for vehicle hardware installation, minimize disruptions by scheduling a time when vehicles won't be on the road, such as during routine maintenance or inspections.

3. Define & Realize ROI

A successful implementation can be the difference between realizing the promised ROI and having to go back to the drawing board. So make sure you're getting the operational efficiencies you need to set yourself up for success - and that you understand the metrics by which you'll define that success.



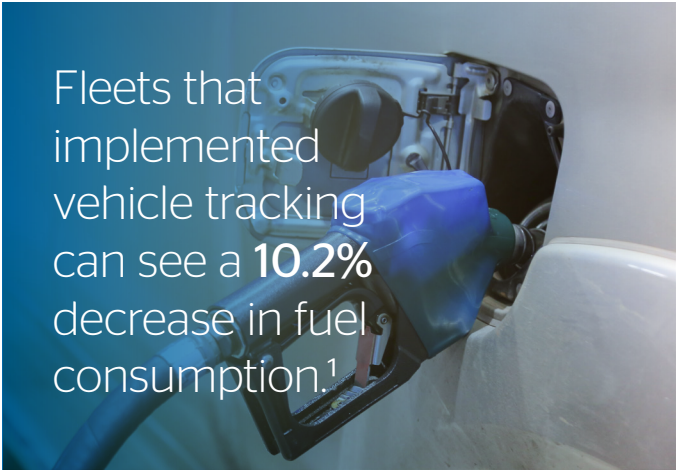
Establishing Metrics

During implementation, develop metrics for the following key factors that impact your business:

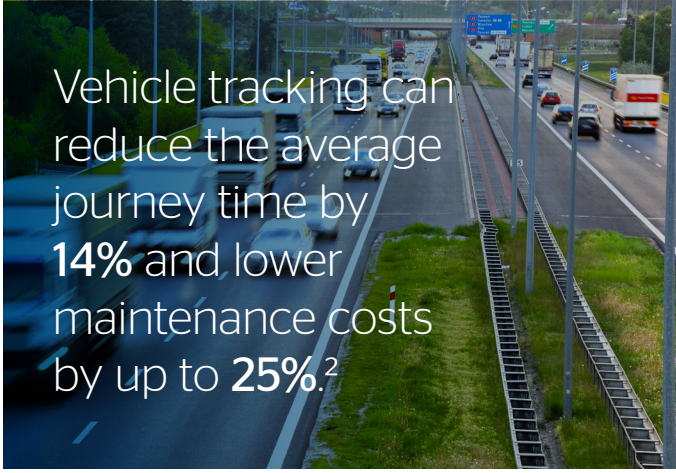
- Upfront cost
- Route schedule
- Vehicle use
- Vehicle maintenance
- Driver behavior

The upfront cost of vehicle tracking can be daunting: the initial investment can cover a wide range in price depending on the solution package you choose. These upfront costs cause many companies to hold out on spending without considering the long-term benefits of a tracking solution. Most hesitant buyers don't understand how to measure the savings on service, maintenance, fuel costs and administration, not to mention less quantifiable but still impactful operational benefits. These savings can be split into two categories: strategic metrics and tactical metrics.

Strategic metrics demonstrate issues with the overall vehicle fleet or operational procedure. These develop trends over time, impacting policy and overall operations. Examples include things like optimizing route scheduling and personal vs. professional vehicle use policies.



Fleets that implemented vehicle tracking can see a **10.2%** decrease in fuel consumption.¹



Vehicle tracking can reduce the average journey time by **14%** and lower maintenance costs by up to **25%**.²

On the other end are tactical metrics. **Tactical metrics** become apparent more quickly and generally impact the business in a way that's easy to recognize on smaller timeframes. A few examples include employee driving habits, maintenance records for individual vehicles and individual personnel efficiency. As an example, without vehicle tracking it's difficult to rely on anything but the honor system for distinguishing between professional and personal use of company vehicles, as in the case of a sales force. With vehicle tracking, it's easy to make the distinction and more easily reduce associated costs to the business.

Consumables like fuel are trackable expenses that can be lowered through a vehicle tracking system. Due diligence must occur up front to determine

historical costs, so you can understand how vehicle tracking will impact them. One of the more difficult savings to quantify numerically is reduced labor and administrative costs. For businesses impacted by legislation that mandates vehicle tracking technology, costs or fines associated with noncompliance can be factored into ROI as an extremely simple calculation. Beyond that, you can examine the staff costs associated with tracking vehicle activity as well as providing service information to customers. There may be right sizing as a result of vehicle tracking implementation that would yield significant cost savings.



Once you've established both strategic and tactical metrics, make sure a prospective solution provider has a plan to achieve them, and can demonstrate the financial impact of each component of their solution. If the calculation between features and benefits isn't clear, either you or your chosen vendor hasn't done their due diligence.

Finally, a difficult to define, but potentially transformative benefit is the opportunity to scale your business. Ask yourself: would expansion be significantly easier if logistics weren't as challenging and/or costly? If so, revisit your ROI calculations, factoring in the increased revenue potential.

4. Ensure Driver Adoption

A critical component of deriving projected ROI is driver adoption. Employees' understanding of the implemented solution and what is expected of them is significant, as these factors can impact workforce retention significantly.

