

Azuga Fleet Report

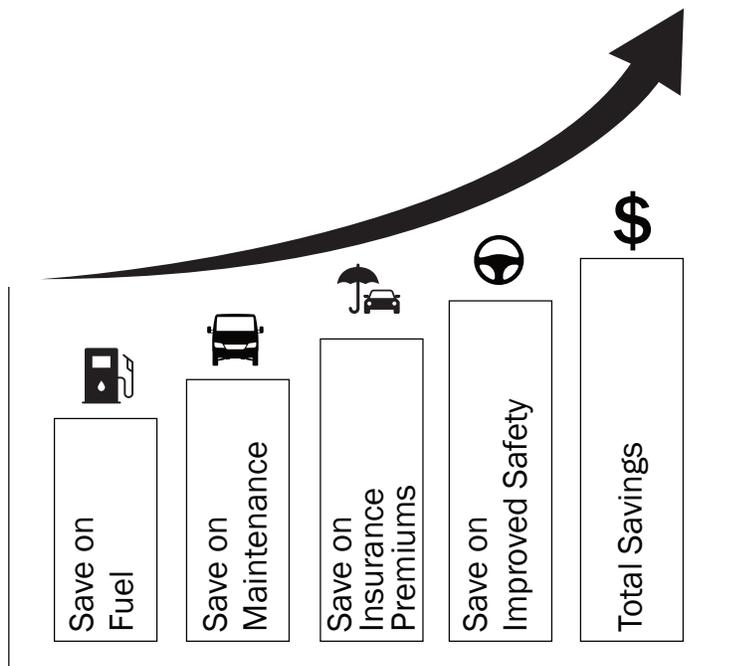
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FLEET TRACKING ROI GUIDE



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In surveying fleet management professionals, we've noticed a general feeling that ROI has been overstated by vendors over the years, leading to skepticism around ROI and the actual value to be gained. ROI is a multi-layered phenomenon, and it's realized when management teams pay attention to the data they receive from fleet tracking and telematics systems and use that data to drive material changes in the way they manage operations, as well as the methods used to manage their fleets and drivers.





The ROI you can get from fleet tracking is directly related to how you use it. And the more of its functions you use, the more benefits you will get. Fleet tracking solutions are widely used in many industries to help business owners and managers increase the control they have over operations by improving communications and visibility of activity of their workers in the field and behind the wheel.

For businesses and organizations that have fleets and a mobile workforce, making the investment in a tracking solution can bring immediate and sizable savings and service enhancements. For those that have already deployed a fleet tracking solution, ensuring that it is being used to its fullest potential will unlock other areas of improvement, leading to additional gains in profitability as well as increased revenue.

In this report, we examine the many ways that fleet tracking can change how an organization operates and how those changes deliver ROI through cost cutting and incremental revenue generation.

UNLOCKING LAYERS OF ROI FROM FLEET TRACKING



Analyzing data from thousands of customers representing tens of thousands of vehicles, we have found that Azuga Fleet customers typically realize fuel savings of up to 15%, reductions in unauthorized vehicle use of 12%, and productivity increases of 10%. Our customers are savvy organizations in a wide variety of industries including transportation, pest control, commercial security, specialty contractors, construction, equipment rental and leasing, manufacturing, landscaping, distribution and many more.

While fleet tracking solutions have always provided GPS location capabilities that enable operational improvements, the leading solutions are able to drive much greater ROI by helping management see actual data on execution in the field, labor utilization, vehicle and asset utilization, risky driving behaviors, vehicle health and maintenance needs. In addition, tracking solutions have streamlined how data is captured in the field and managed in the office by incorporating elements of mobile resource management (mileage capture, timecards, forms) and adding capabilities to meet compliance requirements for hours of service and DVIR, OSHA, and industry specific mandates.

Azuga has identified five sources of ROI, which are typically unlocked over time as an organization more fully adopts a fleet tracking solution and gets better at using the report and data available to impact how it operates. We'll examine each source and the efficiencies and gains that are most frequently achieved.

