

YOUR FLEET IS LEAKING MONEY

Here's How

3 WAYS GPS PLUGS THE HOLES

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 **Bad News**

Your Fleet Is Leaking Money.

 **Good News!**

You Can Easily Plug The Holes.

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Your Fleet Is On A Slow Boil.

If you discovered your business was overpaying by 2x, 3x, 10x for your vehicle insurance, you'd immediately cancel that policy and find one charging the market rate. Like the frog realizing right away that he had been dropped into boiling water, you'd jump the hell out immediately.

That instant boil isn't the real danger for your fleet, though. You're probably not wildly overpaying (at least not by several hundred percent) for your vehicles' insurance policy. Or for inefficient fuel use. Or for undue vehicle repair bills.



But, when it comes to at least some of those operating expenses (and others), your company is almost certainly experiencing a slow boil. And you know what happened to that frog.

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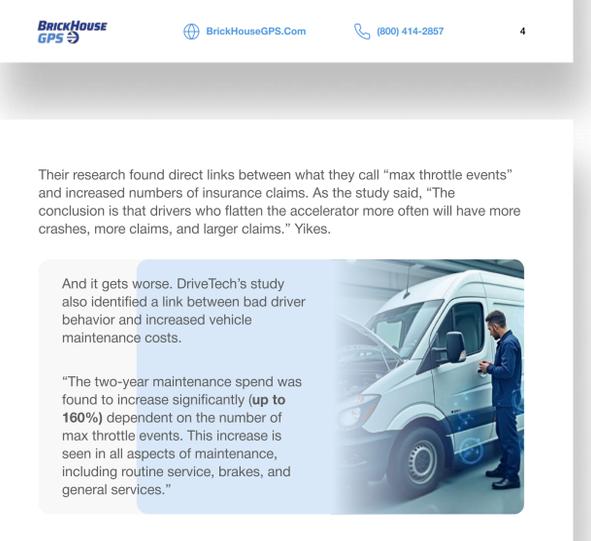
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How Your Vehicles Are Leaking Money.

Okay, the boiling-frog story was useful to illustrate how a minor problem can gradually become a major one—because no one realizes until it's too late. But the image is pretty awful, so let's switch metaphors. Here's how your fleet is leaking money.

1. You Have No Visibility Into Your Drivers' Behavior

It's ironic, but your fleet is probably one of the biggest blind spots in your entire business. When your field service reps leave your offices in one of your company's trucks, you have no visibility into what they're doing or how they're treating the vehicle.



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If one of your crews returned to your offices at the end of a day, and the truck they'd been driving was now showing massive damage, you'd know something terrible had happened during their shift, and you'd take some action. (That's the frog being dropped into the boiling water. Sorry. Last reference to it.)

But what about all the days your field service teams bring back your vehicles with no obvious signs that something went wrong? Does that mean nothing actually went wrong? Does it mean they're treating your vehicles with the utmost care out in the field? Not necessarily.

Maybe some of your drivers are speeding to arrive at jobsites on time. Accelerating and braking too aggressively. Taking corners like they're in a NASCAR event. Maybe one or two are even doing donuts in the restaurant parking lot because they've got some time before their next appointment.

Here's How Your Business Pays The Price.

DriveTech, one of the world's largest providers of driver safety courses, researched how much driver behavior affects the costs of commercial vehicles. If you have no way of monitoring how your drivers are treating your fleet, their results should concern you.

47% According to DriveTech's published study, driver behavior accounts for almost half of each vehicle's total cost of ownership.

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Their research found direct links between what they call "max throttle events" and increased numbers of insurance claims. As the study said, "The conclusion is that drivers who flatten the accelerator more often will have more crashes, more claims, and larger claims." Yikes.

And it gets worse. DriveTech's study also identified a link between bad driver behavior and increased vehicle maintenance costs.

"The two-year maintenance spend was found to increase significantly (up to 160%) dependent on the number of max throttle events. This increase is seen in all aspects of maintenance, including routine service, brakes, and general services."



Bottom line: If you're not tracking your drivers' behavior with onboard vehicle GPS, video telematics, or both there's a good chance your fleet is leaking money.

