AssetWORKS

QUICK GUIDE

How to Use Telematics

to Reduce Expensive Costs and Improve Fleet Performance

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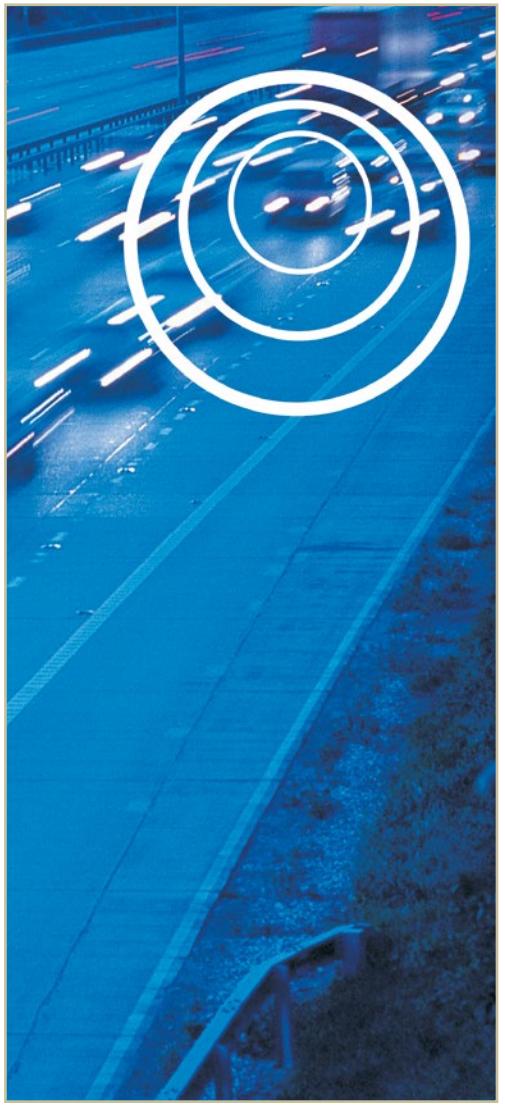


One of the biggest challenges many fleet managers face is knowing where their vehicles are and what they are doing. Implementing telematics technology to track real-time, location-based data allows fleet managers to determine how each vehicle can be best managed to reduce costs and utilized to generate revenue. In addition to tracking features, there are several other ways in which a telematics-based GPS solution can increase the overall efficiency of a fleet.

This quick guide will identify the different ways in which fleet managers can use telematics to reduce expensive costs and better utilize their fleet's performance for improved bottom line results.

Why Telematics?

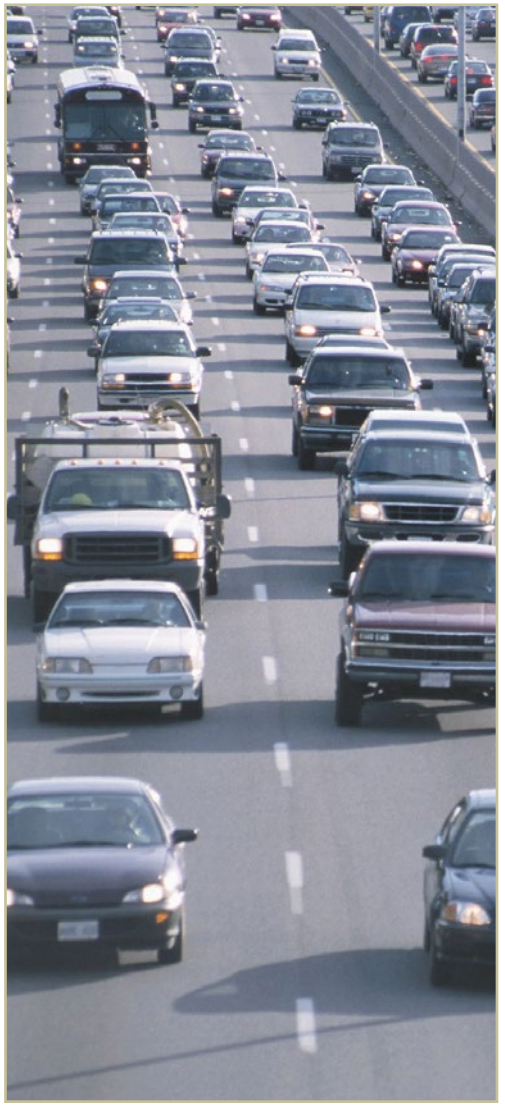
Monitoring the location of vehicles through the use of mapping, routing, trip reporting and other methods of location management gives fleet managers the tools necessary to ensure that their vehicles are being used for work-related tasks, and also offers them the ability to assign the closest vehicles to appropriate jobs.

