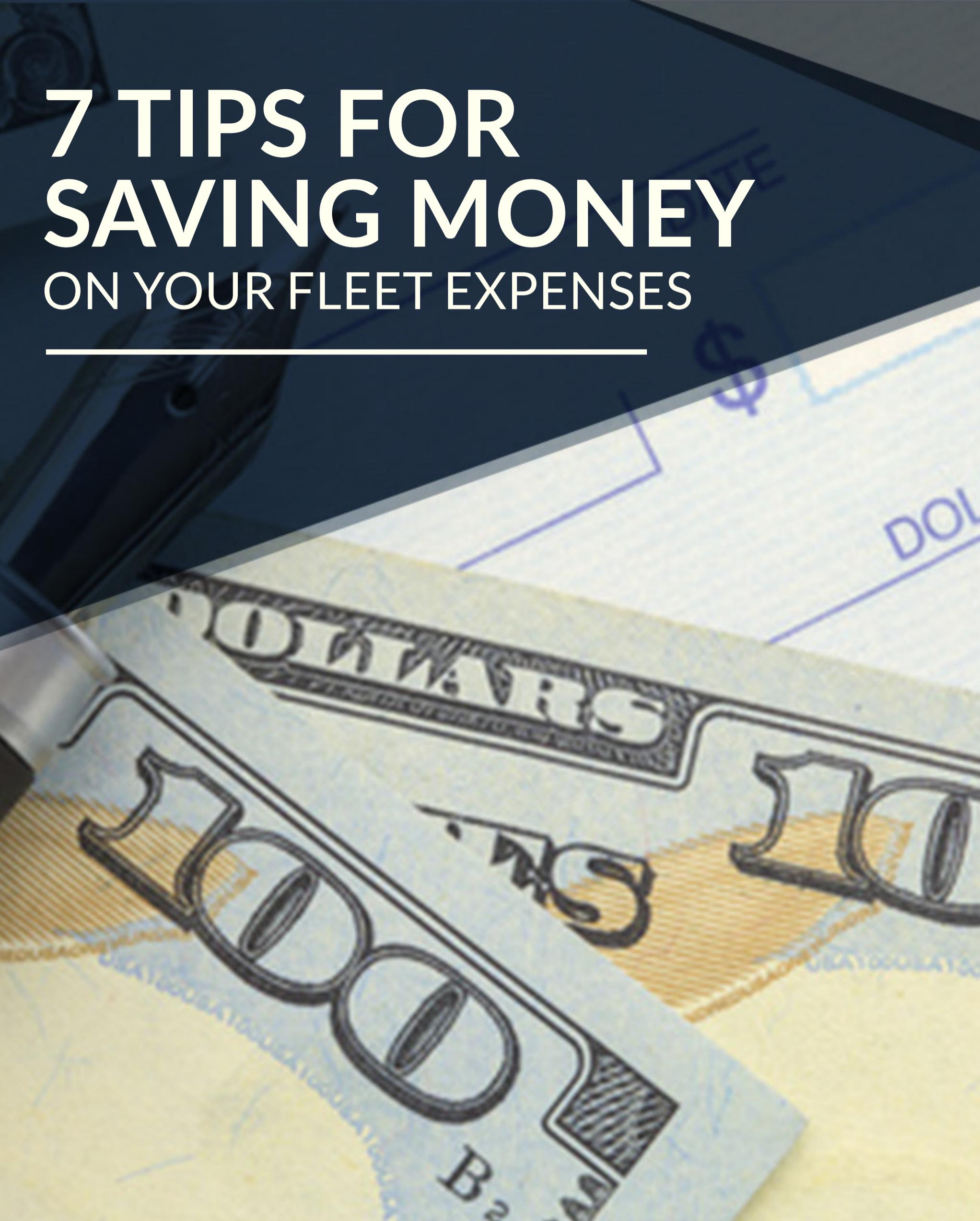


# 7 TIPS FOR SAVING MONEY ON YOUR FLEET EXPENSES

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# 7 Tips For Saving Money on Your Fleet Expenses

## Introduction:

Managing a vehicle fleet can be expensive. However, in almost any vehicle fleet large or small, there are ways that fleet managers can reduce costs.

