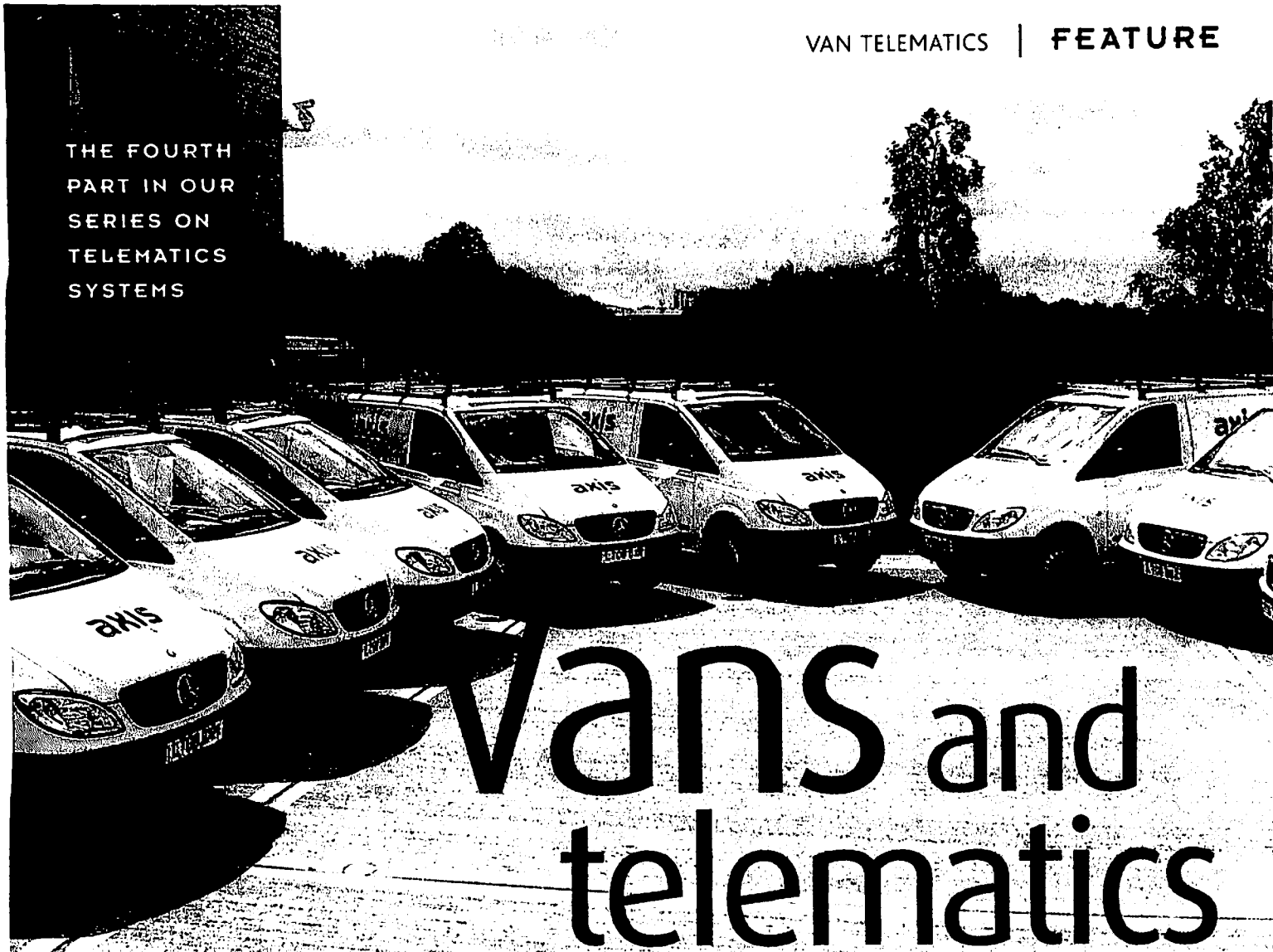


THE FOURTH
PART IN OUR
SERIES ON
TELEMATICS
SYSTEMS



vans and telematics

– natural partners in the mobile world

Do you need a telematics system if you run vans rather than trucks? Can you afford one? Yes to both questions, says Sharon Clancy, who argues that van systems must offer even more than truck systems in terms of efficiency gains

Would you consider the main role of vans to be transport or some other function? If you're looking at field service, you'd probably pick the latter. Carrying parts and tools for service engineers isn't exactly a "transport" job – it's part of a broader task. But what about delivering parcels for courier companies, or food and goods on home delivery operations?