However, a telematics solution also monitors poor driver behaviors—such as idling, speeding, hard braking and unauthorized use—that lead to increased costs in fuel and vehicle wear and tear. Telematics also offers vehicle diagnostic integration which tracks meter readings and vehicle status. Automated alerts can be set up to inform drivers and managers about preventive maintenance thresholds and diagnostic trouble codes. These additional features allow fleet managers to address issues proactively before they hinder an organization's everyday productivity and profitability.

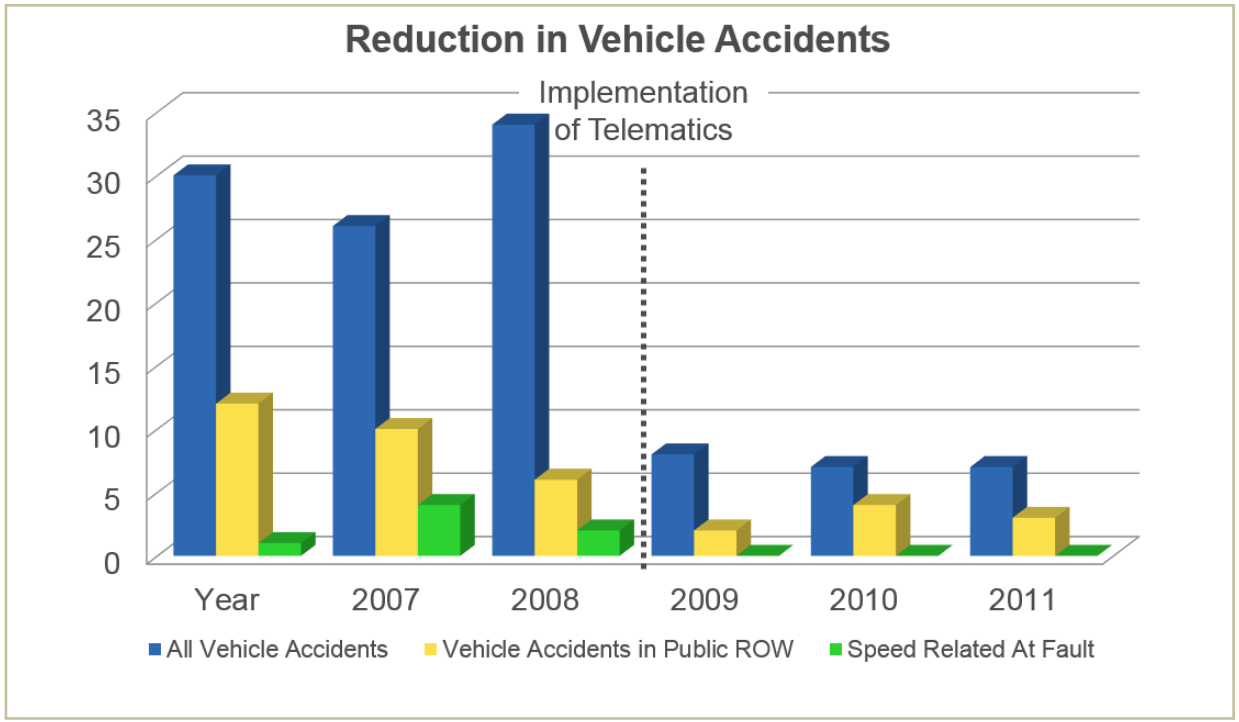
Top 5 Areas for Return on Investment (ROI)