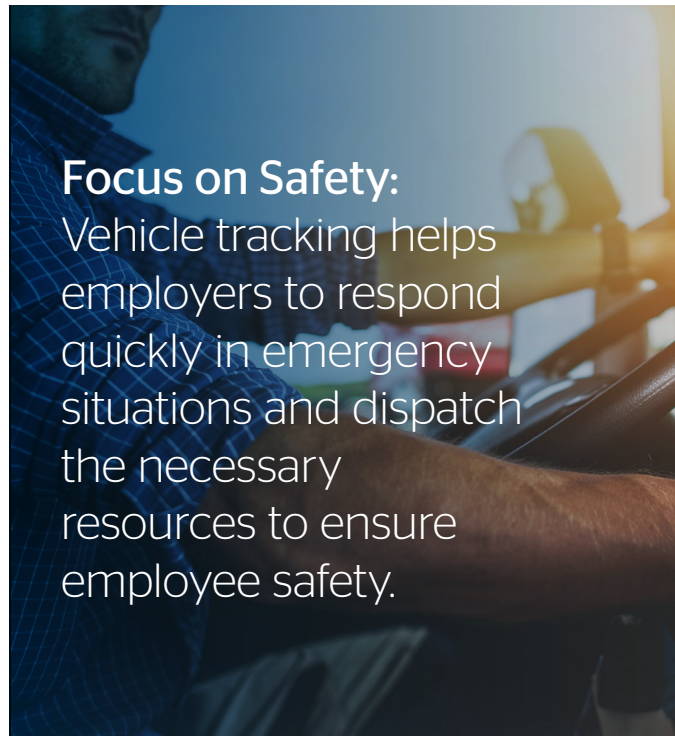
To promote adoption and compliance, focus on the benefits of new technology and processes. For example, while it can help reduce overtime costs, a vehicle tracking solution can also contribute to fairer overall wages for drivers and support more transparent employee/employer relationships. Once you have the tools to track vehicle activity, it's easier to calculate wages and overtime payments based on actual hours worked.

Vehicle tracking also helps reward performance. Software that tracks driver speed and location can recognize a route-optimized driver who delivers on time and efficiently with minimal idling time.

Conversely, vehicle tracking solutions can cut down on bad behavior like:

- Rapid acceleration and speeding
- Sudden or hard braking
- Slow progress or idling
- Inefficient routing
- Taking unauthorized or excessive breaks

By defining metrics prior to implementation, and sharing them with drivers and other staff, everyone in your organization will have a firm understanding of performance standards. And when employees are aware of the activity that's being immutably tracked, they are more likely to hold themselves accountable for reaching these benchmarks.



Focus on Safety:

Vehicle tracking helps employers to respond quickly in emergency situations and dispatch the necessary resources to ensure employee safety.

impact a vehicle tracking solution to help select one that will support compliance.

It's equally important that a prospective vendor has a deep understanding of the regulations in your industry. Your vendor of choice must not only exhibit a deep understanding of the regulations and mandates, but be able to show how their recommended solution will support compliance and regulation.

For businesses impacted by legislation that mandates vehicle tracking technology, costs or fines associated with noncompliance can be factored into ROI calculations.



HOS Score

The FMCSA hours of service (HOS) rules are designed to eliminate the type of drowsiness that can lead to crashes. Make sure that your solution provider is aware of HOS rules, and that they offer solutions that work to prevent violations.



CSA Scores

Short for compliance, safety, and accountability, CSA scores are calculated from the last 24 months of a company's safety data, including roadside inspections, crash reports, investigation results and registration details.

The right solution will help you to excel in each category and render the highest score possible.

5. Compliance Considerations

Compliance is a process, not a product. In and of itself, no vehicle tracking solution can ensure compliance. Instead, it should serve as a complement to your compliance practices, and any other solutions that may have been implemented specifically to address compliance challenges, such as electronic logging. Educate your organization on how government and industry regulations may



Conclusion

Vehicle tracking is a powerful tool in the pursuit of greater profits, accountability and performance. By rigorously researching a provider and scrutinizing every detail of a prospective solution down to the fine print in your contract, you can ensure a successful implementation, encourage employee adoption and deliver on your expected ROI.

U.S. Cellular® offers a broad suite of business technology solutions - all backed on a network with national coverage that works in the Middle of Anywhere.

To learn more on how vehicle tracking can benefit your business,
go to **uscellular.com/business** or call **1-866-616-5587**
today for a free informational consultation.

Sources

1. Automotive Fleet, How to Increase Fleet Productivity Using Telematics, September 2015, <http://www.automotive-fleet.com/article/story/2015/10/how-to-increase-fleet-productivity.aspx>
2. Maximizing ROI on Fleet Management, Tom Tom, https://s3-eu-west-1.amazonaws.com/cdn.webfactore.co.uk/6443_ttb-maximising-roi-on-fms.pdf
3. Ford, How idle time impacts engine maintenance, <https://www.fleet.ford.com/truckbbas/non-html/DeiselTips/DLSIDLETIMESS.pdf>
4. GPS Insights, 2016-17 Fleet Management Technology Report



Visit us: uscellular.com/business | Call us: **1-866-616-5587**

All rights reserved: 2018 U.S. Cellular