

An Introduction to Fleet Efficiency

A Primer on How to Improve Your Fleet Efficiency Now



RasTrac[®]



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Introduction

The key to achieving an efficient fleet is the regular upkeep and maintenance of your vehicles and equipment. These assets are the bread-and-butter of your business, and making them as efficient as possible can result in challenges along the way. However, many successful organizations recognize that the rewards of efficiency outweigh the negatives and invest in fleet efficiency solutions

One of the biggest challenges facing operations and risk managers is the rising cost of managing and maintaining your fleet. With decreasing budgets and other financial industry challenges, you are increasingly expected to do more with less, and are likely trying to find ways to decrease overall spending.

While there are many different systems available on the market, another significant challenge is finding a technology that is reliable and easy to use. After all, how useful is a fleet efficiency solution if you can't figure out how to use it? While there are many other challenges that may seem insurmountable, the good news is that solutions do exist.

The Rastrac team put together this guide of fleet efficiency solutions to help you identify the most effective practices and trends in fleet efficiency. While some challenges may make you reconsider or adapt your existing policies and practices, others may be a simple fix through the integration of newer, more modern technologies. While there are no shortcuts to achieving optimum efficiency, there are definitely ways to improve your fleet efficiency over time.

Efficiency Challenges for Modern Fleet Managers (and the Technologies to Address Them)



It's understandable why many organizations struggle to achieve fleet efficiency. While each organization has its own set of problems to navigate, there are challenges that virtually all organizations share that lead to inefficiency.

WHAT SORT OF CIRCUMSTANCES CONTRIBUTE TO FLEET INEFFICIENCY? SOME OF THESE BARRIERS INCLUDE:



While it may seem easy to try to ignore the aforementioned challenges, you'll have to deal with these inefficiencies (one way or another) eventually. It's best to find an efficient solution now rather than suffer the consequences later with bigger expenses.

This is where Rastrac's fleet management solutions can help. Using the right technology can be a game-changer; it can revitalize the efficiency of a fleet operation in any industry or

organization no matter how complex. It also offers cost-effective solutions that are otherwise not found in traditional systems and holds the key to improving and maintaining your fleet efficiency and performance. It's just a matter of knowing what technology is appropriate for any given challenge and knowing what data you need to make informed, actionable decisions.

Here is a brief look at each of the eight challenges and how the right fleet management solution can help you address it:



1. Volatile Fuel Costs



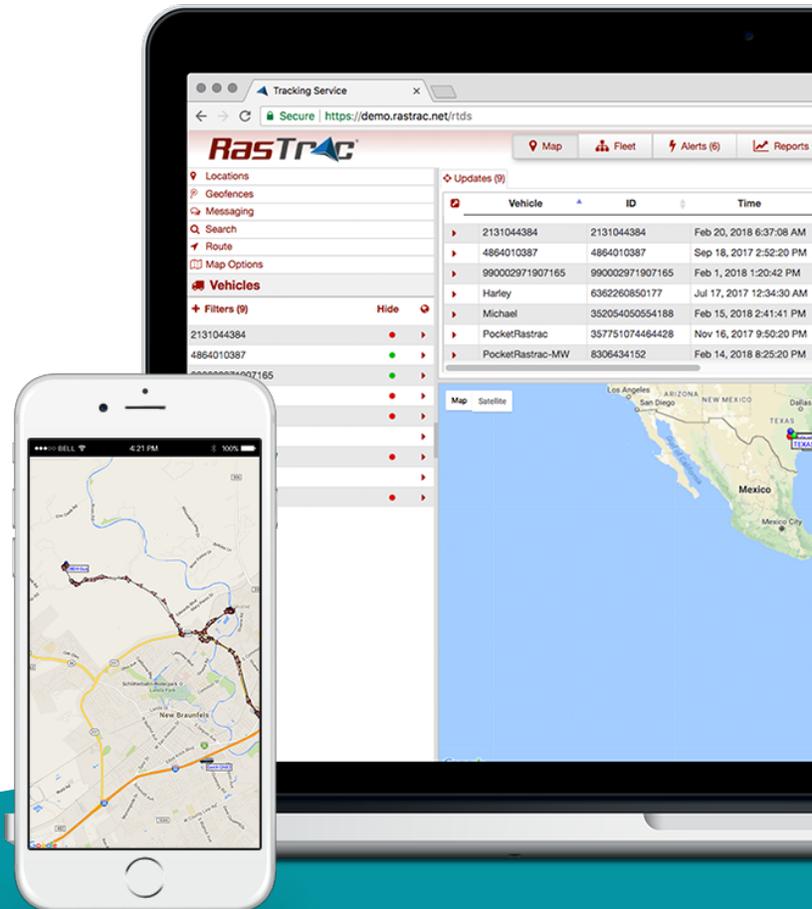
Fuel constitutes one of the largest operational costs for any fleet. This is partially the result of unstable and fluctuating fuel costs. Oil is a volatile commodity that goes through alternating periods of stability and spiking or decreasing fuel costs. As a result, some fleet organizations consider converting to using alternative fuel. However, making the switch to these other fuel sources can be costly and risky.

