



The business case for fleet management technology

Businesses can realise rapid returns on their investment (ROI) through careful selection and implementation of fleet management systems.

The following white paper examines how this can be achieved and how the ROI can be demonstrated to company boards.



The rising fuel cost tide

Numerous benefits can be realised through the effective use of telematics – and the larger the company, the larger the potential returns.

Greater visibility and control over mobile assets can help develop lasting relationships with customers while saving time and money by slashing operating costs, boosting employee productivity and developing lasting relationships with customers. This enables a vehicle fleet to become a source of increased profitability, rather than an inescapable expense.

Cost is often viewed as the major barrier for businesses looking to take advantage of such efficiencies but, in reality, companies are able to realise ROI within six to 12 months of installation – if not sooner.

Demonstration, not proclamation

The decision to implement a fleet management system will not always be a straightforward one. Buy-in can be required from a range of stakeholders, from CEOs to finance directors, from operations directors to union representatives.

A company must first establish what it would like to change, improve and take control of within its fleet operations, and which stakeholders need convincing of the benefits of a telematics solution. It will then be best placed to work with a preferred supplier and trial its solution to examine how it delivers in defined target areas.

This process would involve installing the technology in carefully selected fleet vehicles that are representative of its wider operations. Fleet activities and performance can then be monitored before and after drivers, and other relevant employees, are engaged and briefed on how to actively manage the operational data.

For finance directors, compelling returns on investment can be demonstrated. For operations managers, efficiency gains, streamlined operational processes and reduced administrative burdens would be highlighted. For unions and drivers, the business case would include everything from safer working conditions, less stress behind the wheel and less laborious paperwork to reduced tax liabilities, protection against false customer claims and a more equitable distribution of work.

All irrefutable evidence from the trial would be presented back to relevant stakeholders, supported with clear management reporting information generated by the system.

Due diligence key to success

Achieving swift return from your fleet management system depends on careful planning and selection.

Many buyers work under the misconception that all solutions offer similar benefits, which means the market becomes increasingly price sensitive as a result. By making cost their sole concern, poorly-advised businesses often find themselves paying for technology which is inappropriate for their particular needs, does not offer sufficient reliability and security, or that cannot be easily integrated with their existing software.



A quicker route to reduced costs

At a basic level, cost savings can be achieved through smarter navigation. By taking advantage of live traffic information and dynamic routing, drivers can avoid congestion and select the quickest, most efficient route from A to B, cutting average journey times by up to 15 per cent.

The resultant benefits are clear. Less time on the road means reduced fuel bills, increased productivity and less wear and tear on vehicles. Furthermore, customer service can be boosted by providing accurate ETAs and using extra man hours to fit more jobs into the working day.

When allied with the depth of information provided by effective vehicle tracking, the effect is magnified. Integrated tracking and navigation provides the visibility and control needed to efficiently manage a workforce that is constantly on the move.

Keeping an eye on your assets

Even greater gains in productivity can be made from knowing exactly where vehicles are at any given time. Improved fleet visibility allows the right person with the right skills and tools to be sent to each job – or the most appropriate driver based on quickest journey time to the customer – removing the need to contact each driver individually when allocating work.

Fleet management dashboards provide all the necessary information to streamline job scheduling and improve response times. This can bring immediate financial benefits for fleets tied to strict service level agreements, but also has clear implications in terms of customer satisfaction.

By ensuring job schedules are adhered to and customers are provided with up-to-date information, organisation can be positioned as industry leaders in service provision.

Smart advancements in fleet management

The job dispatch element of telematics is further enhanced when combined with job scheduling, offering the scope to pre-load a day's work on to a driver's sat nav. With destinations already loaded, all the driver has to do is touch the screen to activate a job and report on completion to have the next job immediately allocated. Furthermore, itinerary planning allows schedules and routes to take into account hundreds of defined waypoints if vehicles are required to follow a specific plan. Drivers can be given extremely detailed instructions, down to individual streets, to ensure vehicles stick to pre-defined routes.

Giving drivers the information they need to optimise performance has been taken to new levels in recent times. Data on everything from fuel consumption and harsh steering to harsh breaking or acceleration can be viewed in real time by managers and drivers alike, or in historic reports that measure a driver's performance against pre-defined business targets.

Having access to such data while behind the wheel, via alerts on their in-cab sat nav devices, makes drivers aware how driving habits can negatively affect the bottom line.

Research conducted by global sustainability consultancy Environmental Resources Management (ERM) meanwhile, in association with Vodafone and



TomTom, revealed annual savings of £218,000 in fuel alone for a company operating a 61-strong lorry fleet. This equates to 597 tonnes of CO₂.

Such extensive visibility also enables HR directors to manage the occupational health and safety risks facing employees through more effective road risk reduction programmes. The wide-ranging applications of fleet management technology means businesses will be well-equipped to realise ROI in a diverse array of logistical ways. Engaging with all stakeholders and business functions from the outset is essential however and will enable a comprehensive and compelling business case to be established.

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