The secret of vans is that they're so versatile. They are the unsung heroes of the mobile working sector fleet. But that's why the business case for tracking vans can be rather different from that applying to larger trucks.

Andy Kirk, sales director for Quartix,

sums up the distinction. "The value of a person in a van often far outweighs the value of the van in terms of contribution to the business," he says. "Van telematics isn't about trying to maximise the value of the van, but about maximising the productivity of the person in it."

Another factor is that mobile workers in vans tend not to be professional drivers. As Craig Sears-Black, sales and marketing director of Isotrak, points out: "It's about utilisation of people rather than assets. There is a benefit to be derived from improved vehicle utilisation, but the bigger benefit comes from an overall improvement in the utilisation of labour."

Nevertheless, if you want the worker to be efficient, clearly the vehicle operations

must be as well; which is why van tracking systems form the backbone of many job scheduling applications. Just as logistics companies need to know how the schedule of deliveries is progressing in actual time (as against the plan), so many van operators need to know how exactly where their mobile workers are at any point in the day.

Broadening the appeal

The proliferation of vehicle tracking companies has meant that tracking has become a commodity buy. Businesses whose core activity is not transport may therefore find it increasingly difficult to distinguish between suppliers. "Telematics used to be a technical sale to innovators and leaders who wanted to be ahead →

Above: Tracking and fleet management from Cybit is helping Axis, a housing management specialist, to deploy its van-based maintenance fleet more efficiently

BUYING TIPS

- You may not be expected to pay for the service and communications costs up front – even on a special price deal. Many suppliers have thrived on leasing deals in which they get the up-front funding and you pay it back to them over the term of the deal. But if you can still find a supplier able to sign you up for a long-term lease, make sure that service and communications charges are not bundled into a single charge. Pay them separately, or risk ending up with a financial obligation for years if the supplier goes under.
- Check that the supplier is a true telematics provider and not just a reseller of air time – or of “black boxes” that may give an incorrect impression of having been produced by the company itself. The best suppliers will have designed their own telematics system, including the unit to be installed in the vehicle. They will own the intellectual property rights to it, and have key elements of their system protected by patent.
- Don't be persuaded to sign an airtime contract with anybody but the

telematics provider. This will ensure you remain in control if the supplier lets you down with poor service.

- The physical product is only a small part of the picture. It's the ongoing customer service and support that separate the strong providers from the rest. Check that your provider can demonstrate a significant – and satisfied – number of customers with telematics units installed. Follow up references.
- It may seem obvious, but check that your potential provider has a strong balance sheet and a history of profitable trading over many years. And don't take their word for it. Go to Companies House or use one of the many reputable online credit checking services. In the current climate this is more important than ever, because the industry has recently seen a few telematics companies failing (and more failures are predicted before the year end).
- Modern systems don't require any software at all to be installed on your system. They should be 100 per cent Internet-based and, if required, be capable of being linked into other

management systems at a future date. This feature should be offered as a standard.

- Is the supplier willing to provide a trial of its system before you buy? Some reputable brands actually promote this option.
- Does the supplier offer various purchase or lease options to choose from? Leading companies now offer a “pay as you go” option for those customers not wanting long-term commitment.
- Are you confident every cost has been revealed? Before placing the contract, check. Also, do the prices include a comprehensive on-site warranty, and does the company have the necessary resources and processes in place to honour it? An industry-standard warranty normally lasts for three years if purchase is involved, or for the full term of a lease.
- Decide what features you need from the system, and don't get drawn into paying for any you will not use once the novelty has worn off! ■

Based on advice from Quartix

of the game,” comments Andy Kirk of Quartix. “Now it's seen as a commodity product, and the business case is about the additional benefits of cutting operating costs and improve duty of care compliance.”

