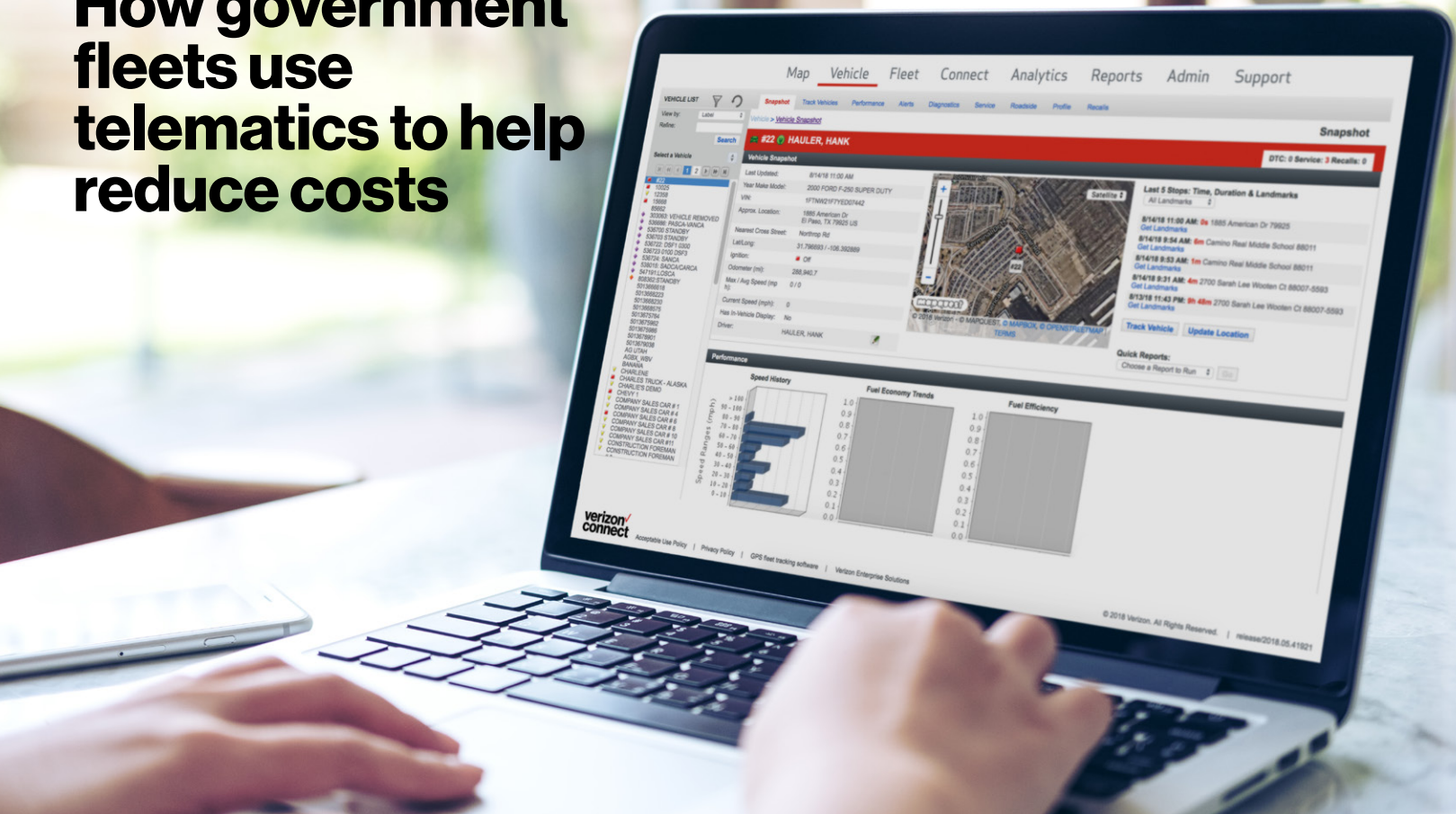


How government fleets use telematics to help reduce costs



Telematics can help control costs by getting the right information to the right people at the right time.