Finding ways to cut costs on fleet expenses can allow businesses to increase their cash flow, improve solvency, and free up funds to reinvest in improving the business. With this in mind, how can you save money on your fleet expenses?

Here are some tips for reducing costs that you can follow to help reduce costs and save money:

## 1 Focus On Preventative Maintenance

As the old saying goes: “a stitch in time saves nine.” While intended for tailors, this saying is just as valid for vehicle maintenance.

In many cases, a small, often easy-to-overlook problem will cause a larger, more drastic problem later on. Fixing these small faults early can often prove to be far less expensive than allowing the problem to worsen into a major issue.

Not only are the parts and service costs for preventative maintenance often lower than major repairs, they help prevent disruptive on-the-road breakdowns. Such breakdowns add to the cost of repairs (think towing, roadside assistance, and operational delays not in the schedule).

Additionally, some basic maintenance tasks, such as maintaining optimum tire pressure, help improve fuel economy and vehicle control—which contributes to less fuel consumption and reduced risk of accidents.

Remote vehicle diagnostics can help you spot potential maintenance issues early enough to use preventative measures before these issues can worsen.

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## 2 Minimize Engine Idle Time

Some engine idling is unavoidable. There will always be time that drivers spend at red lights, stuck in traffic on the highway, etc.

However, excessive engine idle time can waste fuel while contributing to wear and tear on a vehicle's engine components.

The cost of idle time will vary depending on factors such as the vehicle's engine displacement, the cost of fuel for that vehicle at the time, and how much excessive idling occurs each day.

For example, a small car might only burn half a gallon of fuel per hour, while a big rig might burn upwards of two gallons each hour. This could mean anywhere from hundreds to thousands of dollars of fuel wasted on engine idling per vehicle each year.

The trick is that finding ways to reduce engine idle time is nearly impossible without detailed information about each driver's driving habits. This is something where GPS fleet tracking can be a big help to fleet managers.



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## 3 Track Wasteful Driving Behaviors

Speaking of tracking driving habits, monitoring how drivers behave behind the wheel is a key way to prevent waste and reduce costs.

Issues such as excessive hard braking & acceleration cause extra wear and tear on vehicles as well as increased fuel consumption. This extra wear and tear leads to increased costs for maintaining tires, brakes, suspension systems, transmission systems, and many other vital vehicle components.

Worse yet, bad habits behind the wheel, such as speeding, massively increase the risk of an at-fault accident. When a driver is found to be at-fault in an accident, there are many consequences that you might face, including:

- Increased insurance costs;
- Lawsuits and damage claims;
- Damaged corporate reputation;
- Invasive investigations and evaluations of driver training processes;
- Legal injunctions/revocation of operating licenses;
- Loss of vehicle & cargo
- Loss of experienced employees; and
- Financial damages beyond what insurance covers

By tracking driver behaviors, you can identify wasteful or dangerous habits and work to correct them.

To do this, you'll need a strong tracking solution, such as GPS tracking and fleet management software, to capture driving data and arrange it for easy interpretation.



# 7 Tips For Saving Money on Your Fleet Expenses

## 4 Consider Using Fuel Cards

Sooner or later, drivers are going to need to refuel their vehicles. However, not every driver will have the opportunity or the foresight to find the cheapest gas option (especially for fleets where IFTA taxes are an issue).

Fuel cards can be an effective way to control costs, as they can:

- Allow you to pay a pre-agreed upon price for fuel regardless of fill location;
- Eliminate the need to reimburse drivers for fuel, saving time and money on receipts and invoicing;
- Reduce risk of fraudulent fuel claims;
- Provide you with monthly/quarterly fuel usage reports (based on the fuel card and their access to your vehicle tracking software); and
- Aid you in claiming your business' deductible expenses.

In short, using fuel cards can help you reduce your fuel costs and make them more predictable. This makes it easier to control your cash flow and budget out your vehicle fleet's expenses.



