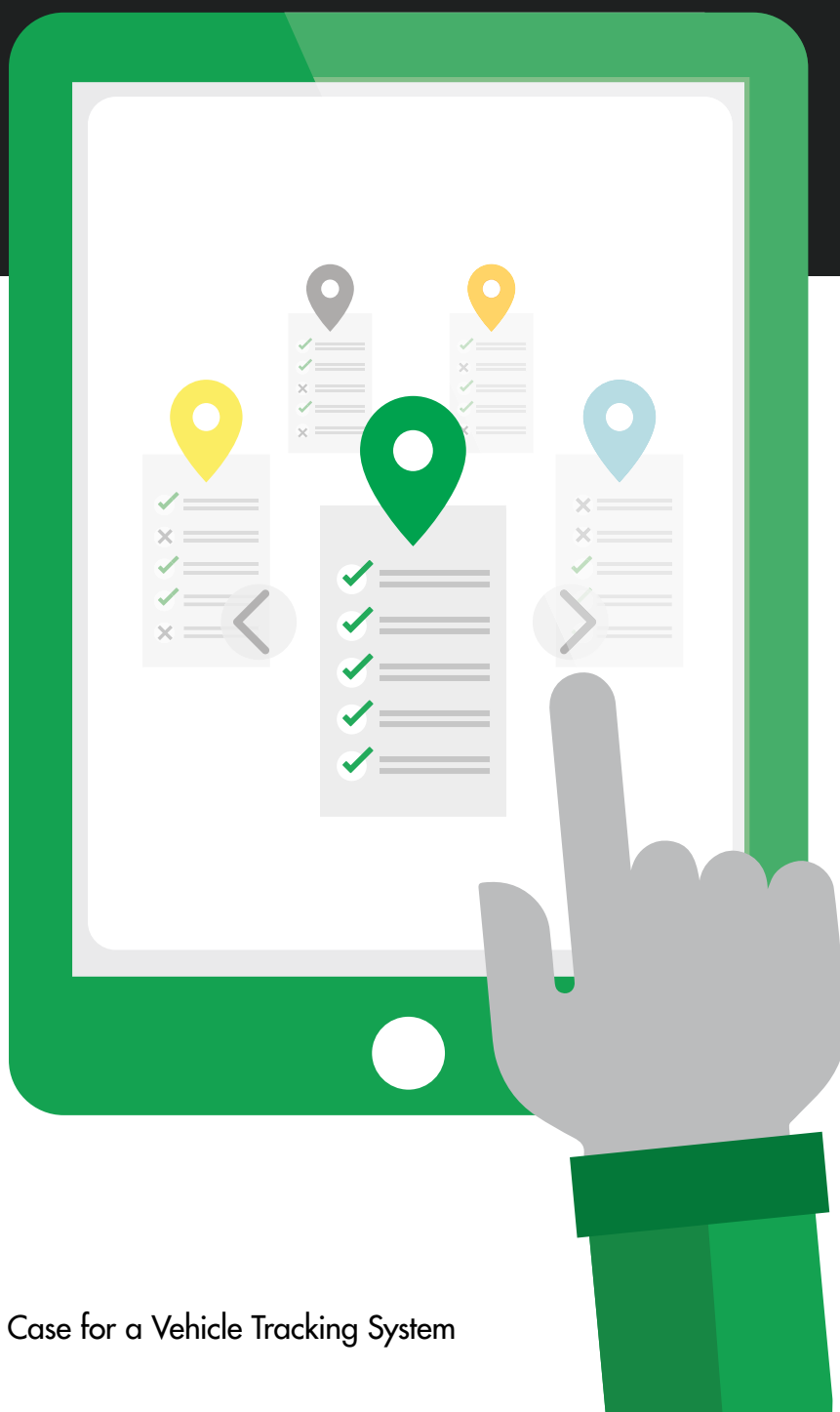


For any busy company with pressures and priorities, opting for a new vehicle tracking system can be a decision that unfortunately falls to the wayside.

Whether or not a telematics solution is already in place, many businesses forget to put aside time to re-evaluate and review their options. Meanwhile, technology is evolving and decisions to transform services are becoming increasingly critical to achieving sustainable and profitable operations.