A primary focus of government fleet managers is staying within budget, while still providing affordable services to all its internal constituents.

That's why more and more government organizations are turning to telematics as an effective solution to help manage their fleets within limited budgets. When properly implemented, GPS vehicle tracking systems can help generate positive results in many areas, including maintenance, driver safety and more.

But for most government fleet managers, what really stands out is the ability to help lower operational expenses.

According to research from Frost & Sullivan LCV Telematics Market, companies that implement a telematics solution can potentially achieve reductions in fuel costs by up to 20-25%.

This research also shows that companies can help reduce vehicle idle times by up to 20-30%, reduce total miles driven by up to 5-10% and increase vehicle utilization by up to 15-20%.

These performance improvements can help managers control costs by producing efficiency and productivity gains throughout the department. Depending on your goals, government fleets achieve different types and amounts of cost savings, including a fleet management solution can help measurable results in the following areas.

Reducing fuel costs

Fuel purchases represent one of the biggest expenses for government fleets. GPS tracking can help you control these costs in six different ways:

1. Reduce idle time

Use near real-time alerts and summary reports to understand driver idling patterns and take steps to improve them.

This can be especially helpful with law enforcement and utility operations that often idle as part of the job requirement. Understanding how much idle time is actually happening can also help in identifying whether other solutions such as engine calibration software or other anti-idling solutions are worth the ROI.

2. Reduce speeding

Monitoring the speed of your vehicles at all times help provides the data you need to hold drivers accountable and, when necessary, to coach them to adopt slower, safer driving habits.

3. Protect against unauthorized vehicle use

You can help reduce unauthorized use by automatically tracking the location of every vehicle in your fleet, 24/7. This includes verifying daily routes and vehicle stops, checking on odd-hours movement and monitoring other driver behaviors that may indicate unauthorized personal use.

4. Optimize routes

A GPS vehicle tracking system allows you to plan routes more efficiently by understanding the location of all your vehicles ahead of time.

Sophisticated mapping technologies help determine the closest drivers and most efficient routes. Improvements to routing by just a small percentage, even in local operations, can help make a big impact toward reducing fuel costs.

5. Report on engine diagnostics

Well-maintained engines typically use less fuel. Engine diagnostic alerts provide advance warning of potential engine trouble, so you can fix small problems before they become big ones and help keep your engines in top condition.

6. Verify fuel purchases and reduce fraud

Close integration with many of the major fuel card programs allows greater control over fuel purchases. These come with reports that allow you to verify the time, location and amount of all fuel transactions, and suspicious transactions are automatically flagged.

Improving vehicle uptime with proactive maintenance

When you have your own maintenance shop—which is seen as a cost center in many cases—trimming unnecessary shop time can help you stay within budget.

A GPS fleet tracking system provides the engine diagnostics data you need to help develop the discipline required to streamline the maintenance process and control costs.

Telematics can help you:

- Eliminate paperwork via online vehicle service tracking and intuitive maintenance management features.

- Set proactive reminders for oil changes, tune-ups and other preventive maintenance activities.
- Control repair costs and help extend the life of vehicles by automatically tracking all service records, including maintenance performed, date of completion and the service technician.
- Monitor engine diagnostic alerts to identify minor problems before they become major ones, helping reduce expensive roadside repairs.
- Analyze comprehensive service reports to improve fleet health and lifecycle maintenance management.

Better maintenance can also help you improve fuel efficiency. Telematics can help you save time and manage costs—including reducing overtime hours caused by unexpected breakdowns and repairs—while operating your entire fleet more efficiently.

Fleet management can help.