The good news is that there are other ways to improve fuel efficiency. And, by decreasing the amount spent on fuel, you're able to free up resources that can improve the overall efficiency of your fleet. How? Through the use of our GPS tracking devices and easy-to-use software tools.

FLEET MANAGEMENT SOLUTION

An efficient fleet management solution enables a user to access actionable data to remotely monitor their vehicles or other large equipment. Fleet telematics, a combination of telecommunications and informatics, provides a variety of data about your assets, such as location, fuel consumption, engine performance, idling time. This occurs through the use of global positioning system (GPS) technology, which integrates with your vehicle's electronics and uses satellites to actively locate and track vehicles anywhere in the world.

This data, used in conjunction with GPS tracking software mapping, allows fleet managers to optimize driving routes and plan maintenance schedules that will help to reduce equipment fuel consumption. For municipal and emergency response fleet managers, you also can use this capability to help you dispatch the closest vehicles to respond to a service or emergency call.





2. Ineffective Communication



Achieving effective, real-time communication is a challenge for many fleet managers. Ineffective communication with drivers can lead to a variety of issues, including decreased productivity, delays, and disruptions to your overall operations. So what can be done to alleviate these issues?

FLEET MANAGEMENT SOLUTION

The most efficient fleet managers communicate regularly with drivers remotely. Modern GPS management software and mobile tools enable these leaders to track vehicles in the field and reach out to their drivers or operators as needed. PocketRastac, a smartphone-based tracking app, also provides a way to connect directly with your drivers to improve communication while on-the-go.

Being able to engage in frequent two-way remote communication with your employees via tracking solutions can help you to:



Identify and address daily challenges or concerns that roadblock productivity or pose risks.



Keep drivers and operators on-task, improving safety and maximizing regulatory compliance.



Build rapport with drivers and operators.



Maintain regular communication to provide higher quality fleet performance and customer service by being able to communicate with drivers to give status updates to customers.



3. Regulatory Compliance Issues



Compliance-related challenges present a serious threat to fleet efficiency for all fleet operations. However, this is especially true for smaller businesses that lack the resources to comply with the growing list of local, state, and federal regulations. For example, noncompliance with U.S. Department of Transportation regulations could result in a loss of license, a heavy fine, or a fleet losing its ability to continue operating. It also can be costly and time-consuming to comply with stricter equipment requirements, which can take a toll on your overall fleet efficiency. So how can fleet management technology help maximize productivity without breaking the budget?

FLEET MANAGEMENT SOLUTION

Compliance standards require a lot of paperwork and reporting. However, the use of GPS systems can help drivers (and your business) abide by all regulations by removing the human element in reporting hours of service (HOS) through automation and making the process of completing vehicle inspection reports (DVIR) more efficient.

Furthermore, fleet management solutions also can help businesses that handle the transportation of temperature-sensitive or perishable products ensure compliance. Rastrac's GPS tracking devices can integrate with a vehicle's temperature monitoring system and provide a documented report that the products remained within the appropriate temperature range during transport.