You may understand the importance of carefully considering which telematics package best supports your fleet operations but need a simple way to review and assess the current options. This guide is here to help.



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1. The importance of a business case

Our experience with over 13,000 businesses has shown us that small changes can make huge differences. What works for one company also might not always apply to another setting. We know vehicle tracking can bring an array of benefits to any kind of business; and we know that the best decisions are considered in a practical context and backed up by research. The role of a business case is to enable effective assessment and help stake holders to decide exactly where to invest money.

This guide will help you assess just how much benefit your business will derive from the vehicle tracking solutions you are considering. You can use it to form a sound business case for change, with real-life examples of your fleet's data.

Perhaps you are the decision maker and want to understand the full impact a new tracking system would have on your business, or maybe you'll be presenting your findings to someone else. Either way, this exercise will be crucial to making the right decision.

With this step by step, practical guide to creating a robust business case, you can ensure that options are well considered, and that your selection has the best chance of delivering success.

Without a clear business case to support a change, the benefit of investing in a new telematics system can be miscommunicated. It can be dismissed as 'keeping up with technology' or simply chasing the lowest price. We'll cover several tips that will ensure that all the benefits are fully understood.



2. Building a business case for a vehicle tracking system

Your business may have only adopted an existing system a matter of years ago, or perhaps you are exploring the idea of using telematics for the first time.

The theory behind this exercise is similar in each case - your investigation will include:



Scaled benefits, costs and savings

- ✓ Give context to these by using real fleet data from your business
- ✓ **Demonstrate** the value that your suggestions will bring to all aspects of the business
- ✓ **Stay objective** in your assessment and educate a decision using facts

Qualitative and quantitative points

- ✓ Forecast costs and savings but remember to also cover areas of the business that will see a difference in quality
- ✓ Give **practical examples** of how a system will influence operations
- ✓ Outline **how learnings will be made** from the data that you acquire

Assessed business risks

- ✓ Address the risk of not changing against the risks associated with new alternatives

KPIs to measure success

- ✓ State how to measure success. It's important to track the success of your decision
- ✓ List the key performance indicators that will be used to measure improvements

3. Establishing **your** business fleet setting

Over the past 18 years, we've seen almost every kind of business setting for a fleet of drivers. From construction companies to delivery trucks, and from large to small businesses and trades. Operational differences and likenesses can easily be put into perspective by answering a few simple questions which we will start with below.

[Note the letter displayed on each row as these will be used to calculate your savings in the next section.]

Table 1

A	How many vehicles are in your fleet?	
B	How many drivers do you employ?	
C	Average distance driven per day (per vehicle):	
D	Average number of trips per day (per vehicle):	
E	Average fuel cost per day (per vehicle):	
F	Type of vehicles used (all that apply):	
G	Price of current telematics solution (if applicable):	

Addressing your business' current concerns in this process can add depth to your assessment and highlight the best option. This prevents you from having to recover projects that were not properly considered.

Create simple checklists below to apply to all of your potential options, providing a clear link to your business objectives and strategy.

Table 2

H	Main fleet concerns	<input type="checkbox"/> Enhance safety <input type="checkbox"/> Lower costs <input type="checkbox"/> Reduce emissions
I	Main business concerns	<input type="checkbox"/> Improve productivity <input type="checkbox"/> Better customer service
J	Key requirements	<input type="checkbox"/> Driving style analysis <input type="checkbox"/> Timesheets <input type="checkbox"/> Real-time alerts

4. Understanding the upfront costs of a tracking system

To understand the size and impact of any vehicle tracking solution, you must first compare the financial commitment involved. Know the length of the contracts available and understand any additional charges. You can then multiply this by the number of vehicles in your fleet.

Create a **total upfront cost** for each telematics option you are considering below:

Table 3

	Option	Current	1	2	3
	System subscription cost				
+	Support package price				
+	Warranty				
+	Add-ons				
X	*Number of vehicles	X	X	X	X
G	Total ongoing system costs	=	=	=	=
+	Cost of devices	n/a			
+	Installation costs	n/a			
X	*Number of vehicles	n/a	X	X	X
+	~ Cost of vehicle downtime	n/a			
M	Total upfront costs		=	=	=

5. Forecasting your potential savings

To know what you may be able to save, you need to understand what you spend. The best place to start with this is your fleet's average daily mileage and fuel costs.