Miles driven

Reduce by up to

10%

Vehicle utilization

Increase by up to

20%

Fuel

Save up to

25%

Idle time

Reduce by up to

30%

Reducing wear and tear through fewer miles and better driver behavior

Driving fewer miles can put less wear and tear on tires and other vehicle parts, which means fewer replacements.

For example, telematics can help control costs associated with brake replacements in two ways. First, by lowering the number of miles you're reducing brake wear by decreasing a vehicle's unproductive time on the road. Second, by improving driver behavior and reducing harsh braking, you can see lowered impact on brake wear.

To help reduce total miles driven, telematics provides a diverse array of features and functions that help you:

- Make better dispatching decisions by viewing near real-time maps of all vehicle locations and their status.
- Route the closest vehicles to the next job and provide point-to-point driving directions.
- Review fleet utilization reports to monitor overall fleet mileage trends and develop more efficient routes.
- Use landmarks and geofences to help reduce unauthorized and off-hours vehicle usage.
- Use job management and dispatch capabilities to schedule and organize job assignments more efficiently.

Getting a better return on your vehicle stock

Transparency over routes and miles also provides insight into vehicles that are not being fully utilized.

Telematics gives you reporting capabilities with detailed fleet tracking information including miles traveled, engine hours, days utilized, number of trips and more.

This information helps identify vehicles that are underused and could be removed from the fleet.

Reducing insurance premiums

One cost reduction area associated with telematics that often gets overlooked is the potential to lower fleet insurance premiums.

By itself, using a fleet tracking system to monitor vehicle and driver

performance may not be enough to impact your rates. However, when used as part of a fleet safety program that includes using GPS tracking data to coach employees to drive more safely, telematics can often contribute to lower insurance premiums.

The key is showing your insurance carrier that you are using the GPS tracking data to help improve fleet safety.

For example, suppose monitoring your vehicles identifies speeding as a fleet-wide problem. You need to demonstrate that you are taking corrective action to reduce or eliminate the speeding for it to have an impact on your premiums.

Not all insurance companies offer discounts for utilizing vehicle tracking systems. However, many will consider your telematics safety program when setting their premiums.

Monitoring driver behavior to reduce costly habits

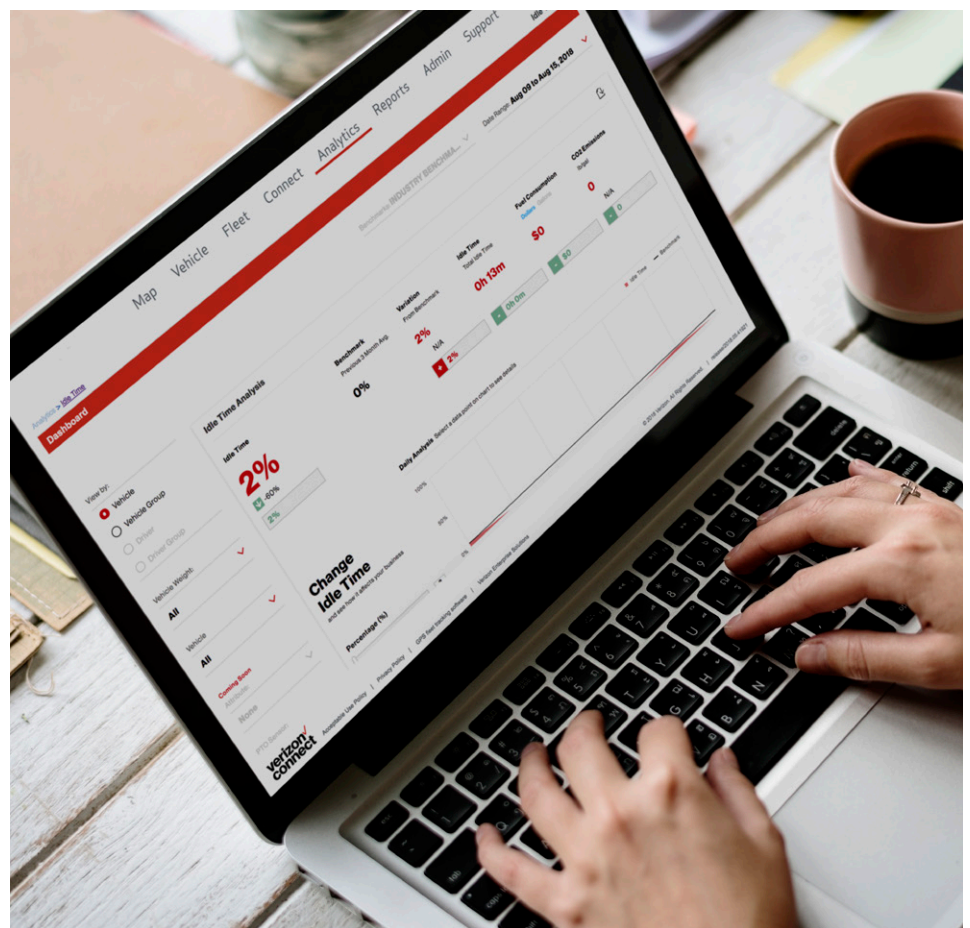
Accidents, traffic violations and other risky driver behaviors can add to fleet operational costs. GPS vehicle tracking can help reduce these events and their associated costs by providing more visibility into what your drivers are doing while on the road.

