

Fleet Management: 10 key considerations for choosing the right vehicle technology - By Phil Murphy



Whether it's reducing the amount of claims by improving driver behaviour, or by not having to settle claims as 50/50 due to lack of evidence, or even to prevent themselves being victims of crash for cash fraud. The insurance industry is fighting back and it's likely they have asked you to provide the technology that will help make the difference.

So, whether its vehicle cameras or vehicle trackers you need to install, we've put together 10 key considerations for choosing the right vehicle technology, whether it's cameras or vehicle trackers (or both!).



1) I've been told I need to fit cameras to my vehicles, where do I start?

You will either have been asked to install forward facing cameras, dual cameras, or maybe 360 degree cameras. The key consideration is whether you are going to need SD Card cameras and 3G cameras.

So for instance if you've been asked to install a forward facing camera, do you want instant notification and footage delivered via email within a minute of it

happening? Or are you happy to wait and retrieve the footage via SD card when your driver gets back to the office? If you or your insurer want instant notification of events, you would need a 3G camera.

A 3G camera will have a data sim card installed and will automatically send you the footage leading up to the incident. These notifications are not just for accidents, incidences of harsh braking or heavy cornering will alert you if your driver is driving erratically and vastly increasing the chance of an accident. This real time alerting can help you assess your driver's performance in real time and give you a powerful tool to help reduce accidents.

The 3G cameras, including the mobile data will cost a bit more than an SD Card camera. The question to ask yourself is ***'Do I just want to know what's happened at some point after an accident, once I get the SD card back at the office? Or do I want to have instant notification of all incidents, including the near misses as a preventative measure?'***

A 3G camera also helps your insurer with instant claim intervention; putting you and your insurer back in control of third party hire, repair and even injury claims from the scene.

2) How can I reduce the cost of installing vehicle cameras?

Make sure you ask your insurance company or broker if the insurer will contribute to the cost. Not all will contribute but some insurers may even pay the entire amount.



Also, set some targets with them and find out what sort of discount you can expect on your premium the following year if you meet those targets. This may allow you to incentivise your staff to improve their driving behaviour.

You can also get discounts with some camera suppliers for being members of FORS, there are also suppliers who will give discounts depending on your insurer.

3) How do I approach the subject of having cameras fitted with my drivers?

Some drivers may see this as invasion of privacy or a lack of trust, those with good driving records may feel it's unfair as they may have never had an accident.

The drivers who have had incidents may also feel aggrieved, but this is a chance to explain to them the benefits of cameras. If they've had claims in the past the chances are it may have not been their fault, even though it was classed as a 50/50 due to a lack of evidence. The cameras will back them up and protect them in the event of a non-fault accident.

Also, if there is an accident and the driver is somewhere remote, the system will email head office with the footage and the location details. This could be vital in saving their life and sending them help. Explain positively that it's more 'Big Mother' than 'Big Brother'!

This could also be a chance to incentivise the drivers. For instance, if you have a lot of small incidents which add up over the year, you could try different rewards schemes. You could say at the start of the year, you all have a £1000 bonus next Christmas, but the cost of every bump, scrape or claim will be taken from your bonus, you can have what's left!



4) I've been told I need to fit trackers to my vehicles, where do I start?

There are several things to look for in a vehicle tracking or telematics provider. Further down we will look at purchasing options and contract lengths, firstly we advise finding a selection of suppliers who can meet the following criteria.

Stable, profitable and innovative. There have been many tracking companies that have gone out of business over the last seven years, usually those fighting a price war and basically 'buying' business. We can all buy something on the cheap but as the famous saying goes 'The bitterness of poor quality remains long after the sweetness of low price is forgotten.' Or another great saying 'Buy cheap. Buy twice.'

With technology moving at such a fast pace, you should be looking at companies who have been in this business for at least 4 or 5 years. They should be in profit, constantly investing in product development and have a large customer service department.

It is good to find out from suppliers what their annual research and development budget is. You may want to integrate your tracking system with other back office systems further down the line, such as exporting timesheets into your payroll system, so you may want to ask if they charge for integration.

Local Presence. Are you going to be sold a system and then never see anyone from that company again? What is the process after signing the order, will they be flexible with installations? Will they offer weekend or evening installation at no extra charge?

Are they going to do the training online or at your office? Will they sit down with you and work out what results you want to achieve and commit to helping you deliver them? Will you have a dedicated Account Manager and how often will he commit to visiting the office and reviewing the results?



