Maximizing Revenue by Benchmarking Fleet Metrics with Effective Reporting
Tracking Mobile Worker Activity for Improved Efficiency
In the competitive service and distribution industry, a company's success depends upon taking advantage of the best technologies and best-in-class strategies available to outperform the competition while still maximizing profit margins. One of the most crucial and often missed strategies to accomplish this is effectively implementing a GPS fleet tracking solution throughout a company to optimize fleet operations. Further, the GPS vehicle tracking solution used must be designed around the concept that key performance indicators (KPIs) and reports are management tools to influence process and behavior change.

Without a thorough understanding of their fleet operations, companies desperate to improve the bottom line usually have no other recourse but to cut spending without quantifying or justifying their decision-making rationale. The result? There is no clear course of action or strategic understanding of what is needed to improve and optimize fleet operations. A GPS fleet management solution provides service and distribution companies with the reporting capabilities to make informed decisions that drive the business forward to maximize revenue while reducing operational cost at the same time.

Reports Pinpoint Causes
It's quite simple; you only manage what you measure. Companies strive hard to get the most out of their company assets. Effective utilization comes from enhancing the revenue stream at the lowest cost possible, by improving employee productivity, maximizing asset utilization and reducing operational costs. The ability to generate fleet management reports can quickly help fleet managers/owners pinpoint the causes that increase costs and reduce asset performance. With fleet operation reports in hand, corporate leadership and managers can provide the guidance and direction to set new expectations and performance benchmarks for fleet managers, dispatchers and drivers. Reports result in informed decisions driving the right process and behavior changes to reduce operational costs and improve productivity, directly improving bottom line performance and profitability.

In short, fleet management reporting can help reverse trends of companies facing budgetary crunches, providing a means to reduce operational costs, increase revenue and provide superior service level agreements (SLAs) to customers.

Fleet Reports Benchmark Performance
You may know of many service and distribution companies that are implementing a GPS fleet tracking solution. A true GPS fleet tracking solution should generate reports about a service company’s fleet operations performance that help executives make strategic decisions about processes and fleet management practices. Robust GPS fleet management solutions should help identify process weaknesses and strengths in enough detail to identify improvement opportunities. This can be any number of issues including driver behavior, productivity losses and low utilization of field personnel, especially when you can compare overall performance of employees and fleet segmentation.
Before purchasing or implementing a GPS vehicle tracking solution, it is crucial to understand and acknowledge the following:

- The best, most usable fleet operations reports are generated with data that is collected and coded in a uniform manner over a period of time to detect trends, particularly in a multi-site/fleet environment where site-to-site/fleet-to-fleet comparisons can reveal strengths and weaknesses of personnel and fleet assets.
- The most effective method of establishing a reporting system that helps people do their jobs begins with an assessment of the current situation and the definition of a goal or vision based on the findings. Without a clear mission and vision, performance improvement initiatives will always be lacking and questionable and benchmarks impossible to set.
- Managerial and corporate level reports are significantly more useful when they are linked to operational and transactional level reports. A drill-down capability provides immediate answers to questions about trends and their causes. Having those detailed answers often sheds light on process changes that can be made to improve performance and efficiency, and thus improve the financial bottom line.

**How to Establish Meaningful Reports**
The success of any GPS fleet tracking solution depends upon a well-organized, clearly defined implementation of processes needed to gather data and track fleet performance in a meaningful way. Without applying each of these building blocks at the right place at the right time, the system is likely to have weaknesses. The overall results could be a disappointment after much expense, time and effort.

Unfortunately, most fleet solution providers focus just on software training and not process or business performance improvement. In fact, many do not have the relevant business experience to drive and design the proper fleet reporting functionality particular to a company’s specific improvement initiatives. The best success comes when a company first focuses on a vision of its goals and then determines the key performance indicators (KPIs) it wants to track for effective benchmarking.

**Stages for Effective Benchmarking:**

**Stage 1** – Assess current procedures, practices and business processes for field service and distribution operations

**Stage 2** – Define the organization’s mission and vision (seek corporate sponsorship)

**Stage 3** – Determine the KPIs and metrics you want to measure

**Stage 4** – Design the work management process for collecting the relevant fleet performance data

**Stage 5** – Perform software training by integrating the process and performance objectives

This method, instead of an approach that tackles software training first, achieves the desired results: fleet management reports that reveal trends and provide useful information for fleet optimization.

An approach that tackles software training first may result in users acquiring a basic understanding of how to navigate your chosen GPS fleet tracking solution, but those users will lack a sense of purpose. As a result, the software becomes an expensive data and report

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storage repository. The data may lack relevance and uniformity, and the reports may fail to supply fleet information that can be used for strategic and competitive advantages.

For example, vehicle downtime or idle time must be collected and measured from each service location within a company; otherwise, differences in idle time might be misleading. However, the location that appears to have less idle time than the others may really be counting only customer visit idle time and not overall idle time throughout their route. Accuracy and uniformity come only from an agreed-upon vision of the overall process change that is occurring, how it relates to the KPIs and how the resulting reports are likely to be used. Once corporate leaders and managers endorse the importance of capturing this information, KPIs can be determined and a logical plan for the new process flow can be developed. Lastly, the software training will be based on the defined vision rather than the features and capabilities.

Define the KPIs
A typical example of a service and distribution company utilizing a GPS fleet tracking solution without effective reporting:

“I suspect there is data there somewhere that would help us work more efficiently, but we don’t currently have the means to generate useful reports.” Or “Off the top of my head, I couldn’t tell you what reports we want or need in order to do our jobs better. But, I’d recognize them if I see it!” Or, “I don’t know what I don’t know…our costs are high and we are challenged to reduce our operational costs without negatively impacting our business.”