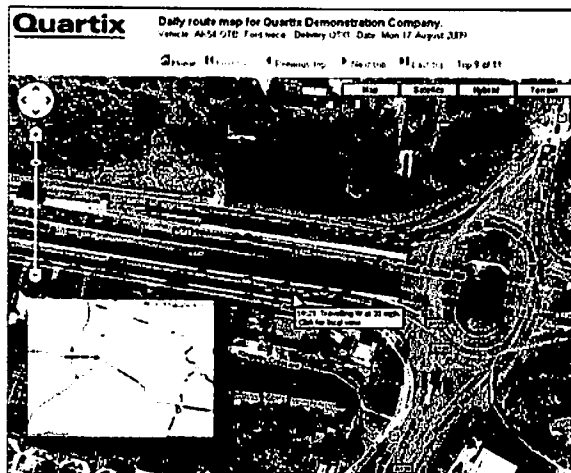
Hence the move by some of the tracking companies to broaden their appeal by incorporating scheduling into their systems, or partnering a job scheduling specialist. Those non-expert van operators want a one-stop shop solution.

Even so, the perception of tracking as a commodity product persists, according to Roger Marks, managing director of Aeromark. “Customers who buy a tracking system in that way may realise some quick benefits, but then can find that the system doesn't fit their business process. When that happens the system quickly becomes a legacy tool. The technology matters, but it's by applying the technology within the business that you achieve true benefits. This isn't as easy as it may seem, and few customers have the spare resource to wade through lengthy reports and try to diagnose where their inefficiencies lie.”

The latest generation of tracking system can deliver this data and in a format

Adding value is a key strategy at Aeromark, which can display van locations on Google aerial photographs

relevant to the business, says Marks. “Choosing a professional supplier will pay for itself many times over – one with relevant experience; one that can specify a solution that will actually improve areas of inefficiency that are specific to your business.”



“The technology matters, but it's by applying the technology within the business that you achieve true benefits”

Roger Marks, Aeromark

David Isom, managing director of V-Sol, agrees. “The recession has increased interest in the efficiencies tracking brings,” he says, “but there are still many businesses unaware of the full potential the latest vehicle tracking offers.” V-Sol estimates that among British companies that could benefit from vehicle tracking, fewer than 33 per cent are actually making full use of it.

Leyland-based V-Sol claims to have been supplying vehicle tracking longer than any company in the UK. “It's important for any business considering investing in vehicle tracking to assess the functionality and accuracy of the systems available fully. They can vary greatly, and in this market performance really is key.

“The latest systems offer much more than simply monitoring where a vehicle is located. The detailed data helps businesses operate more cost-effectively and competitively, which is proving key in the current climate.”

Managing the data

While most companies would like more information on how their business is performing, a perennial problem is knowing exactly where the inefficiencies are and

analysing what can be done to improve the situation. Even companies that have tracking systems in place often use only a part of their capability, simply because they don't have the resources to sift through exception reports and then drill down to pinpoint those employees who are under-performing or at risk.

Scale up the size of the fleet and the problem can be even greater. In larger van fleets the amount of telematics data can simply be overwhelming, argues John Wisdom, sales director of Cybit. "Today's tracking systems can generate huge amounts of data. For example, a company

•The latest systems offer much more than simply monitoring where a vehicle is located•

David Isom, V-Sol

operating a hundred vans from ten sites needs to be able to translate the data into different formats for it to have meaning for different parts of the business.

"Operating managers, for example, might need to be able to compare performance on a branch-by-branch basis, while



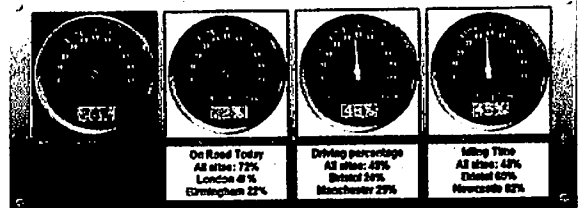
Kwikfit introduced Intermec CN3 handheld terminals as part of a system from Ryzex to help get its van-based technicians to their appointments faster

branch managers might be more concerned with monitoring start and finish times for each driver."

Cybit's Fleetstar is one of the latest generation of telematics systems that present the data in formats that make it easy for users to see at a glance where potential problems are. The view here is that the key to maximising the potential of a tracking or telematics system is to cut and slice the available data and present it in various formats for different levels in the business.