Speak to local customers. Ask for some local references and call them. Find out if the post sales experience was a good one. Was the installation process handled well? Were they contacted in good time and were the engineers punctual and careful with their vehicles? Have they been given training and if so, was it any good?

Also ask if they have had much contact with their account manager since the purchase and has the supplier kept their commitment to helping deliver results? Has the hardware and software been stable or have there been problems? Have there been any unexpected charges added on that weren't mentioned during the sales process?

It's worth doing your homework and making those calls.

Other considerations. You will want to have a demonstration of the software at some point to see if you like the look and feel of the product and you can assess whether it looks easy enough to use. Most leading tracking systems will have similar reporting and features, so the usability will ultimately play a big part in your choice.

Also keep in mind the following;

- Would you like to include Sat Nav? How about Sat Nav with two way messaging? Or even a tablet style, removable Sat Nav that allows you to introduce other options like Signature Capture, Defect Checks and Proof of Delivery?
- What about true idling and MPG/CO2 data that is available by linking into your FMS or OBD system?
- How about remotely linking in to your Digital Tachograph and viewing your drivers remaining hours?

You may not need any of these options straight away, but it's a good time to explore the benefits of the above to your business and day to day operations.

It would be comforting to know that the suppliers you are looking at can allow you to add these extras at a later date.

5) How can I use vehicle tracking to reduce my overall fleet operating costs?

There are a wide range of benefits to vehicle tracking, but these are what it would be worth focusing on first. **Reducing your fuel bill** – Make sure you are monitoring and ultimately reducing idling & speeding, analysing drivers mpg's, allocating the nearest driver to jobs, analysing routes taken and monitoring out of hours and unauthorised private use. All these factors should contribute to a minimum saving of 10% of your overall fuel bill.

Monitoring driver behaviour – By analysing your driver's behaviour and using the tracking data to help train your drivers, you can vastly reduce your fleet's running costs. Following driver training your accidents, incidents and claims can fall by as much as 50%! You would then expect to see a reduction reflected in your insurance premium at renewal.



There are many other benefits but staff productivity gets an honourable mention. What time did your operatives arrive onsite? How many times did they leave site during the day? How long did they take going to the supermarket for lunch and what time did they finish for the day?

How many more jobs could you do and how much more profitable could the company be if you had this information?

6) How do I approach the subject of installing vehicle tracking to my drivers?

As mentioned earlier, some drivers may see this as invasion of privacy or a lack of trust. It is usually the drivers with something to hide that object the most. Some of your best drivers may be genuinely concerned about this change and they probably need a bit of empathy and reassurance from you.



Let them know that it's due to the overall claims history of the fleet and that your focus will be on those drivers with poor driving behaviour and trying to help them improve.

For those who take it badly, explain that the insurance company has asked for it due to the recent claims history. Highlight that the company are the ones who have now suffered from higher insurance premiums and now have to bear the additional cost of paying for the trackers.

If someone threatens to leave tell them that most fleets either have tracking or will have sooner or later, so they should think carefully. Again, potentially incentivising the best driving performance can be a chance to turn tracking into a positive conversation.

Other benefits to your operatives are that you won't have to keep calling them to see where they are or to find out what time they will arrive at their next job. If someone accuses them of hitting their car while parked, you can use tracking to prove their innocence. They can also prove they were on site or at an address where they were supposed to be, in the event of this being disputed by a customer.

There is also the duty of care aspect of tracking, so that if they have an accident or fall ill, you can easily find out where they are and send help.

7) Should I look at a combined Camera and Tracking solution, is the technology ready and can it save me money?

There is a very good argument that this will be the norm in the near future, but is it ready now? There are 3G Cameras with integrated tracking available that should definitely be considered.

However, the tracking software that you will get with a camera solution is not as mature as telematics software at the moment. For instance you won't yet see a combined camera/tracking solution that can link into your fuel management system or on-board diagnostics, or have a camera solution that can link in with your digital Tachograph.

We understand that linking with the FMS system is in final testing stage with some camera suppliers, so it won't be long before that technology is available. For those with HGV's, you would probably be better off with a more mature, telematics system providing you valuable info such as MPG, CO2 emissions, over revving, gear changing and so on.

If you don't think you need much more than trip reporting and driver behaviour, then you could be in for a big saving with the combined technology. It is also easier to just log into one system, to pay one supplier and have one number to call for support.

8) What length of contract should I go for?