Because there are literally hundreds of metrics and KPIs that can be measured for fleet operations, the preferred strategy is to narrow the vast field of options and identify the vital few performance measurements rather than pursuing the trivial many. The most effective fleet tracking systems monitor no more than ten variables on a regular basis.

In some cases, even fewer can be effective when first implementing your solution. These must be the right measurements that drive the right behavior and performance gains. Operational measurements should be catered to the efficiency goals of the fleet manager or owner. Ultimately, these measurements need to serve business executives with better data that can be used to continually improve fleet management operations and set benchmarks.

Operational and Transactional Reports
By focusing first on the company vision for fleet operations reporting and how it relates to process and employee behavioral change, transactional and operational reporting comes to be seen as the foundation to fleet operations reporting. Once these foundation reports are in place, companies can use them immediately to manage fleet and field performance with the goal of reducing the overall cost of ownership of company fleet assets. Ultimately, transactional and operational reports provide further support and depth for your GPS fleet management solution.

Operational reports are typically used by owners, executives, field service managers and fleet managers. These reports, which should include the leading and lagging indicators, typically span multiple records and bring together useful information, revealing key performance trends.

Think of this as a dashboard or cockpit approach. Like a dashboard of a car, a number of measurements should be available. Some are monitored regularly (some more and some less).
Reports also could be built in that act as warning signs, trip wires, alerting to possible problems. For example, is your fleet over your pre-determined amount of acceptable idle time? Have you maximized productivity (service calls/billable hours) of your field service employees to maximize daily revenue by field service technicians and drivers?

Examples of operational reports include overall jobs completed compared to the company goal, vehicle maintenance reports as well as driver behavior reports. Generally, these reports are used to determine performance factors such as resource allocation requirements, work force usage and to monitor downtime and fleet availability.

Transactional reports are typically a tool for fleet dispatchers, drivers and other administration staff. These reports cover areas such as start/stop reports, speed alerts and ensuring timely arrival to customer sites. Essentially, these are site-level, category-specific details behind the operational performance reports. For example, the kind of information revealed in transactional reports includes inappropriate driver behavior (speeding, unauthorized use of company vehicle) and dispatching information including re-routing a driver for timelier customer service.

**Interrelationship between Reports**

The operational reporting level can be seen as the lynchpin between the transactional report and fleet report levels. Once the performance goals for the operational level are established, the data recording process needed on the transactional level is more readily apparent. Similarly, the report categories that will be most relevant on the corporate level become clearer when the performance measurement categories are known.

Consider the situation in which an assessment on the performance level reveals the need of a fleet manager to be able to run a report that provides a trend analysis of driver speeding violations by individual driver or fleet. Through such a report, the fleet manager can observe spikes in speeding violations referencing a particular driver or fleet. To investigate the reasons for the speeding, managers likely would want to view the speeding transactions related to the driver or fleet. All of the findings of the report would be based upon transaction records, so it would be useful and expected that transaction reports can be run to pull together particular data on speeding for the particular driver or fleet.

In fact, the fleet manager could find detailed answers to questions through the ability to drill down to a report that breaks the transactions under fleet, service location, vehicle and driver. While these types of transactional reports are the typical domain for those who are in charge of managing the details, the details are extremely relevant for the fleet manager who wants to understand why speeding is increasing and where to address driver behavior issues. Once those questions are answered, the strategy and process can be shaped to reverse the trend.

**Drill-down Vision**

The update or introduction of reporting capabilities within a company should culminate in the daily use of the reports to manage, strategize and track progress and improvement over time. Once the assessment is complete, the vision is in the place, the business and workflow processes has been redesigned, everyone has been trained and the capability of the fleet tracking software used to generate reports must live up to and even extend the benefits reaped from all the effort. It is important to select a GPS vehicle tracking solution that is designed to fulfill the goal of producing reports that offer insight, provide answers and drive changes that lead to safer and accountable drivers, increased efficiency, enhanced revenue performance and lower operational cost.
A significant characteristic of such a GPS fleet tracking solution would be the report solution approach that is linked to supporting reports that contain details. Reporting dashboards with drill-down capabilities to zero in on problem areas of the business is crucial in driving changes to field service operations. Such functionality provides instant answers to questions that might arise when looking at high-level reports, such as enterprise or operational reports. Drill-down capability eliminates the need to start over and run entirely different reports as well as the need to go elsewhere looking for answers. It reduces the time it takes to come to conclusions and implement changes that can save money.

The logical solution to remaining successful and competitive with a tight budget is to enhance processes through an automated reporting approach that provides answers about where improvements need to be made. By reversing the trends that cause companies to spend unnecessary resources, executives can increase efficiency and dramatically improve the bottom line. This approach is not achieved by a GPS fleet tracking solution alone. Rather, it takes a consistent, objective and disciplined approach to fleet operations management.

**NexTraq – Benchmark Your Fleet Metrics**

As discussed in this white paper, the ability to generate reports and high-level KPIs against your service fleet activity can help you optimize fleet operations, modify driver behavior and increase customer services levels – just to name a few benefits. If you are ready to get started and focus on both what information you can glean from GPS fleet tracking data, contact NexTraq to learn more about our robust reporting functionality and Fleet Metrics, our easy-to-use dashboard that enables you to configure your goals to meet and exceed your business goals.

For more information, contact us at 800.258.6178 or visit our website at http://www.nextraq.com.