How to

IMPROVE YOUR FLEET MANAGEMENT SYSTEM RETURN ON INVESTMENT
How to IMPROVE YOUR FLEET MANAGEMENT SYSTEM RETURN ON INVESTMENT

Fleet Management System Implementation

It’s increasingly common for companies to invest in a telematics fleet management system to cut costs, improve productivity, and manage their fleets more efficiently. But when you purchase such a system, what steps should you take to ensure a smooth implementation? And how do you know if you’re getting the best return on your investment (ROI)?

To some extent, improving your ROI depends on what you hope to achieve with your GPS vehicle tracking system. For example, some fleet managers focus exclusively on cutting costs in a few areas, such as fuel, labor, and maintenance expenses. Others are more concerned with meeting government regulations regarding fleet size, greenhouse emissions, and vehicle utilization efficiency. Still others take a broader approach, striving to improve operations throughout all areas of their fleets.

LAYING THE FOUNDATION FOR SUCCESS

Regardless of fleet size or type, GPS vehicle tracking system users typically achieve the best results when they practice the following steps:

1. Communicating to employees about the installation of a system to monitor and improve fleet performance
2. Setting goals and reinforcing expectations
3. Providing ongoing feedback
4. Implementing a reward system
5. Making fleet performance improvement a company-wide initiative

Of these, the last is perhaps most important. Often, drivers and other front-line employees consider cost reductions and productivity improvements as the sole responsibility of management. In truth, operating a more efficient fleet is everyone’s job. When employees buy into this concept, you can achieve dramatic improvements in virtually every area of your fleet.

With their robust tracking, diagnostic, and reporting features, fleet tracking systems allow you to educate employees on how they play a critical role in improving fleet performance. When you use this data to properly coach and train employees, then reward them for behaviors that lead to a more efficient and productive fleet, the odds of achieving your anticipated return on investment may significantly increase.

A PROVEN IMPLEMENTATION APPROACH

1. GET YOUR STAFF ONBOARD

Implementing a fleet management system represents a major change for most organizations, and your staff will likely have concerns about how it will impact their jobs. In particular, drivers may wonder how continual tracking of their vehicles’ performance will affect their day-to-day work. To improve your return on investment, employees need to do more than grudgingly accept the system as an unwanted management mandate. Instead, they must learn how to embrace and support it, with the understanding that doing so will help make their jobs safer and more productive.
Start by explaining that your vehicle tracking system provides a powerful tool to help the business grow, which can lead to more opportunities for employees. Then:

• Provide an overview of how the system works and how it stands to benefit employees as well as the organization.
• Get employees involved in the implementation and use of the system. Use the product’s web-based training tools to review the system with drivers and bring them up to speed as quickly as possible.
• Establish company policies so that employees understand how system data will be used to measure their performance.
• Explain that data obtained from the system will be used as a training tool to reduce costs, improve driving habits, and increase driver safety. Make it clear that drivers who fail to comply with company policies will be held accountable for their behavior. However, the primary focus should be on rewarding employees for developing good habits and working more productively.
• Provide actual examples of how the system has been used to benefit employees, including: exonerating drivers from blame, reducing workload, recovering stolen vehicles, and sending assistance when vehicles break down in remote or isolated areas.

2. CREATE A DEPLOYMENT PLAN

Companies that enjoy the best returns on investment usually take the time to develop an internal plan for implementation and ongoing use of the system. In particular, they identify which areas to focus on first, and what they expect to master in the first few weeks and months. As part of this plan, they also identify who will interact with the system in what capacity, and what information they will need.

Managers and technicians need accurate data to make smart fleet management decisions, and GPS vehicle tracking systems provide this data through a variety of customizable reports. Therefore, the deployment plan should include the identification of subject matter experts who will take responsibility for understanding and utilizing the reports and helping those less familiar with the system. Assigning an advanced administrator to receive all system alerts and notifications can help to ensure that the right data gets to the right people.

3. TRAIN, COACH, AND REWARD EMPLOYEES

Proper training is essential for getting your staff comfortable and fluent with your new system. Make extensive use of training tools, including live training, webinars, online videos and tutorials, and other resources offered by your vendor.

Once managers feel comfortable using the system and have set goals for performance improvement, start using the data to coach employees on safer driving habits and more productive use of their time. A positive approach, using system-wide data to motivate and reward employees, works better than a punitive approach. In some cases, you may need to provide consequences for drivers who fail to comply with company policies. However, a positive approach that rewards good driving behaviors will generally produce better outcomes.

Examples of employee reward programs include:

• Provide training on how drivers can reduce fuel consumption. Then offer incentives to the employees or departments that save the largest percentage of fuel each month.
• Develop bonus programs to reward efficiencies that could not be measured before implementation of the fleet tracking system, such as reducing idle time.
• Reward drivers for complying with company policies or thresholds for speeding, idle time, and other metrics that will improve fleet performance.

4. QUANTIFY RESULTS

To quantify your actual ROI, you’ll need to compare costs before and after implementing your vehicle tracking system. Start by gathering information on current vehicle utilization and operating expenses before you launch the system. This data should include vehicle usage, idle time, fuel consumption, miles-per-gallon, number of trips per day, and other areas that impact your fleet’s performance. (Some fleet management system vendors can provide tools and worksheets to help you gather this information.) Then track your fleet’s performance metrics over a period of months and compare the difference. You may be surprised at how quickly the cost savings and productivity improvements add up.
TRACKNET OFFERS THE VERIZON NETWORKFLEET SOLUTION

When properly implemented, a telematics vehicle tracking system from TrackNet can save you time and money while helping improve driver safety. It can extend the life of your vehicles and help every aspect of your fleet operate more efficiently. It can even help lower greenhouse emissions.

To achieve these results, be open and honest with employees about your intent to increase company profitability by implementing the system. Gain the trust of your staff by showing them how a fleet management solution will benefit them as well as the company. Set goals for improvement, then thoroughly train employees on achieving them, rewarding them when they do. Track and monitor results to quantify your ROI, and look for ways to keep improving fleet performance.

TrackNet® is committed to helping organizations control costs, improve productivity, and manage their fleets more efficiently. To learn more about how our GPS fleet management solution can deliver a high return on investment for your business, visit www.tracknetonline.com or contact us 866.654.2226.

A positive approach, using system-wide data to motivate and reward employees, will produce better results than a punitive approach.

To quantify your actual ROI, set a baseline before implementation, track fleet performance metrics over several months, and compare the difference.

CONTACT US

E-mail: tracknet@tracknetonline.com
Call: 866.654.2226
Web: tracknetonline.com