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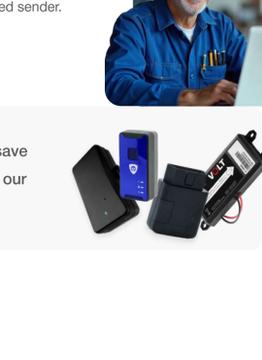
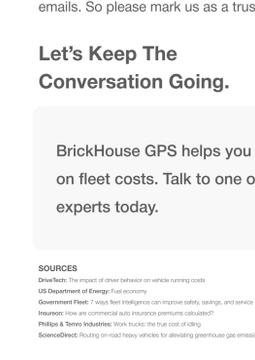
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2. Your Insurance Could Be Higher Than Necessary

To accurately price their risk for the policies they write, insurance companies need data. So if you haven't added GPS and other types of telematics devices to your vehicles, you're depriving your auto insurer of information they could use to determine your company is a lower-than-average risk.



Here's How Your Business Pays The Price.

Think of it this way. Without data to demonstrate your fleet is relatively safe on the road, your company is creating a blind spot for your auto insurance provider. And your provider is probably covering that blind spot by pricing it into your policy—making it more expensive than it could be.

Insureon, a commercial auto insurer, says adding these types of solutions to your fleet can save you money. "You can potentially reduce your auto insurance rates with GPS trackers." As for why GPS can bring down these rates, the company offers an important insight. "Though these features may seem minor, they can decrease the severity or chance of accidents and thefts."



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So we're back to driver behavior. Yes, you can use the data your GPS trackers collect to demonstrate that your field reps treat your vehicles responsibly. That might help persuade your insurer to lower your premiums. But Insureon is also suggesting a more subtle advantage here. Knowing your fleet is GPS-equipped and can monitor their behavior on the road, your drivers are more likely to handle your vehicles carefully and safely. That obviously reduces their chances of a crash. And that can translate into lower insurance premiums for your fleet.

And in addition to helping lower your premiums, equipping your fleet with GPS and video telematics devices can also save your business money in another way. An article in Government Fleet Magazine points out that collecting, recording real-time vehicle data can safeguard your company from false insurance claims. Here's how the article describes it:

“Consider a snowplow driver who hits a passenger car while working to clear the roads during an ice storm. If the driver of the passenger car makes a fraudulent claim and accuses the fleet driver of speeding, telematics data can be used to exonerate the driver by determining whether the snowplow was traveling above the posted speed limit.”

Installing telematics across your fleet can help both lower your insurance premiums and even protect your business against massive insurance claims.

So now you have a couple more reasons to invest in GPS vehicle trackers and video telematics devices.

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3. You're Needlessly Paying Too Much For Fuel

We were tempted to start this section with "You're leaking fuel," but that sounds like a totally different problem. We'd wager you are leaking fuel, but only in the metaphorical sense. So let's review a few sources of those metaphorical leaks.

Here's How Your Business Pays The Price.

Excessive idling:

If your drivers like to keep the engine running while they hang out in front of a jobsite or eat their lunch in the fast-food parking lot, they're wasting your fuel.

Phillips and Temro Industries, a manufacturer of vehicle cooling and heating equipment, reported a study finding that a fleet of 100 trucks idling, can cost about two hours a day, for 275 days in a year, for just about

\$165,000
in wasted fuel.

Poor route selection

When your drivers head out to jobsites without optimizing their routes, they're wasting your fuel.

One study reported in ScienceDirect found that by applying real-time and historic route data, a commercial vehicle operation reduced the distance driven by 60% and the vehicle's fuel consumption by 62%.6

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Aggressive driving

When your field reps put the pedal to the metal, they're wasting your fuel.

A Department of Energy report found that aggressive driving—rapid acceleration, speeding, and hard braking—can decrease fuel efficiency from 10% to 40%. They also found that for every 5 mph above 50 mph, it's like you're paying an extra \$.22 per gallon of gasoline. 5

Time To Plug These Leaks

If your company is like the hundreds we've worked with over the years, your fleet could also be leaking both efficiencies and cash in several other ways.

We'll talk about some of those common problems like lax vehicle-maintenance schedules and even unnecessary overtime pay in future emails. So please mark us as a trusted sender.

Let's Keep The Conversation Going.

BrickHouse GPS helps you save on fleet costs. Talk to one of our experts today.

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