If you are unsure what your average fuel costs currently are, you can use the current prices for fuel below and use your estimated distance per day together with the MPG rates below to calculate these:

Average price of fuel	Litre	Gallon
Petrol	£1.23	£4.68
Diesel	£1.30	£4.94

*Accurate at time of printing - please use current fuel prices.

Vehicle type	Car (Petrol)	Car (Diesel)	Van (Diesel)	Lorry <7.5t	Lorry 7.5t+
Average MPG	35	50	25	12	8

	Overall distance travelled per day
C X A	=

A GPS tracking system has also been proven to lower operational costs by reducing:

- ✓ Customer issues requiring visits
- ✓ Unwarranted journeys
- ✓ Unnecessary vehicle idling
- ✓ Crossover of routes

	Overall fuel costs per day
	=

We estimate a Miles Per Gallon improvement of at least 7% with a vehicle tracking system. This conservative benchmark is derived from improving the very [way that vehicles are driven](#) and reducing idling times. External studies, such as Frost and Sullivan 2015, predict a 15% improvement.

On top of this, there is potential for a further 10% reduction in fuel spend due to several factors, including better planning and information.

"The main requirements were that the system should save on fuel costs to a sum equivalent to or greater than the cost of running the system and should provide additional financial benefits such as reduced costs of vehicle components, insurance claims excesses and vehicles" **Darrell Pulver, Procurement Manager at Worcester City Council**

"Our fuel spend is a significant proportion of our budget, so anything which lessens that bill is invaluable to us" **Amar Nandra, Director of Beeches Recovery**

Unnecessary vehicle idling

An example of the savings a company can achieve just by eliminating vehicle idling is shown here.

Fig 1

Fuel used per hour idling (litre)	1.5
Fuel cost per litre	£1.29
Idling hours per vehicles per day	1
No. of vehicles	5
Idling hours per month (20 working days)	100
Savings per month fuel costs	£193.50

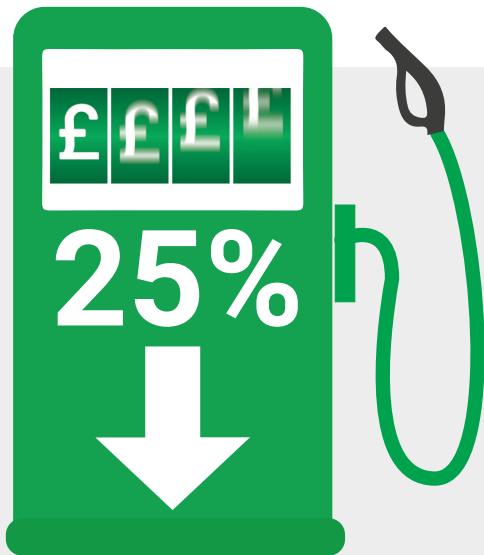
"I can tell when our driver idles too long and help him correct that" Denise Quintana Brito, Owner of A Kwik Tow LLC

Vehicle utilisation

Another way that savings can be created is through improving vehicle utilisation. With the insight necessary to eliminate crossover journeys and make more informed decisions, costs can be driven down; for example, knowing which driver is closest to a location. A forecast of the weekly savings that a company can make just by eliminating three unnecessary hours is shown below.

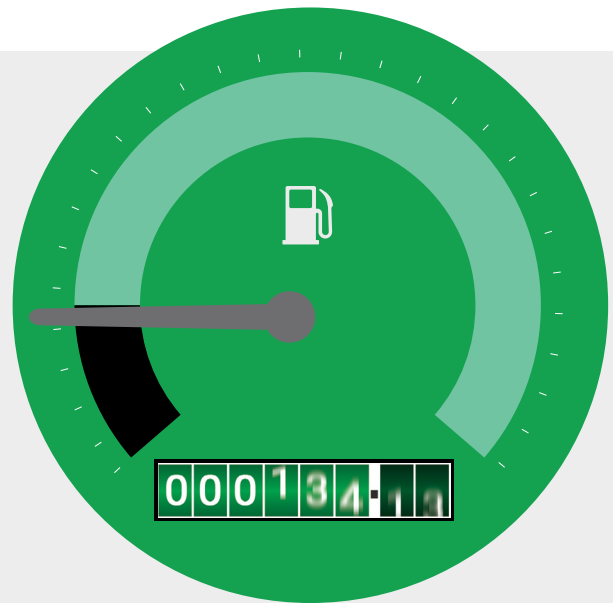
Expected hours per day	8
Hourly rate	£20
No. of vehicles / workers	5
Hours lost per week	3
Improved utilization	8%
Value per person	£60.00
Value overall	£300.00