4. Inability to Utilize Technology



Although some companies may promote the idea that technology can magically fix all of your fleet efficiency issues, it can't and it won't. However, using an effective technology that is the right fit for your organization is certainly a good way to position yourself to start doing just that.

But what is the right technology and how do you know if it will work for your operation? We've already mentioned two types of tech to consider: telematics and global positioning system (GPS) technology. A lack of understanding or willingness to accept and leverage these fleet management solutions will leave many organizations in the dark ages.

FLEET MANAGEMENT SOLUTION

Monitor Activity



DRIVER
MANAGEMENT



Compliance



Control Cost

While it's true that technology isn't a cure-all, it certainly can help to improve and streamline your fleet management processes and save money. An efficient fleet management system enables fleet managers to monitor fleet activity so that they can ensure regulatory compliance, control costs, and better manage drivers. However, the catch is that it needs to be technology that you can easily use and integrate into your daily work.

Some fleet management solutions are cumbersome and complicated to use or manage while others are intuitive and provide the advanced features you need. When you invest in Rastrac fleet management solutions, you're not just getting agile, reliable tools. You're also gaining access to a team of knowledgeable technical support experts who are ready and able to answer your technology questions. With support available via telephone, online, and email, you can receive the support you need in a variety of formats.

Furthermore, to help you update your knowledge and skills, Rastrac users can use the company's free online Knowledge Database to access articles on a variety of fleet management solution topics and tools.



5. Changing Roles and Expectations of Fleet Managers

The roles and responsibilities of fleet managers have been continuously changing over the past several years. Fleet managers, who are now often viewed as business group leaders in charge of fleet teams, are not only tasked with effectively managing essential assets, they're also expected to minimize or reduce fleet management risks. That's not asking too much, is it?

