



NexTraq®

Improving Driver Safety with GPS Fleet Tracking Technology



1 How Much Will Unsafe Driving Cost You?

Whether you are a small business owner or a fleet manager for a larger organization, it's difficult to know the driving habits of your employees while you are managing your daily business operations. Often, you don't know that there are issues with your employees' driving habits until it's too late. Unsafe driving behaviors can put your employees, vehicles and business at risk.

Are you aware that the most dangerous part of the day for any employee is actually the time spent behind the wheel of a vehicle? In fact, a crash occurs every five seconds, resulting in injury every 10 seconds and death every 13 minutes. By year's end, approximately 33,000 people will have died in motor vehicle crashes and more than 2,000,000 injured. Death by motor vehicle is the leading cause of workplace fatalities, and this epidemic affects all businesses.

While employee safety is always top of mind, unsafe driving and accidents can also negatively impact your business financially. According to The Centers for Disease Control and Prevention (CDC), the cost of medical care and productivity losses associated with motor vehicle crashes is more than \$99 billion or nearly \$500 per licensed driver in the United States.

Many business owners are unaware that the indirect costs of a crash are three to five times greater than the direct costs. Direct costs are those expenses that you can pinpoint with relative ease, such as the cost of towing a damaged vehicle, vehicle repair or replacement and deductible payments. The indirect costs are those "hidden costs" such as time spent gathering information like crash reports, dealing with insurance companies, legal proceedings and money spent on litigation.

The total cost of a crash – including wage and productivity losses, medical expenses, administrative expenses, motor vehicle damage and employers' uninsured costs – can range from \$25,500 for a crash involving injury to more than \$4,500,000 for a crash with fatal results. Collisions can drastically increase insurance rates, and may result in policy cancellations for companies with multiple crashes.



Unsafe driving behaviors can put your employees, vehicles and business at risk.

A GPS fleet tracking solution can help monitor your employees' driving habits while you are busy operating your business. You can track your drivers' speed, monitor aggressive driving behaviors (such as harsh braking or going around a turn too sharply), pinpoint repeat offenders and establish a safe driving policy within your company. In doing so, you can ensure you're compliant with the law, avoid heavy fines and bad publicity for your business. Before we discuss how a fleet tracking solution can benefit your drivers, business and reputation, let's first take a look at what's driving businesses to find a solution.

2

The Financial Impact of a Crash on Your Business

Aside from the loss of life and debilitating injuries that change lives and families forever, effects of a crash on your organization also include business interruption, the potential loss of business, equipment replacement costs, increased insurance premiums, bad safety ratings and litigation costs. If you're passing along those costs to your consumers, how long will it take for them to leave you for your competition?

If your driver is involved in a crash while en route to provide service to your customer, that's a business interruption. Does your customer wait for you to reschedule or could this be the defining moment that results in an end of your service contract? Even if the crash was not your driver's fault and was unavoidable, your driver may arrive late or need to cancel the service call.

The potential for loss of business is great. We live in an era of instant information and cell phone cameras are everywhere. Your vehicles are essentially moving billboards, right? Soon after a crash, you may find a picture of your vehicle on the web. Even if your driver was not at fault, one picture of your vehicle gives the perception that you caused the crash. The pictures and video footage stick around the web for a long time.



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What's worse than negative publicity? Expensive repair costs and increased insurance premiums. Vehicle technology has evolved and today's vehicles are loaded with more safety features and electronics than ever before. Although this improves safety and efficiency, it also means it's more expensive to buy and repair them. With more expensive vehicles come more expensive insurance premiums. It's far worse to have several minor crashes on your insurance policy than one expensive crash. Why? It's because of frequency. If you have numerous crashes on your record, you will pay more for insurance than if you had one serious crash.

For those companies operating commercial motor vehicles, a crash may trigger a compliance review that results in a bad safety rating. The company has to cease all transportation operations until the issue is resolved. What would an Out Of Service Order (OOS) cost you? It could very well be the demise of your business.