"With the tracking system we can ensure they are on time to their assigned sites and they remain there until the end of the work day" Tom Benoit, Manager of Rocky Branch Contractors



Considering all the fuel saving characteristics mentioned here, it's fair to forecast as much as a **25% reduction in fuel spend** if you are not already experiencing the benefits of a robust vehicle tracking system.

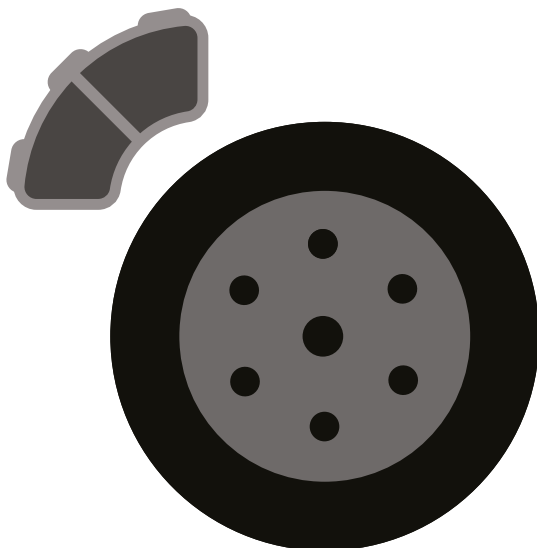
Secondly, studies have shown that a tracking system can achieve up to a **10% decrease in the total miles driven**. A saving well worth including in your business case if you do not already have a telematics solution in place.



The second part of the table below will help you keep note of these forecasted operational cost savings.

Table 4

Current	Forecasted (Note: only complete these calculations if you are not currently using a tracking system)
Overall distance travelled per day	$(C \times A) - 10\% = K$
C x A =	K =
Fuel costs per day	$(E \times A) - 25\% = L$
E x A =	L =



Vehicle tracking can create cost savings in multiple ways. Other considerations that will help to build your business case might include:

- Time savings created by the system
- Quality of support and training offered by the supplier
- Avoiding high vehicle maintenance costs
- Lowering accident rates
- Lowering insurance

Add these to your lists of concerns (H) to later asses how each system will help your business.

6. The business benefits of a tracking system

Here are some considerations that will strengthen your business case for changing to a new vehicle tracking supplier, showing you have the business' interest in full focus. A vehicle tracking system can bring about unlimited benefits, just a selection of which are listed below.



Actively measure and reduce your fleet's carbon emissions



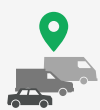
Reduce the costs of your fuel, maintenance, overtime and insurance



Identify and control the risks that your business faces



Protect your company and your staff from false claims with valuable evidence



With [complete visibility](#) of your fleet, you can give instant updates and make informed decisions



Maximise the hours your staff are on site and the number of jobs they can complete day-to-day



Streamline your processes, simplify accounting and reduce paperwork



Ensure your drivers are operating safely and responsibly



Hold your employees accountable for their journeys, hours and vehicle use



Enhance your service delivery, response times and overall brand reputation



To help gauge how many key areas a tracking system will be able to help you with, we recommend listing features to use as a check list against each vehicle tracking option. Which of the above benefits are relevant and important to your business?

List features that will help you most with those. Take the points you started with in table J and expand this to create a feature check-list to use later.