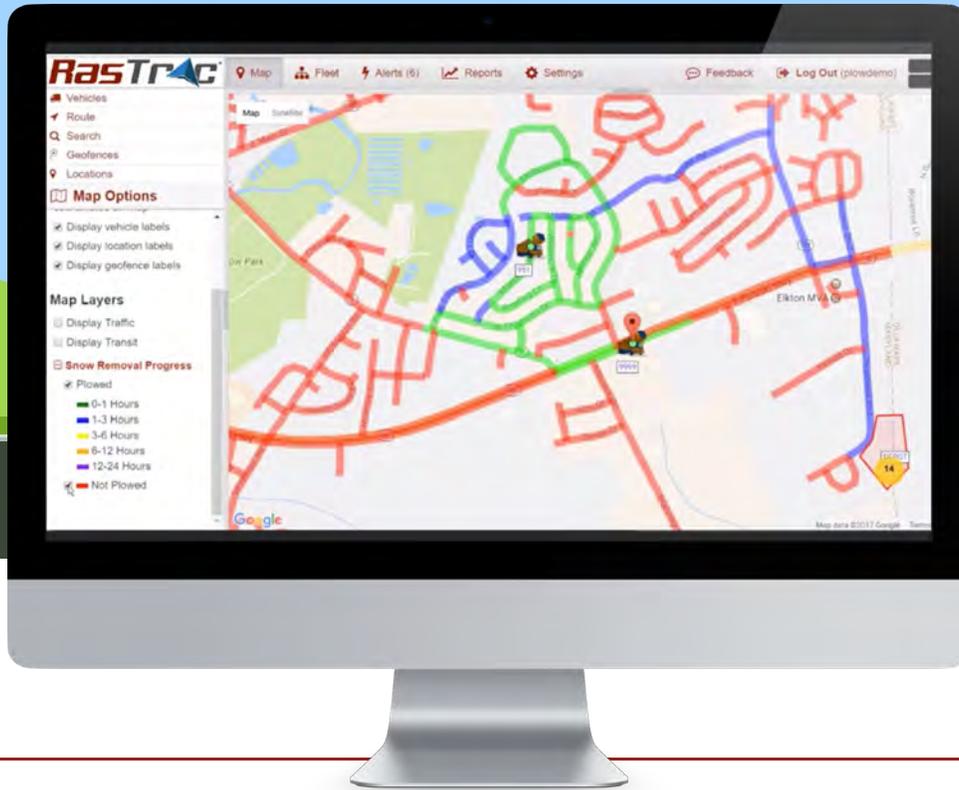


However, not recognizing that consolidating roles and piling on more duties without providing a means to simplify the tasks associated with them can hurt your organization's efficiency. This is why a new generation of fleet managers can help solve the problem. By investing in training fleet managers who can change your organization from the inside, helping to enable employees to keep things running smoothly without busting the company budget. That's what you call efficiency. And, although it sounds like a tall order, it's not impossible to accomplish.

FLEET MANAGEMENT SOLUTION

Fleet managers today are blessed with sophisticated tools which, when used appropriately, are capable of turning an entire fleet into a powerful communications hub. Using effective fleet management solutions, fleet managers are able to track and transmit data that affects or relates to vehicle performance. Crucial information, such as engine efficiency, driver behavior, vehicle location and fuel consumption, are all delivered smoothly and accurately to improve overall fleet efficiency.





StreetComplete

These tools can aid in correcting driver behavior, reducing fuel costs and harmful emissions, and decrease unnecessary wear and tear on vehicles. Furthermore, with Rastrac's StreetComplete plugin, which is not available in other fleet management solutions, managers can monitor a variety of projects, including:



Street sweeping and cleaning



Snowplowing



Police and security patrols



Brush and refuse collections



General maintenance and inspections

Using the plugin, you'll know specifically when a particular site, street, area or segment has been visited and by what operator. The color-coded marks will help you manage events and tasks much more efficiently. This tool can effectively help to reduce travel delays, find the quickest routes, and lower fuel costs. StreetComplete can help you automate your fleet maintenance process so that everything goes smoothly from start to finish.



6. Driver-Related Concerns and Behaviors

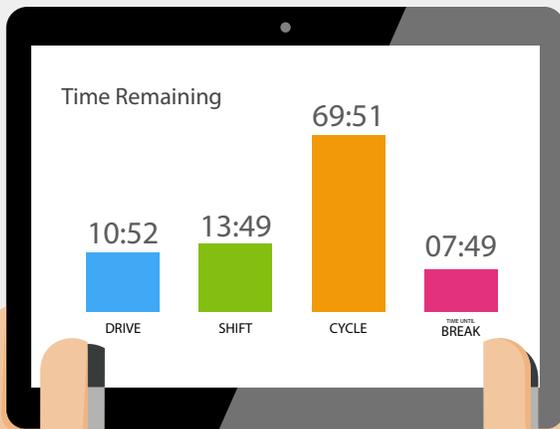


Accidents happen, and sometimes they can't be avoided. However, that's not always the case, and the costs of these incidents can quickly add up for your organization. A lack of robust fleet safety regulations and practices can seriously damage your organization's productivity and, eventually, affect your fleet efficiency.

If only there was a way to help mitigate these types of risks and more effectively hold your drivers accountable... We're happy to say that there is a solution to these problems.

FLEET MANAGEMENT SOLUTION

With our GPS vehicle tracking and monitoring, including the use of a Driver Performance Report, you can monitor several driver behaviors:



By monitoring this important information, you can quickly correct any wasteful and risky driver behaviors. Additionally, through the use of geofencing technology, you can set up virtual perimeter around areas in which your fleet vehicles operate or are kept during off-hours. This feature will enable you to be alerted immediately whenever any of your fleet vehicles leave those designated areas, which can ensure timecards are accurately reported and organization vehicles are not used during off-hours for personal use.

Through the use of GPS tracking solutions and telematics, you will have documented data showcasing this information, which could be helpful in the event of any lawsuit or other litigation.