Improved Safety

Short-term benefits of implementing a telematics solution include lower damage costs and an overall safer fleet with lower risk probability. When speeding or hard acceleration violations occur, alerts can be sent via text or email messages, and in-depth reports can be generated to pinpoint frequent offenders and better align them with company policies. As all driver behavior is monitored to ensure efficiency, fleet managers see a reduction in speed-related accidents and violations as well as liabilities— both claimed and paid.



Improved Safety

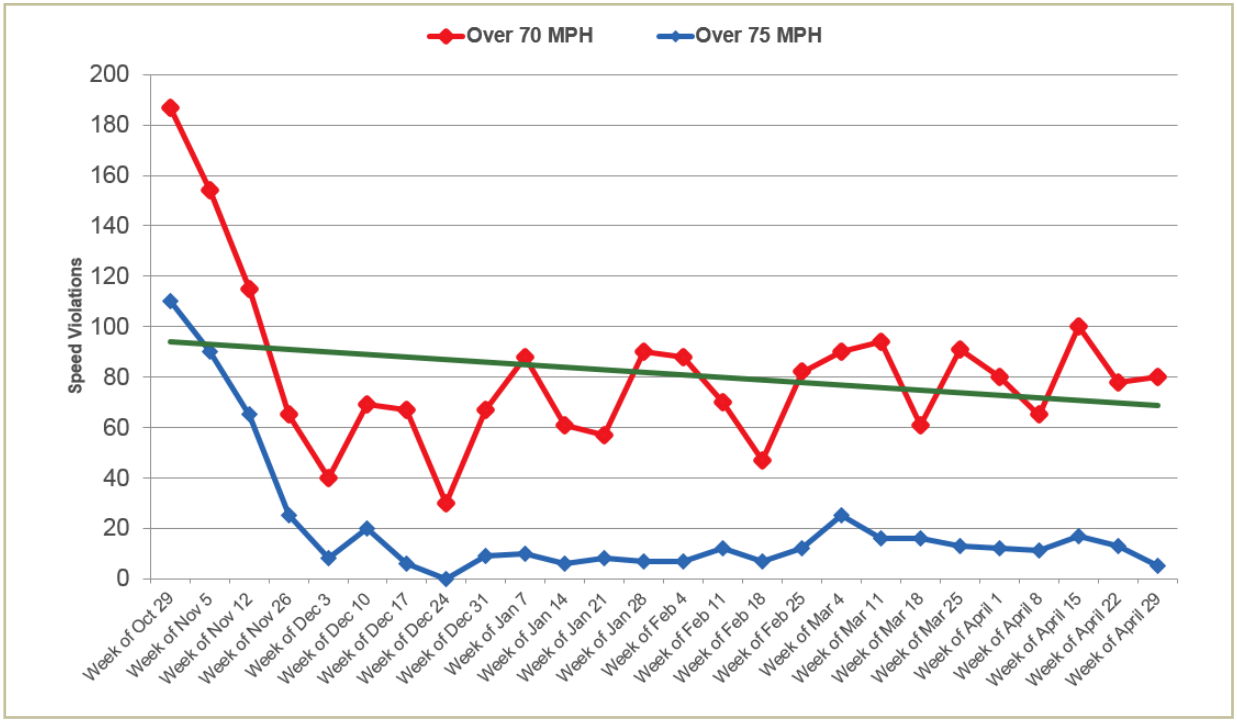


This graph shows a customer's 82% reduction in vehicle-related accidents over a three-year period using the Verizon Networkfleet telematics solution. This adjustment has led to over $1,000,000 in annual liability and insurance savings.