Legal fees are expensive enough, but many business owners are unaware that punitive damages arising out of legal settlements are generally not covered by insurance. This means if your company is ordered to pay \$2,000,000 in punitive damages, most likely that money will come out of your company's bank account. Are you prepared to pay that much even if your driver was not at fault? What impact would that have on your business? Now, let's address the driver safety problems associated with running a fleet and how you can address them.

3 Protect Your Assets

Your employees are your most important asset, so it is good business sense to do what you can to protect them and your company. As soon as your drivers hit the road, you don't have insight into what's happening in the field. You're probably hoping for the best, including driving professionally, not reacting aggressively to other drivers and maintaining a polished image of your company. The question is, how comfortable are you with the strategy of "hoping for the best?"

Overall, you may have a very good group of drivers working for you. They're on time to work and appointments. They represent your company well and provide quality service. They don't abuse your vehicles and company equipment and they are reliable. That's probably 90 percent of your drivers. But what about the other 10 percent? Unfortunately, you may have a few drivers that are not following your company policy, but you just can't identify who those drivers are. Maybe you have had complaints of aggressive driving and speeding. When you get these calls, do you know if they are about the same drivers? If so, how do you prove or disprove it? This can be challenging.

Even the best drivers can make mistakes. One of the most serious mistakes is distracted driving. Roughly 5,000 people are killed annually in distracted-driving related crashes. Drivers generally experience four types of distractions behind the wheel:

- 1 **Manual** - involves touching something, like dialing a phone or changing radio stations.
- 2 **Visual** - involves looking at something, like a phone display or a billboard.
- 3 **Auditory** - involves listening to something, like a conversation or music.
- 4 **Cognitive** - involves thinking about something.

The bottom line is that once behind the wheel, the driver's focus must be on driving. If you don't have policies limiting or prohibiting cell phone use and texting while driving, you are "hoping for the best" once drivers hit the road.

The issue of driver safety is two-fold. First you want your drivers safe on the road. But what happens when they aren't operating a vehicle? Your company might become a target to criminals who want to steal your vehicles, equipment or assets. Some areas entered by your drivers may have been



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associated with a higher level of crime. Here again, you have an opportunity to protect your drivers and equipment but you are still following the strategy of merely “hoping for the best.”

Protecting your vehicles and drivers is just as important from a maintenance perspective. The benefits of a good preventative maintenance program include:

- Avoiding vehicle breakdowns
- Preventing hazardous conditions that may result in crashes
- Prolonging the life of your vehicles
- Predicting operating costs

If you haven't experienced any breakdowns, you certainly want to keep it that way. Well-maintained vehicles provide a positive company image as well as ensuring driver safety. Additionally, whether your fleet is owned or leased, vehicles are depreciating assets. The better you care for them, the lower your long-term operating costs will be and the more you will get when it's time to sell them. Let's examine how a GPS fleet management solution can protect both your drivers and your business.

4 Improving Driver Safety with Fleet Tracking

One of the most profound changes in transportation pertains to the use of telematics. This technology enables monitoring via several parameters such as location, length of drive time, idle time, heavy acceleration and harsh braking events, speeding, cornering and more.

If you want to track equipment like vehicles and trailers – or cargo for that matter – fleet tracking solutions let you do that as well. You can ensure drivers are where they are supposed to be, which gives you the added benefit of greater productivity and fuel use. As a result, you experience better security and safety for your drivers, your equipment and your customers. GPS fleet tracking solutions provide a wealth of information about driver behaviors previously unknown. It's as if you are riding along with each driver, all day, every day.

Most of your drivers may be doing what's expected of them, but let's take a closer look at the other 10 percent. Fleet tracking helps you identify who is not operating according to corporate policy and allows for prompt feedback to change behavior. You can look into speeding and aggressive driving claims and determine if there is any truth to them, allowing you to take action as needed.

It's simple. You can't manage what you don't measure. By utilizing comprehensive reporting and alert notifications, you can set benchmarks for improving safety. This helps you to identify top and bottom performers so you can focus on risk management, disciplinary and training efforts. You can use this information to update your procedures, driver safety handbook and other policies that explain the expectations you have set for your drivers.