“We use the live tracking’s postcode search to check which vehicle is closest to a customer when there’s an urgent job. It’s an invaluable tool for reducing downtime between jobs and guarantees we run an efficient service” **Stephen Day, Director at Contract Flooring Solutions**

“I find some of the most useful information is provided by the tailored daily email reports and onscreen KPI management dashboards. With these I can keep tabs on everything that’s going on quite easily” **David Brown, Fleet Asset Manager at Calor Gas**

7. Considering the bigger picture

Once you have assessed the immediate benefits and risks, it's important to step back and look at how a vehicle tracking system will affect your business on a wider scale. Perhaps your business uses other software that the GPS tracking system would ideally integrate with and more unique requirements may arise in this exercise. The likelihood of your needs changing over time may strengthen your business case. Consider any extra points worth adding to your 'requirements' and 'concerns' lists - we've listed a few prompts for you to begin with below.

- ✓ **Scope** - how many departments will be affected by the results?
- ✓ **Growth** - what is the probability that teams and the scale of fleet operations will grow?
- ✓ **Longevity** - will your vehicle tracking options stand the test of time?
- ✓ **Change management** - will the system act as an extension of current activities or introduce new ways of working?
- ✓ **Remote access** - will your teams require a mobile app to access the system data when they are away from their desk?
- ✓ **Integration** - does the system need to integrate with payroll, or fuel cards?
- ✓ **Nature** - will your teams require a mobile app to access the system data when they are away from their desk?

"Vehicle tracking lets you take control of your fleet, improve operational efficiency and manage costs, safety and time" [Matt O'Conner, Managing Director at John O'Conner Grounds Maintenance](#)

8. Assessing the business risks

There are ways to pre-empt questions from those reviewing your business plan, that will save time further down the line. Firstly, it's best to determine that adequate cash flow is available to invest in each option that you are considering. That way, you won't be suggesting an option that's simply not feasible. Secondly, it's worth considering whether there is anything else to add to your concerns list, to ensure that each option meets your business' needs.

Some examples are below.

- ✓ **Does the option exceed the budget?**
- ✓ **Risks relating to action vs. inaction**
- ✓ **Reliability of system**
- ✓ **Change management** - will the system act as an extension of current activities or introduce new ways of working?
- ✓ **Is your business reputation at risk?**
- ✓ **Is the support package adequate?**

Use this exercise to create additional criteria in your checklists, **I** and **H**. Combine these to form one 'concerns checklist' we will call **N**.



9. Reviewing your vehicle tracking options

Now it's time to present your options in one table that will consider the costs, benefits and risks associated with each option. The previous steps will have provided you with the relevant criteria, you simply need to gather this information to complete your assessment. The below table will help you display these and assess the value each system will provide.

It's important to include a 'do-nothing option' in your business case for comparison. In your table, this will be indicated in the 'Current' row.

	Upfront	Ongoing	Less Mileage	Less Fuel	Concerns	Requirements	Score
Current	n/a	-G	n/a	n/a	-N	+J	
1	-M	-G	+K	+L	-N	+J	
2	-M	-G	+K	+L	-N	+J	
3	-M	-G	+K	+L	-N	+J	

M Enter the upfront costs you calculated for each system (do this for option 1, 2 and 3, adding more rows if needed)

G Enter the ongoing costs you calculated for each

K Enter the mileage reduction you calculated

L Enter the fuel cost savings

N Enter the number of concerns that still apply to that option

J Enter the number of your requirements that the option meets

Score For each row: start at 0, subtract **M**, subtract **G**, add **K**, add **L**, subtract **N** and then add **J** to reach your total score.

10. Forming a recommendation

You have performed a thorough assessment and are now equipped to make a recommendation for vehicle tracking that adds value to the business. Be sure to articulate a strong purpose for your choice, lay out tangible cost savings and show how this will be implemented.

Defining and measuring success

Set a task to check the success after implementation to encourage accountability. Clearly outline the criteria that will indicate success and the basis by which it will be measured, not forgetting to state who will be responsible for this task.



About Quartix

Over 13,000 businesses have chosen Quartix because it offers:

- Actionable insight on vehicle movements, engine usage, driver behaviour, and fuel consumption
- Tiered pricing options that let them select the level of functionality they need
- Shorter contracts that don't require multi-year commitment
- Contracts that do not auto-renew
- Customer service by experts invested in their success

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