That's why dashboard-style front pages

Quartix's dashboard: performance at a glance



INHERITED VAN TRACKING SYSTEM FINDS A HOME WITH HOUSING MANAGEMENT COMPANY

Social housing management and maintenance specialist Axis inherited vehicles equipped with Cybit Fleetstar Online vehicle tracking when it took over a contract 18 months ago, and is now fitting the system to the rest of its 130-strong fleet. Fleetstar replaces a paper-based system, both to cut unnecessary cost and to maintain critical service level agreements.

Axis has operations covering the Midlands, East Anglia, London and Kent. It offers a two-hour emergency call-out for its housing association clients, in addition to scheduled maintenance. With Fleetstar Online it can now instantly locate the nearest engineer to deal with a quick-response job and re-assign its fleet accordingly. The company can also capture and analyse strategic fleet information and optimise its entire fleet, which covers housing from London to Birmingham.

"We recognised the benefits of vehicle tracking when we took over a contract for Denne Maintenance, whose vans had Fleetstar Online



installed," says Liam Hayes, performance management assistant at Axis. "As most of our workload is highly reactive, it is important that we should be able to deploy our engineers rapidly. Fleetstar allows us to see immediately where every one of our vehicles is, and to send the closest and best-equipped engineer for the job."

Axis is using Cybit's advanced reporting tools to monitor driver performance, mileage, speed and location, as well as to monitor out-of-

hours usage. Fleetstar can also alert fleet managers about vehicle service intervals.

"Fleetstar makes all fleet information highly accessible," Hayes says. "Cybit's consultants worked with us to extract the information we need, and showed us how to use this data to generate cost and fuel savings throughout the fleet."

Axis leases its subcontractor-livered vans at a discounted rate and has introduced a sliding scale points system to encourage good driving and highlight and manage speeding trends. Any instance of speeding over a road's speed limit attracts a single point, while travelling at 80mph on the motorway attracts 25 points.

"It's a more robust procedure than we had previously and essential to demonstrate compliance with our duty-of-care responsibilities. The engineers get the vans at very good rate, which gives us control over non-compliant drivers. In extreme cases we can demand they return the van to us." ■

Duty of care

Interest in the ability of telematics to help companies discharge duty-of-care responsibilities has increased since the introduction of the Corporate Manslaughter Act. "IT has a role in the increased responsibility culture that has become pervasive since the Act became law," says Cybit's John Wisdom.

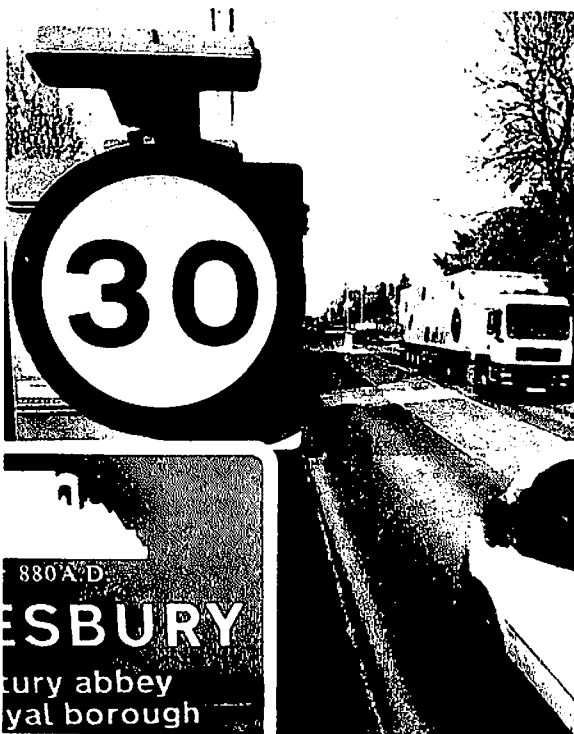
"Suppose, for example, a van driver has an accident that is proven to have resulted from excess driving hours, excessive speeding or use of a poorly maintained vehicle. In such a case, higher-ranking managers and directors now recognise that ignorance is not a legal defence."