Now you are practicing good risk management. Fleet tracking has become such a crucial safety tool that many insurance providers offer discounts to fleet managers that actively utilize the systems. You are not merely "hoping for the best," you're seeing the behavior and using actual data to do something about it, putting you in the driver's seat.

Even the best drivers can become distracted while driving, and the most common distraction pertains to the use of cell phones. A good GPS fleet tracking provider should have a comprehensive safety solution with technology that focuses on distracted driving. This technology allows you to disable your driver's cell phone while the vehicle is in motion, putting the driver's attention where it should be - on driving.

Look at providers that also offer online driver education and training and develop a comprehensive strategy to address driver safety issues. Taking a proactive approach to driver safety encourages responsible driving, reduces motor vehicle incidents and can eliminate many traffic-related costs. From a trending perspective, comprehensive reporting features give you the ability to identify drivers that might need additional training or a refresher on company policy.

In addition to preventing negative driver behavior, fleet management technology helps you identify drivers and ensure the right driver is in the correct vehicle. In this instance, the technology would prevent unauthorized use of equipment by unqualified persons. It also allows you to protect drivers in unsafe areas through geofencing and real-time alerts.

Finally, arriving on time to your appointments and getting drivers back home safely is important, and well-maintained vehicles are safer vehicles. With GPS fleet tracking, your fleet manager knows when preventative maintenance is due and can avoid costly repairs and potential crashes.



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The result is a reliable and safe fleet as well as a positive image of your company. When your lease agreement ends or you sell your vehicles, you'll get a greater ROI. No more "hoping for the best."

Now that we have discussed the benefits of a GPS fleet tracking solution for your business, let's review how the NexTraq® Fleet Tracking solution can help you enforce a driver safety program and keep your drivers, business and reputation safe.

5 The NexTraq Fleet Tracking Solution and Driver Safety

Enforcing a driver safety program is easy to accomplish with the NexTraq Fleet Tracking solution. Our cloud-based, easy-to-use solution gives you the ability to monitor your employees' speeds and driving habits 24/7, whether you are in or out of the office. Our alert functionality enables you to set up a Speed Alert for one vehicle or your entire fleet. When an employee has crossed your speeding threshold, you are immediately notified.

Additionally, with our robust reporting functionality and comprehensive Driver Safety Scorecard, you can easily be notified via email when standard operating procedure is breached. The Driver Safety Scorecard Report shows an employee's driving infractions based on the time period you select, as well as who your best and worst drivers are. The report is based on information such as braking, acceleration, cornering and speeding.

NexTraq can even help you with the Federal Motor Carrier Safety Administration's (FMCSA) ban on hand-held cell phone use in commercial motor vehicles. NexTraq DriveGuard® is an award-winning distracted driving technology that blocks or restricts calls, emails, texting and web browsing while a vehicle is in motion. The NexTraq DriveGuard solution is ideal for businesses looking to maintain company policies concerning cell phone or mobile device use in vehicles and ensure driver safety.



Enforcing a driver safety program is easy.

Lastly, NexTraq's Online Driver Education Courses, powered by I DRIVE SAFELY can help your business develop a comprehensive strategy to address driver education and driver safety issues. With a wide variety of self-paced online training, NexTraq's Online Driver Education Courses are designed to improve driving skills, increase productivity and ensure that your fleet is operating at the safest level possible. Taking a proactive approach to driver safety will not only encourage responsible driving, it will help reduce motor vehicle incidents and reduce many traffic-related expenses.

Need more great benefits? Many of our clients enjoy a significant insurance premium discount when they can track their vehicles, trailers and equipment. Whether it's safe driving or recovering stolen assets, lowering your insurance premiums is a benefit that can significantly reduce your overhead costs.

NexTraq's easy-to-use and comprehensive GPS fleet tracking solution can help you control these costs while helping you grow your business. With a ROI in just one month, this is an investment in safety that will help you reduce crash risk so you can focus your energy on growing your business.

For more information on NexTraq's Driver Safety solution, please contact us at **800.794.2738** or visit our website at **www.nextraq.com**.



Need more great benefits?