Fuel Savings

Fuel costs often represent one of the largest line items in an organization's budget. According to the U.S. Department of Energy, aggressive driving behavior such as speeding and idling can lower highway fuel mileage by 33% and city mileage by 5%. Through telematics, organizations can cut fuel costs as a result of eliminating these poor driving habits. Moreover, improved route efficiency can sometimes allow a fleet to reduce its size, which can also lead to less fuel consumption. Most importantly, these aren't one-time reductions in fuel costs, but rather annual savings that enhance bottom line results.

Fuel Savings

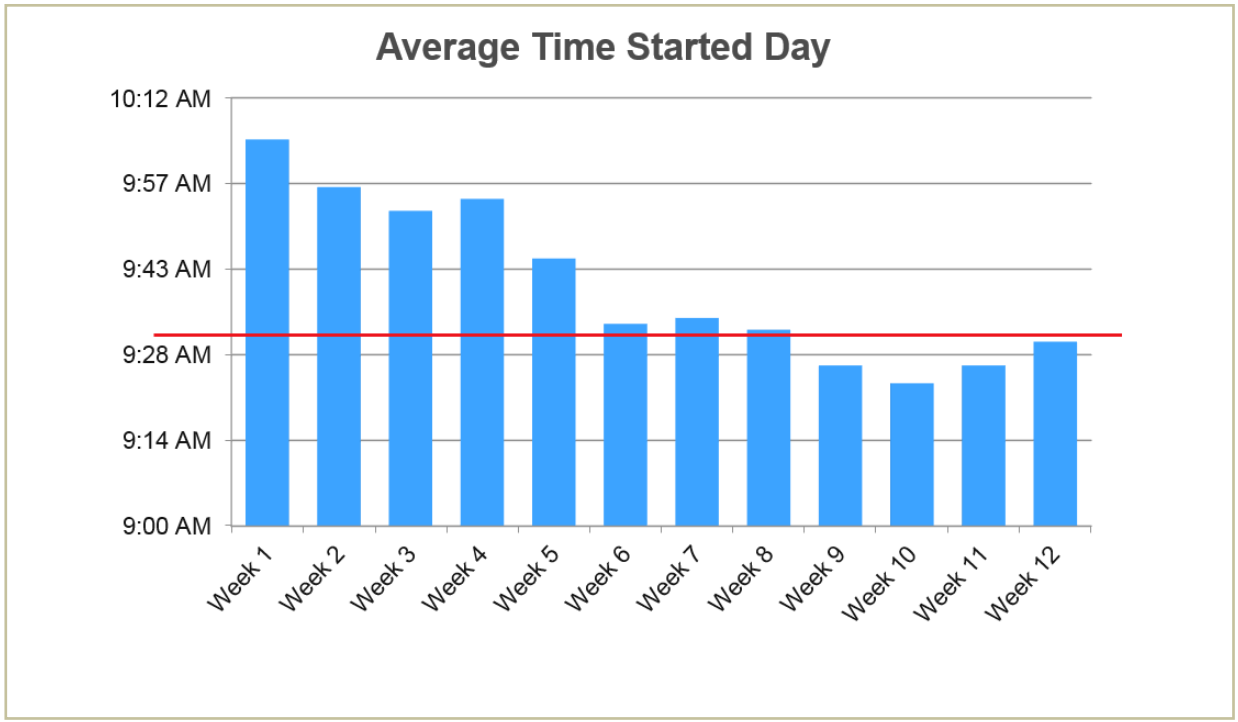


This graph shows the reduction in speeding incidents for a Verizon Networkfleet customer since implementing a telematics solution. Over a six-month period, incidences of over 70 mph have dropped by close to 60% and those over 75 mph have declined by about 95%.

