

eBook

# 5 Big Construction Industry Trends

As you continue to plan your business improvements, learn ways to improve the profitability potential for your high-value fleet.



**verizon**<sup>✓</sup>  
**connect**

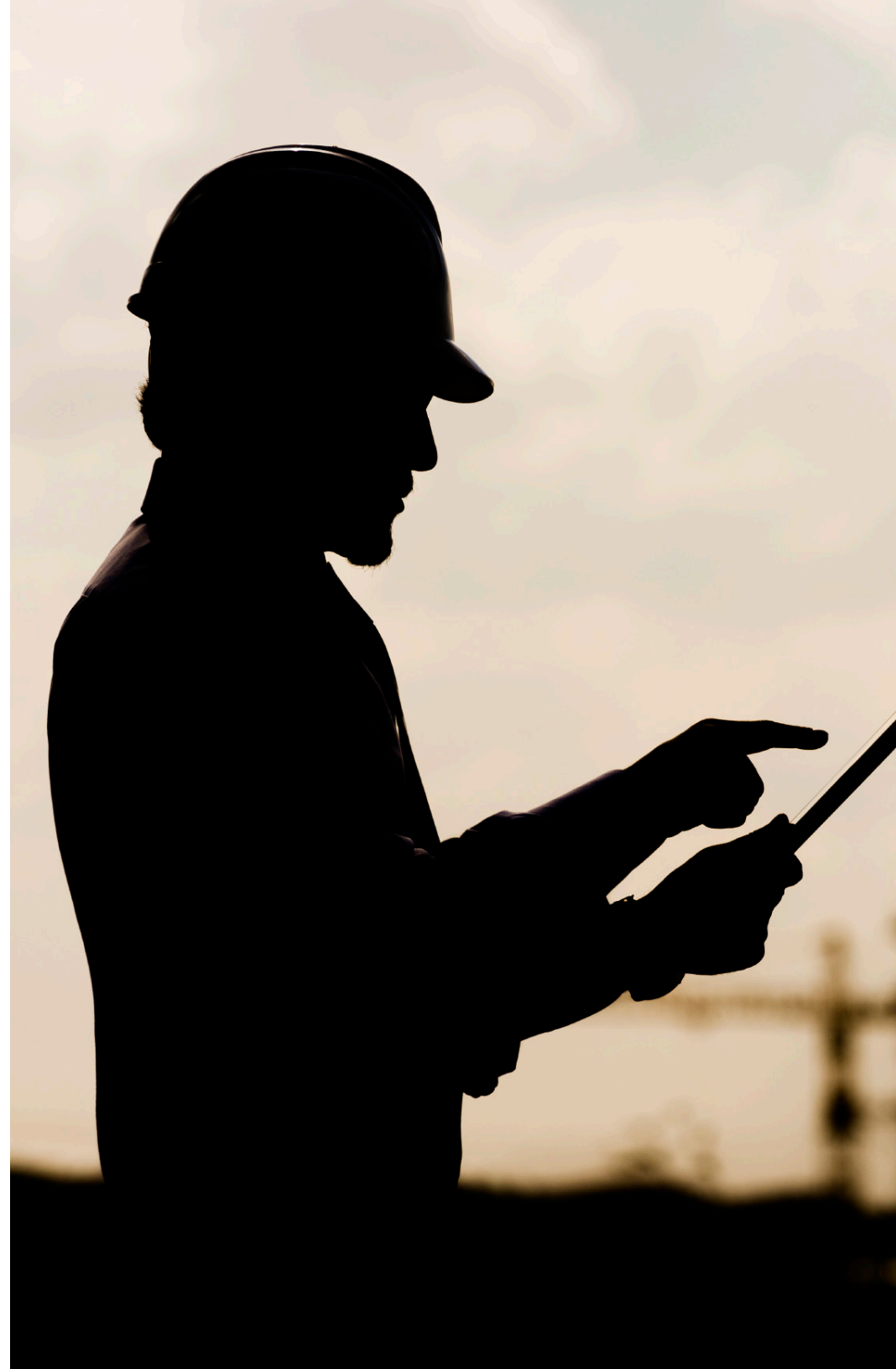
# Could telematics improve your return on assets?

Telematics is having a significant impact on a growing number of industries, and construction is no exception. Tracking of heavy equipment is helping project managers meet tight deadlines and tough performance metrics, while getting a better return on their construction equipment. Safety and security also see marked improvement.

In this eBook we will highlight the trends to watch for this year impacting the construction industry.

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**Because if you're not doing it, you'll be losing business to those that are.**



## Big trend #1

# Assets with built-in telematics will become a lot more common.

## See all your equipment on one screen, one view.

Telematics for assets isn't new, but the idea of it being built right into the vehicle, heavy equipment or asset is, and it's good news for customers. For equipment managers who were tracking assets in the past, they generally split their time among several disparate systems, which was a tedious process.