7. Vehicle and Equipment Safety Issues

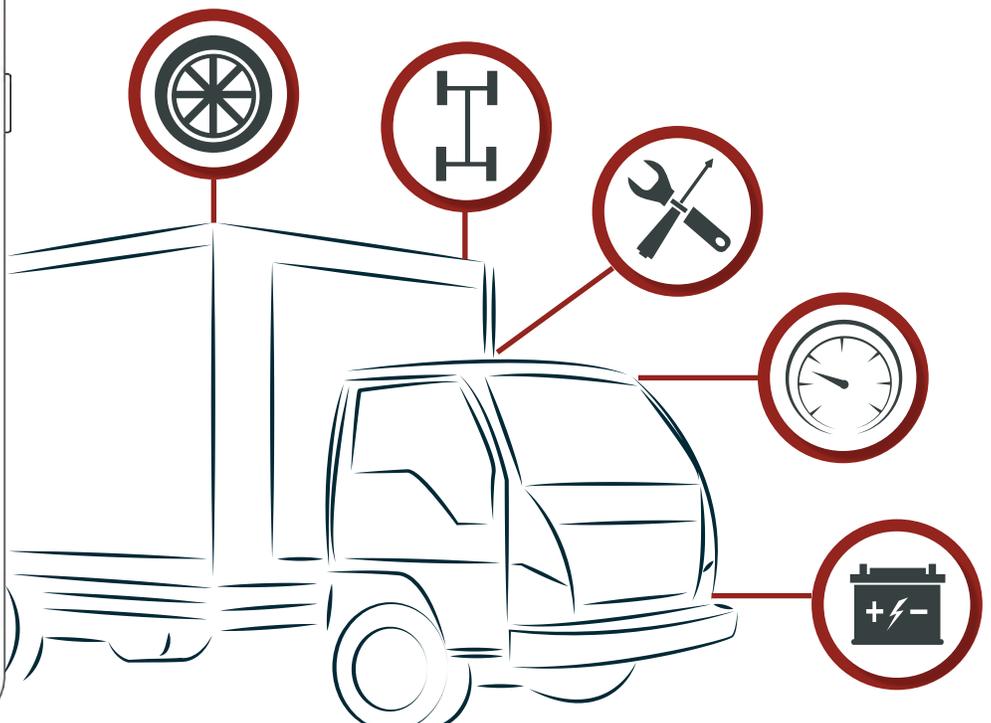
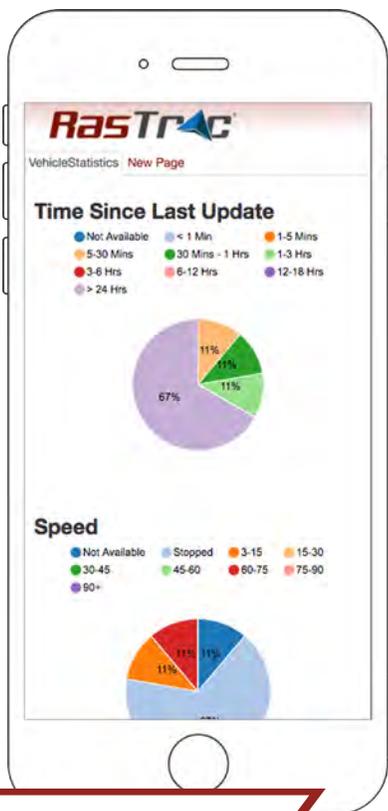


The reality for every fleet managers is that your vehicles or other large equipment are going to endure wear and tear through continuous use. It's an inevitable part of doing business. As such, it is important to be aware of any technical or safety issues that may be developing through operator misuse and everyday wear and tear and address them in advance through regular maintenance. What can you do to identify and address these issues in advance before they become larger issues?

FLEET MANAGEMENT SOLUTION

Remote diagnostics allow fleet managers to monitor the condition of their assets in real time, which allows them to stay abreast of knowing when small fixes need to be made. Through regular preventative maintenance, you can identify and address small concerns before they can turn into critical issues that can lead to fleet downtime.