FLEET AND FIELD OPERATIONS

The lowest hanging fruit is usually in the area of fleet and field operations. Deploying a GPS tracking solution quickly helps an organization identify and curtail workforce behaviors that drive up costs and reduce revenue, including excessive driving, long breaks, and unauthorized vehicle use. As organizations optimize the capabilities for vehicle health and maintenance, they see an additional bump in ROI through more timely preventive service and lower expenses from emergency repairs and rental/replacement costs.

| Where is the ROI? | How is it Achieved? |
|---|--|
| Fuel savings | <ul style="list-style-type: none">• Prevent speeding• Prevent excessive driving• Better routing and dispatch decisions• Prevent excessive idling• Help drivers find lowest priced fuel near them |
| Vehicle operations savings | <ul style="list-style-type: none">• Reduce miles driven• Prevent speeding and aggressive driving that increases wear and tear• Reduce unauthorized use of vehicle, which decreases miles driven and wear and tear |
| Fleet maintenance savings | <ul style="list-style-type: none">• Fewer emergency repairs• Less vehicle downtime• Fewer vehicle rentals/replacements |
| Incremental revenue from productivity gains | <ul style="list-style-type: none">• Eliminate long stops and lunches to gain more hours• Ensure proper shift start and end times |

“Kitsap Garage Door has always believed in the use of technology to deliver better customer service and improve productivity. We wanted to go beyond GPS, to get insight into engine idling and fuel used. At 70 cents per vehicle per day, the ROI is a no brainer and the benefits are immediate.”

John Ramer, President

KITSAP GARAGE DOOR CO

New Ways to Save with Fleet Tracking

Azuga’s connected vehicle platform is being used in new ways to help customers save even more from the data that comes from their vehicles.

Savings on Maintenance: We use data from your vehicle and locations to uncover deals on maintenance services you need. You can save up to \$100 per vehicle per year.

Savings on Fuel Tax: Some states are experimenting with using actual miles reported by their Azuga device to calculate the fuel tax they should be paying, and frequently earning fuel tax rebates.

SAFETY AND INSURANCE/RISK REDUCTION

As your organization begins achieving the operational gains above, you'll naturally begin to see an improvement in safety. Eliminating long routes and unnecessary miles on the road means less exposure to accident risk. By lowering your team's speeds, see fewer violations, and possibly fewer accidents.

Organizations that get the best safety-related savings are those that utilize the driver scoring tools available in leading tracking systems. Driver scoring takes the complex data from the vehicle and turns it into an easy tool to use to stack rank workers based on their driving behaviors, identify those that need intervention, and provide accurate, objective information to use in coaching meetings.

Driver scores are also the basis for an easy-to-manage system of recognition and rewards. Research from several organizations, including Towers Watson, a leading HR and Risk Management Consultant, have shown that programs that reward workers for goals deliver higher worker engagement, which ultimately helps in achieving a stronger culture, higher performance, and lower turnover.

| Where is the ROI? | How is it Achieved? |
|--|---|
| Reduction in violations | <ul style="list-style-type: none"> • Preventing speeding and aggressive driving • Reducing miles driven and exposure risk |
| Reduction in out-of-pocket expenses for accidents | <ul style="list-style-type: none"> • Preventing speeding and aggressive driving • Monitoring and preventing distracted driving from cell phone use while driving |
| Reductions in insurance premiums from reduced risk and claim submissions | <ul style="list-style-type: none"> • Fleet-wide reduction in risky driving behavior • Fewer accident claims • Reduction in exposure risk from unnecessary miles driven |

“Driver Scores have revealed some driver issues that even they didn't recognize – hard braking, hard accelerating, excessive idling. We're starting to see an upward trend in scores. We started paying for 90 points or more, and now we see even better scores. The carrot-and-stick option works much better than bitching at these guys and disciplining them all the time!”

Mark Berger, Operations Manager



Effectively managed fleet tracking programs are also valued by insurance companies, which are particularly interested in management systems and practices that improve safety and reduce accidents and claims.

Fleets that can demonstrate the use of driver scores, routing and stop data, and reports that show control over distracted driving are typically successful in working with their insurance carrier on premium reductions and even shared investment in tracking system deployment and expansion.

FIELD AND MOBILE WORKFORCE PRODUCTIVITY

As organizations get larger, making sure all mobile and field-based team members are focused and on task becomes crucial to ensure that work is getting done as planned, customer expectations are being met, and operations go smoothly. Fleet tracking gives you time, date and location stamped activity reports that you can compare against time sheets to verify accuracy. And keeping workers out of the driver's seat and on task helps you get more productive and billable work done.



| Where is the ROI? | How is it Achieved? |
|--|---|
| Verify route patters and reduce unnecessary miles driven | <ul style="list-style-type: none"> • Eliminating fuel and labor costs associated with long, wasteful routes • Turning windshield time into productive or billable time |
| Improve dispatching decisions to reduce miles traveled | <ul style="list-style-type: none"> • Getting rid of criss-crossing route patterns and re-balancing routes to reduce miles drives • Identifying closest workers for priority work orders, service calls and pick-ups reduces wasted fuel and labor hours |
| Monitor and eliminate long and unplanned stops | <ul style="list-style-type: none"> • Ensuring workers are on task so they focus on productive or billable work • Staying on top of delays in the field to pro-actively communicate with customers and provide better service |
| Validate time sheets and control the use of overtime | <ul style="list-style-type: none"> • Eliminating time theft and time card rounding by ensuring that actual time matches what is reported in timesheets • Stay on top of hours worked in real time so you can rebalance work to avoid incurring overtime |

“ We have reduced fuel consumption by 14%. The ability to make sure our drivers aren't leaving their vehicles idling for long periods is mainly responsible for this savings.”