## Over 80% of all heavy equipment produced in the US since 2009 now comes equipped with telematics offered at no cost by the OEM.<sup>1</sup>

AEMP is spearheading efforts to unify manufacturers to standardize data shared by the heavy equipment they build to make it easier for owners to see a mixed fleet on a single screen – one login to manage all their assets regardless of brand. John Deere, Caterpillar, Komatsu and Volvo have indicated a willingness to use the new standards, and more are in the pipeline.

The growth in built-in telematics for assets will see richer diagnostic data that's unique to each OEM and result in greater efficiencies and management accuracy, such as maintenance schedules, the life expectancy of parts and driver behavior (such as seat belt use).

1. [www.forconstructionpros.com](http://www.forconstructionpros.com), 3 Tips for Construction Firms to Get Quick Telematics ROI, accessed 03/2018.

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Equipment management systems will need to handle the variable data from multiple manufacturers in a consistent way, and only those telematics companies with OEM experience and an open platform will benefit customers in this new environment.

**A study found that a lack of built-in telematics is a primary factor for non-utilization of telematics.**



JOHN DEERE



KOMATSU



+ OTHERS



## Big trend #2

# Managers will be accessing more near real-time data on the go.

## Leverage just one easy-to-use application for all your field service needs

Managers of both people and equipment cannot wait until they get back to the office to get project updates.

With the growing processing power and screen size of mobile devices, the spread of 4G and ubiquity of Wi-Fi hotspots (including in-vehicle Wi-Fi hubs) and real-time cloud-based location services, such as Verizon Connect Supervisor, managers will have access to all the information they need in the palms of their hands.

Locating nearby assets, near real-time job updates or alerts for issues that need to be addressed, along with regular reports, is all information that's available on a smartphone or tablet.

Applications for managing assets are being developed for popular operating systems, such as Android and iOS. One example is Verizon Connect WorkPlan, which allows drivers to complete a pre-operation inspection using the camera on a smartphone.

1. "Forecast: The Internet of Things, Worldwide, 2013" report, Gartner, Inc.



**“By the year 2020, there will be more than 26 billion mobile devices connected to the Internet of Things,<sup>1</sup> and nowhere will that be more important than in the management of mobile resources.”**

# A hyper-focus on equipment safety and security

## A drive toward higher recovery rates and less downtime

Spiraling insurance costs are encouraging construction companies to look at ways to proactively improve the safety and security of high-value assets.

GPS tracking and near real-time alerts are helping managers monitor not only where assets are at all times, but also how they're being used.

Geofence alerts can be triggered if an asset is moved outside of a specific area, or conversely enters a prohibited location. Alerts can be set up for mechanical events, as well as unauthorized or dangerous use. Tracking machine utilization within a geofence provides project managers with an easy way to track daily job site costs and identify under-utilized equipment.

To improve the safety of equipment, fleet managers are using custom forms in Verizon Connect Workforce to make the inspection of assets easier, both before and after use. Barcodes are used to verify that inspections are completed to the manufacturer's requirements and that the worker is physically present.

Did you know that a telematics system can be placed on most assets – not just big yellow iron? This includes:



Welders



Generators



Trailers



Light towers



Boom lifts



Telehandlers



Scissor lifts



Pumps

**21%** The recovery rate of stolen heavy equipment -NICB

## Big trend #4

# Fuel use and savings are still critical.

## Manage your emissions and get your fuel-tax refunds

Fuel costs continue to be a major operating expense, so innovative ways to reduce these costs are always welcome.

In addition to minimizing fuel theft, unnecessary idling and wasteful driving, the EPA is phasing in new emissions standards that will impact heavy vehicles. The new legislation will require on-board diagnostics (OBD) to report on emission control systems.

Easier, automated IFTA reporting will also be a boon for construction companies with many of their assets and vehicles working interstate and thus eligible for fuel tax rebates. Off-road use (mileage/engine hours) can easily be reported on to benefit from any applicable off-highway business use tax credits.

Telematics solutions can utilize the complex geographic location information with integrated vehicle fuel consumption information to track and report on the fuel used off road to put those taxes back in your pocket.