With the right fleet tracking solution, you can set and receive consistent maintenance alerts for every vehicle or piece of equipment in your fleet. While this may sound like a lot of unnecessary information, it is actually very helpful for ensuring that your fleet maintenance stays on track. Furthermore, it can help you schedule other crucial reminders for your equipment or vehicles, such as renewing or updating their vehicle insurance and registration, paying for insurance, and tracking fleet inspection dates.



The Big Picture – How to Improve Your Overall Fleet Performance and Achieve Operational Excellence



Technology, while important, isn't the be-all, end-all when it comes to achieving fleet efficiency. There are other important steps that must be considered to make your operation perform optimally. Other ways to handle this important goal includes identifying other ways to:



Save on fuel through the types of vehicles



Maintain and address driver behaviors



Address maintenance costs



Manage overall fleet performance

Up To
30%
Of Fleet Operations
Costs is Fuel

CUT FUEL SPENDING

Fuel can be one of the biggest expenses for any fleet regardless of size, accounting for up to 30% of fleet operations costs. You can only reduce inefficient fuel usage and spending by selecting more fuel-efficient vehicles, monitoring fuel usage, driver behaviors, and ensuring preventative maintenance is consistently performed.

Consider implementing a fuel management program in your business or organization. This long-term solution trains drivers in fuel-efficient techniques, and uses digital fuel monitoring and reporting to ensure that usage is accurately reported.



ADDRESS INEFFICIENT DRIVER BEHAVIORS

Through the overarching driver training that is included in an effective fuel management program, you can address any number of driver behaviors. Inefficient driver behaviors, which add unnecessary wear and tear on your vehicles, includes speeding, rapid acceleration and deceleration, and engine idling.

Additional ways to address driver-related inefficiencies include:

- ✓ Implementing daily vehicle checks.
- ✓ Communicating effectively with drivers to keep them informed.
- ✓ Offering personalized training that is based on a driver's profile and vehicle requirements.
- ✓ Maintaining up-to-date driver records through your fleet management software.

“One place that many fleet managers tend to overspend is in the area of maintenance costs”

PLAN FOR MAINTENANCE COSTS

One place that many fleet managers tend to overspend is in the area of maintenance costs. The reason for this is that they fail to account for costs that they could have planned for in advance. By factoring in concerns like 1) the age of each vehicle, 2) how regularly each vehicle is maintained, 3) how much each maintenance component costs (tires, oil changes, brakes, etc.), 4) the cost of insurance, vehicle registration, and license renewals that are required by law, and 5) the cost of any applicable vehicle replacement policies, you will ensure that you have set aside the appropriate budget to cover those costs. At the same time, it gives you an opportunity to identify and address any inefficiencies you find along the way.

MANAGE FLEET PERFORMANCE

As a fleet manager, you're constantly being asked to find ways to be more strategic in your decision-making processes to help your organization achieve more with less. As such, you're expected to be highly adaptive, technologically proficient and knowledgeable, and an excellent communicator.

High-performing managers monitor their fleet's performance, reporting on key information so that everyone is informed, and tie fleet management strategies to organizational goals or objectives. They use the plethora of valuable data they receive from their fleet management solutions – vehicle locations, telematics and diagnostics, driver behaviors, and more – to make informed decisions every day that help to make their fleet more efficient.