It's worth bearing in mind that whereas truck drivers are required by law to take periodic breaks, there are no such constraints on drivers of vans of up to 3.5 tonnes. "Some companies view excessive driving times as irresponsible and have made it a policy to insist driver take a break after so many hours at the wheel," Wisdom points out.

The Corporate Manslaughter Act has opened up a new era of corporate social responsibility, agrees David Perry of Cognito. "Some directors take the view that if a tracking system shows a driver is guilty of persistent speeding and the company takes no action, and then the driver is involved in an accident, the company could be considered negligent. Once mobile workers know they are being tracked, it often results in an improvement in driving behaviour."

Roger Marks adds: "The ability of telematics to provide location, driving hours and lone worker monitoring provides the tools to help companies reduce the risks associated with managing a mobile workforce. Knowing where your employees are and that they are safe must now be a vital part of any employer's duty of care."

He cites a Department for Transport research which found that 54 per cent of road accidents are caused by distraction or



Some tracking systems even allow you to monitor speeding by your vehicles in real time. Among them is Masternaut's Speed Tracker

•Once mobile workers know they are being tracked, it often results in an improvement in driving behaviour*

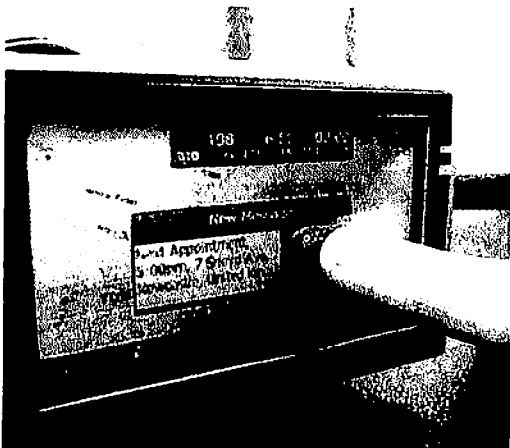
David Perry, Cognito

inattention (often arising from using mobile devices in the vehicle), while 27 per cent are caused by speeding.

Speeding issues can be managed in various ways, says Marks, including training and consultation, and by ensuring that the business is not putting undue pressure on the driver to complete journeys in too short a time.

Below left: Navman Wireless's latest M-Nav 750 in-cab unit combines tracking, messaging and satnav

Below right: nPower is using Psion Teklogix handheld terminals in a real-time management system used in its metering division



Benefit in kind

"Benefit in kind" became a big issue for van fleets when Her Majesty's Revenue and Customs changed the rules on private mileage tax allowance in 2007, moving from a flat-rate £500 BIK allowance to a mileage-based system. This had the effect of raising the employer's potential maximum BIK liability to £3,500, and meant employers were liable for additional National Insurance payments.

The result is that many van operators tightened up their practices in order to demonstrate compliance. "Whether the operator's policy is to permit private mileage or take a zero tolerance approach, there's no escaping the fact that companies need to manage private mileage and demonstrate compliance with HMRC rules," John Wisdom of Cybit says.

Telematics companies report that an additional benefit for many operators has been a reduction in overtime payments, as they now have live data showing when employees start and finish work.

Fuel economy

In many cases companies can achieve a worthwhile return on investment by using a solution such as TomTom WORK without the need for any specific integration with the vehicle. "Telematics systems that are linked into the vehicle CANbus can tell you fuel usage, but they don't all give visibility of the root causes of the high fuel usage," points out Jeremy Gould.

"It is already possible to monitor factors that have a direct impact on fuel consumption such as idle time, driver behaviour (harsh braking and excessive cornering) and speeding, without the additional complexity and cost associated with CANbus." CANbus is the standard system for tapping into data gathered by the vehicle's own electronics systems.

Aeromark's Roger Marks agrees. "CO2 emissions and fuel consumption can be estimated with impressive accuracy, provided the correct parameters for the vehicle in question are configured into the tracking system. What's important is not just measuring output, but the action that the management within the business is able to take in order to improve the situation."

As an example, he cites the case of a driver using excessive fuel. "This will be due to the miles driven and/or the way the driver is treating the van. Routing and scheduling add-ons can be used to improve planning and routes and reduce fuel consumption. Idling reports can easily pinpoint where fuel is being wasted through vans idling. Ⓜ