# 7 Tips For Saving Money on Your Fleet Expenses

## 5 Establish and Regularly Update a List of Pre-Approved Fuel Stops

If fuel cards aren't an option for one reason or another, you may want to create (and routinely update) a list of pre-approved fuel stops for your vehicle fleet. By tracking which gas stations provide the best overall cost for fuel in your fleet's area of operations, you can help ensure that your drivers minimize refueling costs.

Vehicle fleets that operate across multiple state lines may need to take this a bit further than just "which gas station has the lowest price at the pump." For these fleets, the International Fuel Tax Agreement (IFTA) can be a complicating factor.

When buying fuel in one state, and traveling across another state, companies have to make sure that they cover the fuel taxes of the state their vehicles have traveled through. To do this, the company (or the driver) has to file an IFTA report detailing where they bought their fuel, how much tax they paid, and how many miles they traveled in each state they passed through.



# 7 Tips For Saving Money on Your Fleet Expenses

## Why IFTA Tax Rates Influence Fuel Costs

The problem is tax rates aren't always the same in each state. This could make gas cheaper in one state than another one, even when the price at the pump is the same.

For example, say that a transportation vehicle drives between two neighboring states on a regular basis. The cost of diesel fuel for the truck is \$3.10 at two gas stops on either side of the state border. However, state A's tax rate is \$0.45 per gallon, while state B's tax rate is \$0.25 per gallon.

Given this, fuel would actually be cheaper in state A.

Why?

Because, if the vehicle were to travel in state B after fueling in state A, your company would get a 20 cent rebate on its IFTA taxes per gallon of fuel used in state B—making the actual cost per gallon \$3.35 per gallon. However, if you fueled up in state B and drove in state A, your company would **owe** an extra 20 cents per gallon of fuel used in state A—making the actual cost of fuel \$3.55 per gallon.

That's a difference of up to 40 cents per gallon of fuel consumed. Multiply this by the thousands of gallons of fuel even a small vehicle fleet consumes each year, and you can see just how much you could save in fuel costs.

So, by taking into account IFTA taxes when picking which gas stations to have your drivers stop at along their routes, you can significantly reduce fuel costs.



# 7 Tips For Saving Money on Your Fleet Expenses

## 6 Employ Strong Anti Theft Technology

Your vehicle fleet represents a significant investment of your organization's resources. Whether you use smaller company cars, utility trucks/vans, buses, semi-trucks, or bigger vehicles, they need to be protected against theft and misuse.

A single vehicle could represent tens or even hundreds of thousands of dollars in costs for a company. While insurance can help cover some of the costs of replacement, it rarely makes up for the productivity impact of losing a vehicle, and getting the funds to replace a stolen vehicle can take precious time.

The best solution is to try and prevent vehicle theft in the first place. Thankfully, modern technology is making it easier and easier to thwart thieves.

Solutions such as GPS vehicle tracking allow you to locate the current location of a stolen asset on a moment's notice. By forwarding this information to the authorities, you can ensure swift recovery of the stolen asset. This, in turn, helps increase the chances of recovering the asset intact so it can be returned to service.

Some devices also have the ability to remotely disable a vehicle's starter. This keeps thieves from turning over the engine—making it much more difficult to steal the vehicle in the first place.