Workforce Efficiency

Since fleet managers are able to track average start times for each worker, the status of each job can be monitored from start to finish. This allows more jobs to be completed in less time as human assets are better utilized, and excessive overtime costs are eliminated. Sophisticated routing and mapping capabilities minimizes customer response times and increases worker productivity without added overhead costs.

Workforce Efficiency

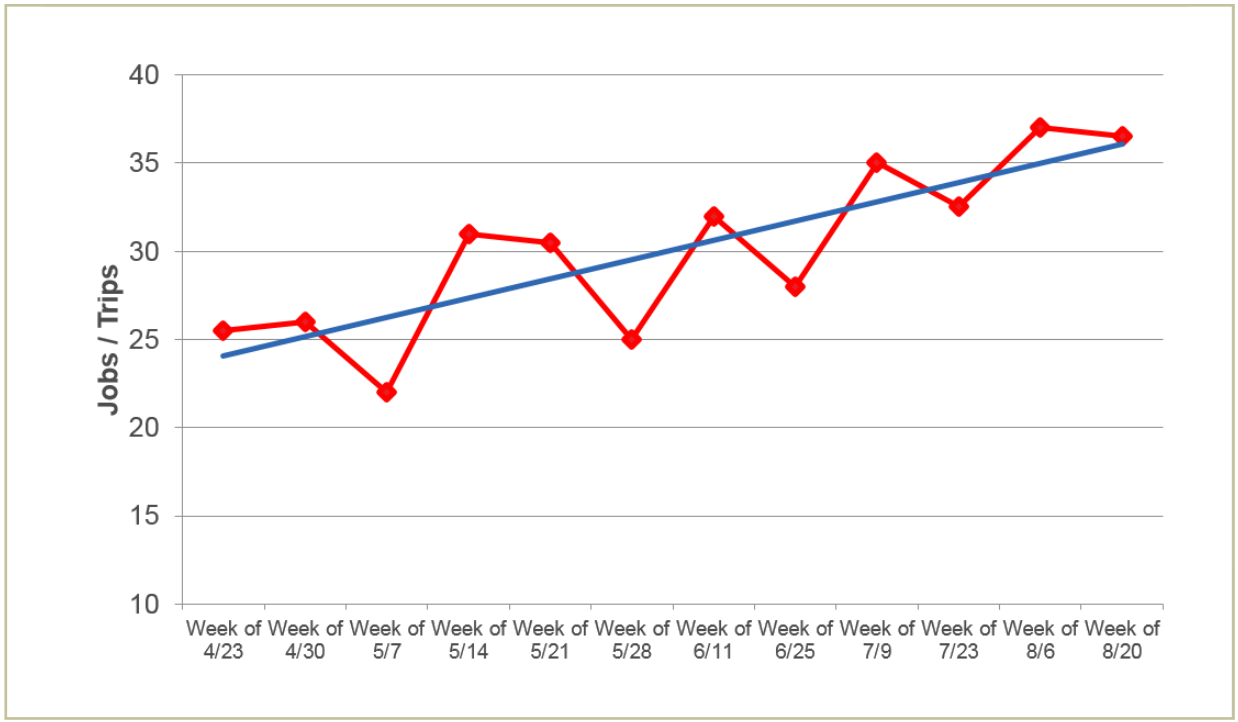


This graph represents a public utility customer's average employee start times per day. In just three months, vehicles have averaged a start time of around 30 minutes earlier as a result of telematics. This means that each vehicle averages over two hours of added productivity per week.

Fleet Utilization

A telematics solution allows organizations to make necessary adjustments to their fleet to optimize performance. Since productivity is monitored on a per vehicle basis, fleet managers are able to measure profitability against performance and eliminate underused vehicles that inflate operating costs. Even a decrease in fleet size by a small percentage reduces unnecessary safety risks, fuel usage and maintenance hours.