Tim Miller, IT Manager

 *Pfeiffer Lincoln, Inc.*

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OFFICE WORKFORCE PRODUCTIVITY

The challenges of managing a mobile or field-based workforce for office managers and administrators are numerous: Dispatching and juggling scheduling changes on the fly, maintaining a positive attitude while communicating with frazzled team members and irritated customers, collecting and deciphering paper forms. It all can add up to back-ups, inefficiencies, errors and stress.

As a tool that bridges the enormous gap that exists between the office and the field, fleet tracking is a remedy for these issues, helping to enhance the dispatch process, enabling intelligent re-assignments when delays crop up, and enabling proactive communications with customers about ETAs.

The ROI from office efficiencies often come from freeing up your team from repetitive tasks so they can focus on higher-value tasks that improve service and efficiency.



| Where is the ROI? | How is it Achieved? |
|--|--|
| Get rid of paper in the office | <ul style="list-style-type: none"> • Eliminating hand-filled forms with automated data collection means less time performing data entry • Time, date and geo-stamped activity reports enable validation of time cards without chasing workers down to correct them |
| Limiting chatter between the field and the office | <ul style="list-style-type: none"> • Locating workers and vehicles in real time from the office save hours of phone time to find the best options for priority work and work re-assignment |
| Replacing sticky notes and messaging regarding vehicle maintenance with automated alerts | <ul style="list-style-type: none"> • Logging services and repairs, miles and hours, combined with engine fault codes yields a highly efficient method to maintain fleet health |

“ We’ve improved customer service since our dispatcher can easily see what driver is nearest to a location that needs an unscheduled visit. The dispatcher also enjoys not having to phone 17 different people to see who is closest.

Tim Miller, IT Manager

 Pfeiffer Lincoln, Inc.

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STRONGER CULTURE

Managing your workplace culture is a challenge with many facets. Fleet tracking gives you a powerful platform to drive a positive message about safety and performance. The data supplied on behaviors behind the wheel can be the basis for activities that are proven to drive higher job satisfaction:

- providing better and more objective feedback and training
- providing recognition and rewards for performance against objectives
- getting rid of routine, repetitive tasks



For businesses with fleet and field based workers, it can be tough to simultaneously push for productivity, while also working to keep violations and accidents down. Fleet tracking with driver scores and rewards helps you demonstrate your commitment to your team’s safety and lets you back that up by using performance-based rewards that get workers on board.

| Where is the ROI? | How is it Achieved? |
|--|--|
| Build your workplace culture around safety and performance | <ul style="list-style-type: none"> • Using objective data on driving safety for coaching conversations improving relations with workers • Using rewards for consistent safety shows you’re serious about performance improvement • Using recognition and competitions to win rewards encourages team building and comradery |
| Reduce employee turnover | <ul style="list-style-type: none"> • Recognizing and rewarding desired behaviors is proven to drive performance and job satisfaction • Facilitating team building helps workers connect with their peers and their workplace |



Programs for managing our drivers are mostly punitive – heaping on more training or limiting privileges. The rewards and recognition built into Azuga’s Driver Rewards is different and gives us a whole new way to drive our meetings. Our team really responds to the recognition we give good performers, and people gloat about winning even small rewards. Everyone is aware of safety and how each other is performing.

Kevin Lemasters, President



About Azuga

Azuga is a leading global connected vehicle platform, helping our customers turn data about vehicles and their use into intelligence that improves operations and safety while reducing costs and risk. Azuga provides reliable end-to-end solutions for commercial fleets, government agencies, insurance companies and automotive industry suppliers, encompassing hardware, the Azuga One platform, award-winning fleet applications and data analytics. Azuga is headquartered in Fremont, California.

Our award-winning Azuga Fleet solution is used by thousands of customers—from the small fleet of one or a few vehicles up to several thousand—and is lauded by our customers for its ease-of-use, robust features and affordable pricing.

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