This very much depends on your fleet. If you have just leased new vehicles for 3 years for instance, then you may as well consider a three year term. You will be able to negotiate a lower monthly price and reduce your total investment. If you are changing vehicles in 12 months or so, take into account that there will be a cost of de-fitting and re-fitting the kit. Most suppliers can offer a 12 month option.

* If you have electrical fitters within your team, they would be able to install the trackers or cameras themselves on most occasions. If you can install them yourselves you will be able to reduce your total costs and be able to fit the kit at your convenience. Your supplier may insist on doing a few at first while your fitter observes. This also means if you are changing the fleet at some point, your fitter can do the de-fit/re-fit and save anywhere from £60-£120 each time!



9) Should I purchase, rent or lease the kit?

This usually comes down to whether you want to outlay any capital upfront. You usually find that purchasing the equipment and paying a monthly service fee works out cheaper in the long run. It also usually means that you are not tied into any contract period and can usually give 30 days' notice. However, you should check the warranty of the unit, sometimes you are covered for the first 12 months only and will have to pay additional fees for an extended warranty.

If you lease, you have the advantage of no initial capital outlay, although you will obviously pay interest on the capital paid out by the finance company. You can also deduct lease payments from your tax return which reduces the overall net cost. Leasing also guards your business against the diminishing value of assets. The warranty would usually be covered in full for the contract period.

At the end of the lease you can usually pay a very small amount to take ownership of the goods and negotiate a small ongoing service fee with the camera or tracking supplier. Also, check what the finance company will charge for a 'lease arrangement' or 'administration' fee, as this will add a few hundred pound at least to the total.

Renting the kit is an option with some suppliers. Again there are advantages with regards to the warranty being covered and little or no capital outlay. The main disadvantage is never owning the kit and therefore you can't add it to your asset sheet.

10) What other key things should I consider to help me get the best deal?

Negotiate hard, it's a very competitive market out there so see what you can get included in the deal. Buying at the end of the month when pressure to hit targets is higher will give you more leverage than buying at the start of the month!

You may offer to do a testimonial or even a video case study if the product delivers as promised, this would be a great incentive for the supplier to reduce their price and to make sure everything goes smoothly!

You could also offer to be a host site so they can occasionally arrange for other potential clients to come and meet you and to see the system in action. This is a valuable proposition that will definitely give them an advantage when they are trying to win additional business.

Once you have gone through the negotiation, advise them that they should give their very best price first time and that you have advised 'the others' to do the same. Hopefully you will be pleased with what comes back!

Well that's about it...

Thank you very much for reading our report, we hope there are a few nuggets of information in there that will help you on your purchasing journey. There is a lot to consider when making this type of purchase, we've tried to add as much help as we can without making the report too long. If you like the advice that we have offered and would like to discuss using our completely free procurement service, please call us on **02921 900 000**.

Wise Procurement are a business communications consultancy, specialising in helping fleet operators make the very best purchase possible of technology such as vehicle tracking, vehicle cameras and mobile working solutions.

We work with the very best tracking and camera suppliers on a daily basis, our advice is free, completely impartial and driven only by your unique requirements. There is no obligation to follow our recommendations, but if you do we are sure we will have saved you the time, money and effort of going it alone!

Testimonials

"Wise Procurement have played a crucial part in taking our business forward. After reviewing our tracking requirements they recommended a leading supplier who subsequently fitted over 100 trackers quickly and efficiently. We would definitely recommend using the Wise Procurement Service, which has really saved us time and money." **Jason Brown, Operations Manager, Express Cabs and Couriers, Kent.**

"I was very impressed with Wise Procurement, they took time to understand my needs before recommending my vehicle tracking system. This has certainly saved me time and money and updated my business processes. What a fantastic service." **Simon Pinch, Operations Manager, Grab It Plant Hire Ltd, Cardiff**

So a final recap on why you should consider calling Wise Procurement rather than go it alone;

- We will save you a lot of the time and effort it takes starting from scratch
- We do this on a daily basis and know both markets extremely well
- We have long standing relationships with market leading suppliers
- Your time costs money, our time costs you nothing
- You won't need to deal with multiple salesmen
- We are completely impartial and have a no selling policy!
- There is no obligation to use our service
- We love helping people buy well and get the right product

Finally...

- Just one call to us and after a quick chat we will already be 90% of the way towards bringing you the best options

So please contact us now, either by calling **02921 900 000** or emailing info@wiseprocure.co.uk

We look forward to hearing from you.

Best wishes,

Phil Murphy

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