

Case Study

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.Network

Summary

Working with a leading UK-based DIY and trade brand, we were asked to support the fleet management of 170 small commercial vans and 700 company cars.

170 delivery vehicles supply products across the UK and the challenge was to examine whether telematics could improve efficiency and reduce running costs of their delivery van fleet.

The trial has demonstrated an improvement in driver behaviour and also highlighted the importance of feeding back results to drivers in order to reinforce the message. There was a



reduction in monthly miles driven across this section of the fleet and a significant average increase in MPG fuel efficiency in excess of 14%, whilst speeding offences also reduced significantly.

The system was also able to identify events leading up to two specific on-road incidents, apportioning accountability on both occasions.

The Customer

Part of a large multinational parent, this company supplies materials to trade and consumers across

the world, but it is their UK operation that the introduction of telematics focuses on. A keen focus on duty of care to their employees and a responsible attitude to the environmental impact of their operation were the driving focus in the use of telematics, as well as reducing fleet operating costs.

In the UK, a series of store locations act as hubs for customers to collect orders, or from which orders can be distributed to customers on delivery vehicles.

Telematics is seen as a fuel spend reduction tool, and being able to demonstrate savings over and above the cost of implementation would see the supplied telematics solution rolled out across the entire fleet.

The Solution

Each of the 16 trial vehicles were fitted with a telematics device which plugs directly into a vehicle's on-board diagnostics socket and reports into the Zest4 Telematics online management portal. The following monitoring reports were set up:



1. Driver behaviour

Driver behaviour was monitored across several key risk metrics:

- Speeding
- Harsh acceleration events
- Harsh braking events
- Urban driving
- Night time driving

Each metric is scored out of 100 and weighted in accordance with their perceived influence on overall risk.

2. Speeding events

Automated speeding event reports were scheduled to highlight speeding events in excess of 10% of the posted speed limit by all vehicles.

3. Location based alerts

Places of interest geofences were added to the system for all branch locations, with the purpose of alerting to vehicles entering any branch that wasn't listed as their 'home' branch. Furthermore, the amount of time spent at 'foreign' branches by vehicles was also reported on.

Fleet management regularly fed back driver behaviour and speeding report findings and an interesting pattern emerged. Feedback intervals had a noticeable impact on speeding incidents across the fleet.

The initial roll out of telematics brought about an immediate change in speeding trends. Each vertical red line on the graph represents official feedback to drivers and it is clear to see that after each feedback session, a reduction in events was demonstrated before bad habits were picked up again and incidents increased.



Results

Fuel expenditure

The first month of telematics data showed the average MPG across the fleet of vans was 31.46mpg. By the end of the third month, this had improved by 14.7% to 36.08mpg. Based on an average monthly mileage of 2,090 miles per month and a fuel price of £1.11 per litre, which was relevant at the time of the trial:

- £42.89 saving per vehicle per month
- £77,000 across the entire fleet per year

Mileage reduction

Prior to the installation of telematics, the average mileage by a trial vehicle was 2,228 miles per calendar month. Following the implementation of telematics, this has reduced now to 2,090 for the most recent month – a reduction of 138 miles per vehicle.

- Average miles saved: 138 per month
- Average cost per mile: £0.14

Overall, the annual cost saving across the fleet was £34,000.



Conclusion

The increase in fuel efficiency, reduction in speeding offences and improvement in driver behaviour saw the Plug and Play Telematics Solution successfully rolled out across the fleet.

The return on fuel savings alone was a fraction of the cost in implementing a telematics solution, and only after the first full year of use can we reasonably account for the fleet savings made on any reduction on maintenance spend.

Insurance is managed centrally across the group of business, but a reduction in risk across the fleet should see this portion of the business attribute for less of the overall insurance spend when renewals are due.