# 7 Tips For Saving Money on Your Fleet Expenses

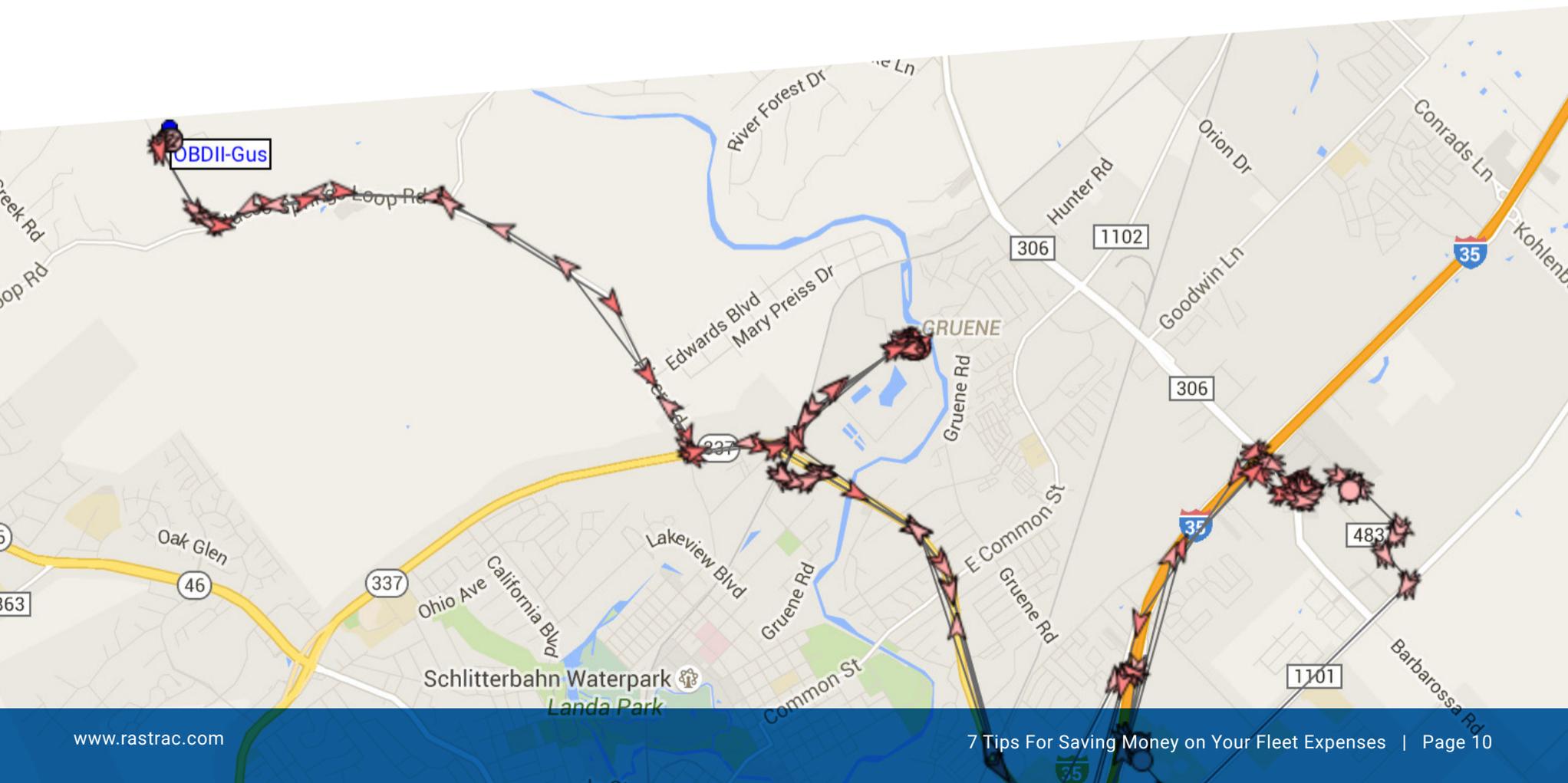
## 7 Use GPS Tracking!

GPS fleet tracking solutions can help you reduce fleet expenses in a number of ways. In fact, many of the previous tips rely on having detailed information on driver behaviors, vehicle performance, and location tracking data—all of which can be obtained with GPS fleet tracking.

GPS tracking can give you enhanced control of your assets in the field, increase compliance and accuracy in your IFTA reports, improve fleet safety, and even help you reduce your fleet's insurance costs.

Many organizations, from municipalities to transportation companies, use GPS fleet tracking in a variety of ways to make their vehicle fleets more efficient and avoid waste.

Get started with a reliable, trusted GPS solution and begin saving money on your fleet expenses today.



# Additional Resources

The specific benefits of GPS tracking will vary based on what kind of GPS system is used, the capabilities of the GPS software, and what the solution is used for.

With flexible options for tracking devices and software, plus dedicated support and a comprehensive array of online tools, RASTRAC has made integrating GPS tracking with your day-to-day operations easier for over 30 years.

- ✓ [Truck GPS Tracking for Transportation Industry Vehicles and Fleets](#)
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