For example, automatic speeding alerts notify you when speeding incidents occur, so you can take immediate corrective action. You determine the criteria for the alerts, such as speed thresholds, time of day or type of vehicle, and the system automatically sends the alerts when a violation occurs.

To further support your efforts to modify driver behavior, system reports provide "after the fact" data on speed-related incidents. These customizable reports allow you to organize the data by driver, vehicle, location, number of violations and more. With this information, you can discipline drivers who continually violate policies and create incentive programs to reward drivers who comply with them.

Speeding isn't the only driver behavior that increases the risk of accidents or injury. With a GPS vehicle tracking system, you can also monitor hard braking and hard acceleration in an effort to help improve driver safety.

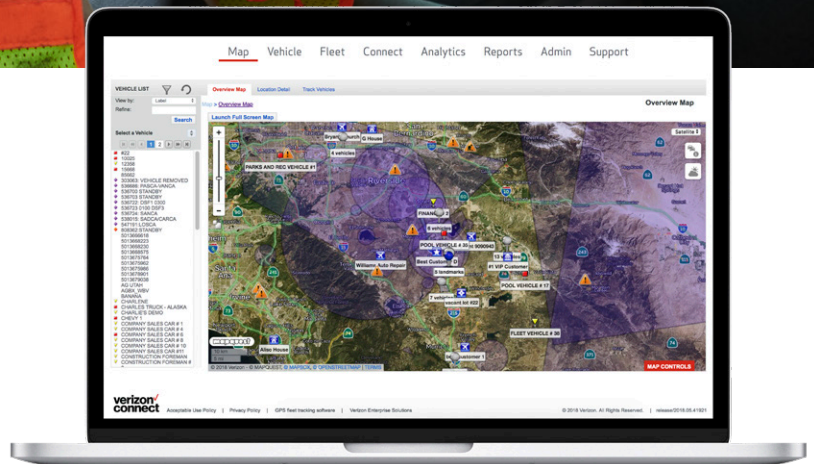
And in those cases where drivers might be falsely accused of speeding or reckless driving, you can defend against these claims by providing precise data on the vehicle's speed and location.





Would you like to know more?

Fleet management and budgeting in a government setting is a complex process that involves many different variables and a constant balancing of objectives. Government fleet departments have the responsibility to ensure that all assets are working efficiently and that over-spending is prevented.



To learn more about how our GPS fleet management solution can help you control costs and utilize your fleet resources more efficiently, visit verizonconnect.com or contact us at 866.844.2235.