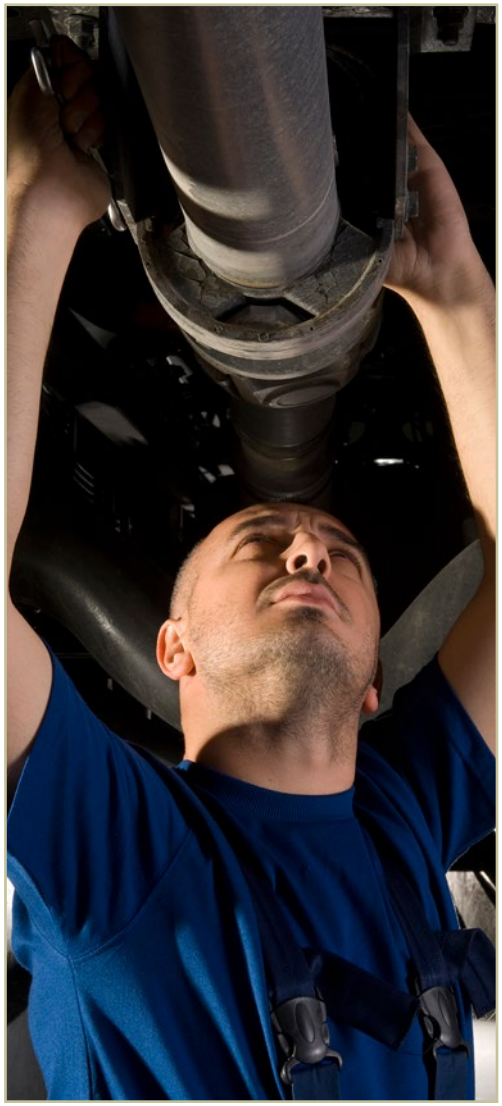
Fleet Utilization



This graph provides an example of increased efficiency in productivity. This Verizon Networkfleet county customer has seen an increase in the number of jobs completed by approximately 42%.

Decreased Maintenance Costs

One of the key long-term benefits of telematics implementation is better maintenance and repair procedures. Instead of performing maintenance based on loosely estimated time intervals, maintenance decisions are made based on facts using real time communications with each vehicle and a complete online service history of every fleet vehicle. Using the diagnostic data provided by the vehicle's engine, inaccurate paperwork concerns are nullified, and fleet managers can address issues proactively to avoid downtime and expensive roadside breakdowns, thus maximizing profitability on a per asset basis. Preventive maintenance procedures based on accurate vehicle usage data also reduces the costs associated with over maintaining vehicles.



Best Practices for Implementation

It is estimated that over the next 5-7 years, over 70% of buyers will invest in a telematics solution. In order for your fleet to have a successful implementation, it is imperative that your organization clearly outline its goals and objectives. Tying a transparent list of expected results into your company's vehicle use policy increases the likelihood of vehicle operators quickly buying into and embracing the benefits of a telematics solution.

Introducing a vehicle telematics system will create significant changes for drivers and office staff. To speed acceptance of the solution, approach the implementation with excitement and emphasize how the new technology will improve the company's bottom line and the employees' work day and safety. During the implementation, you should have drivers participate in driver behavior training courses which can dramatically increase the return on investment of a telematics solution.

AssetWorks GPS powered by Verizon Networkfleet

When approached with an open emphasis on accountability for an organization's assets, the benefits of a telematics solution—improved safety and efficiency and reduced liability and maintenance costs—can directly impact productivity, revenue, savings and bottom line results for fleet managers.

AssetWorks GPS offers telematics technology that communicates directly with a vehicle's onboard computer, interprets the data and transmits important information to fleet managers.

A real-time integration between Networkfleet and FleetFocus maintenance management system means near real-time meter readings are sent directly from the vehicle to FleetFocus, which saves time and allows for accurate scheduling of preventive maintenance.

For more information on how AssetWorks GPS Solution powered by Verizon Networkfleet can help you improve fleet performance, click here.

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