Conclusion

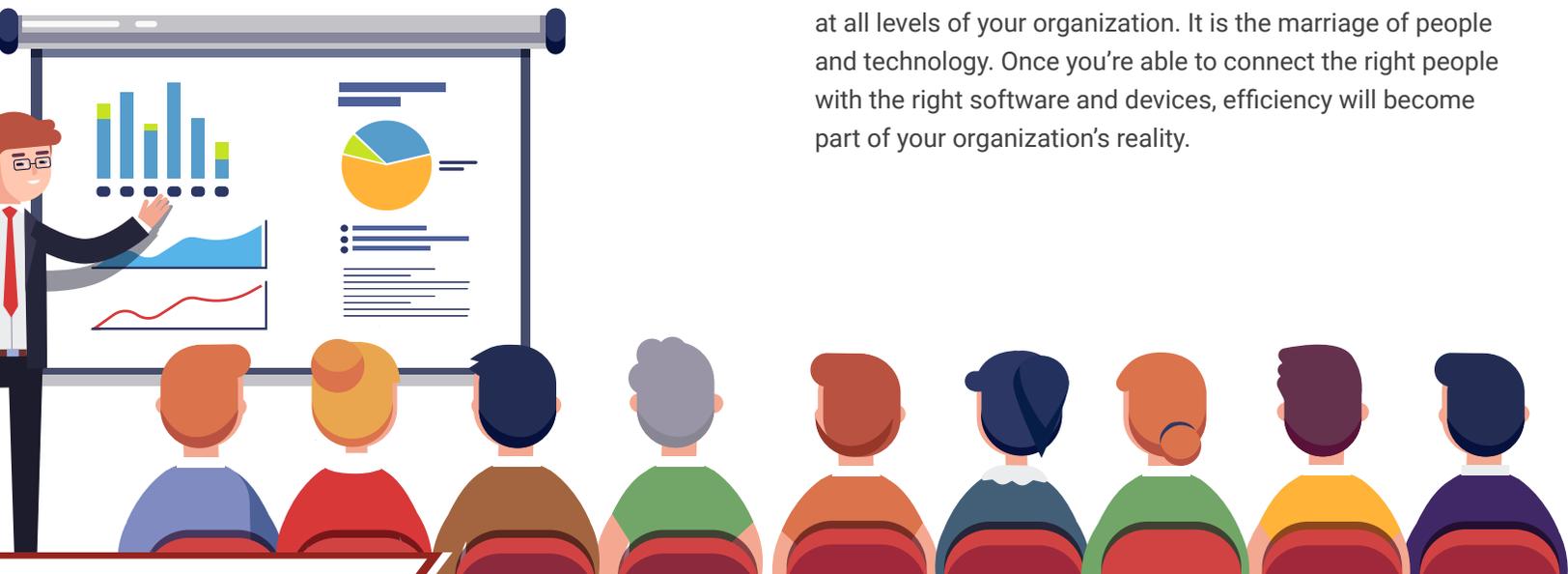


Achieving fleet efficiency is not the result of a single attribute or a one-size-fits-all approach; it is a continuous and collaborative process that must be managed. Thankfully, as you have discovered in this guide, there are tools that managers can use to help them address their organization's unique challenges to create that efficiency.

Think of this guide as a resource that can help you turn these challenges into opportunities by recognizing any failures and developing solutions for future success. Bring together the decision makers of your organization, as well as some operators, for a discussion about how to help your company improve fleet efficiency and draft a plan. In making these changes, you may discover the need to change existing policies or acquire new tools. The point is that this process gives you a chance to reconsider your existing practices that are either obsolete or ineffective.

Whatever changes you decide to implement, just be sure to keep everyone – including your employees – in the loop. By keeping them informed about these ongoing changes, you'll be able to point out the benefits and gain their support so that you can improve your processes over time. Like you, they are likely aware of the pressing issues and inefficiencies that need to be addressed and which tools handicap their effectiveness. Draw from their own knowledge and experiences as well to develop the most efficient solutions.

So, as you can see, achieving fleet efficiency is a collaborative problem-solving process that involves everyone at all levels of your organization. It is the marriage of people and technology. Once you're able to connect the right people with the right software and devices, efficiency will become part of your organization's reality.





Get Started

Knowing how a fleet or asset management system drives operational excellence in your organization is an important first step, but it's important to actually put that information to use!

Rastrac is an established and trusted name in the fleet and asset management industry. With more than 30 years of success to our credit, we demonstrate a strong record of reliability in tracking more than \$2.5 billion in vehicle and equipment assets for our clients. We have a full complement of full-time developers and equipment experts that help us to ensure we retain an up-time record of 99.99%.

If you're ready to help your municipality or business achieve operational excellence, give us a call so we can provide you with the best solution that will fit both your operational needs and your budget.

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