# Strong growth in OHV telematics adoption

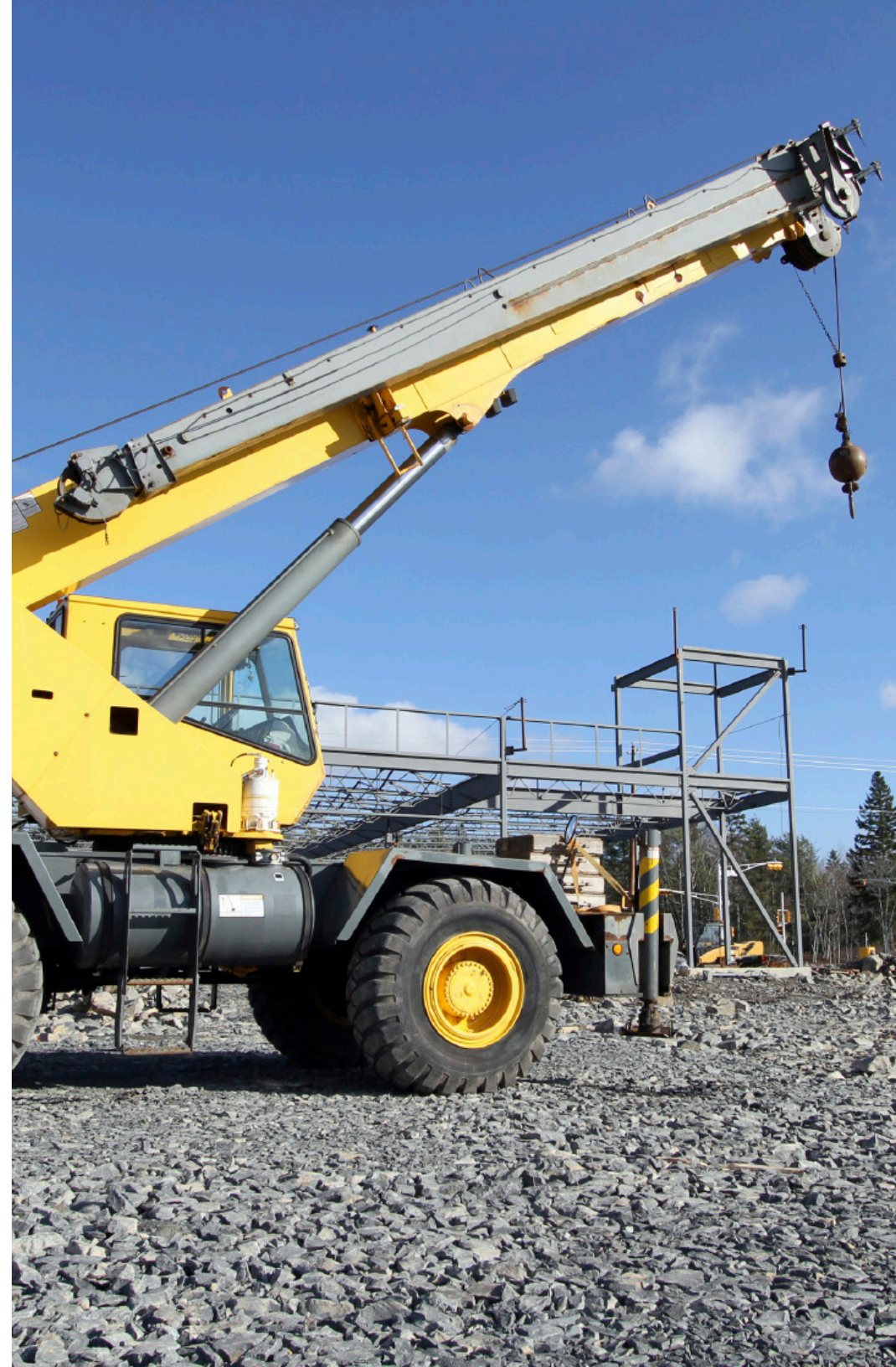
## Improve your total cost of ownership

While not typically a growth area for telematics, the off-highway vehicle (OHV) market will see a surge in demand for telematics, led by a growing number of rental companies adopting the technology.

**Frost & Sullivan have researched the industry and conclude that telematics is “now perceived as the go-to solution for improving the total cost of ownership.”<sup>1</sup>**

While OHV operators have tended to prefer low-tech solutions, a growing awareness of the benefits of telematics is accelerating an interest in and adoption of fleet management and GPS tracking solutions.

As solutions adapt to the specific needs of individual industries, and equipment owners see the ease of use and overall value of telematics, growth will be rapid.



1. Frost & Sullivan - 2014 "Analysis of the North American Off-Highway Vehicle (OHV) Telematics Market"

# Is your business ready for these challenges?

Companies that take the initiative to implement a GPS fleet tracking solution can stay ahead of their competition and experience multiple benefits around cost savings, productivity and customer service that will help your business run smoother and smarter.

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To learn more about construction fleet solutions, visit us at [verizonconnect.com](https://www.verizonconnect.com) or call 866.844.2235

