

In The News 02.12.09

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LONDON, UK (SPX) FEB 12, 2009

Is GPS Fleet Tracking The Answer To Falling Profits

Times are difficult, especially for SMEs with vehicle fleets. Fleet costs continue to rise while business slows. In some cases, drivers don't do all that they can to be most productive and mitigate costs. And time is always an issue.

SME owners work an average of 15 hours more than the general population according to surveys.

Fleet owners also deal with a host of other daily issues that can wear down even the most hardened manager: deliveries to the wrong address, drivers getting lost, billing disputes, drivers missing in action... the list goes on.

All of this while trying to handle service issues and run a profitable business. It's no wonder that many SME (Small & Medium Enterprise) owners feel they don't have the time to get everything done and spend enough quality time with family.

However, the growth in the popularity of GPS tracking systems has heralded a new way for SMEs with vehicle fleet to do business. It's a complete paradigm shift and early adopters are already realizing the significant cost savings and other benefits of installing GPS tracking in their fleets.

"A GPS tracking system is really a complete management tool," says a leading GPS vehicle tracking provider. "It enables SMEs to easily reduce costs and improve efficiency. For example, we see our clients' fuel costs cut dramatically by up to 15 percent."



Traditionally, cost-cutting measures tend to result in reduced service and decreased customer satisfaction. To cut costs SMEs often have to cut customer reward programs, customer service initiatives, discount programs and marketing. This usually results in a self-defeating cycle that can further reduce sales. With GPS fleet tracking, SME owners not only cut costs, but they actually improve their business model.

Cutting Costs While Improving Business

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"In our first year with GPS, we have saved 70,000 pounds Sterling in fuel costs through operational efficiencies alone," said James Forsyth, owner of Forsyth Produce.

One vital way GPS fleet tracking can help SMEs decrease costs is by reducing fuel consumption. Fleet owners have the ability to ensure drivers take the most direct routes to job sites, eliminate unauthorized journeys, reduce idle times and dispatch drivers nearest to a job site.

The Fuel Efficiency Trials Research published by the Department for Transport's Freight Best Practice found that MPG for an articulated tractor unit improved by 9.5% and rigid vehicle MPG improved by 7.2% once a GPS tracking program was implemented.

In addition to reducing fuel consumption, GPS vehicle tracking can reduce billing disputes and provide accurate payroll. For example, GPS solutions provide fleet owners with accurate information on when a vehicle arrives and departs a job site and then compiles the data in management reports.

These reports can be used to determine how long an employee worked at a job site and provide accurate invoicing, In addition, the management reports can serve as automated and accurate time sheets for employee payroll operations.

Environmental, Legal and Security Factors

In addition to directly contributing to your bottom line, a quality GPS system can also improve an SME's environmental and safety record.

Trial data from the Fuel Efficiency Trials Research by the Department for Transport's Freight Best Practice suggest that 3,250 pounds can be saved and a reduction of 7,440 kg of CO2 emissions can be made per year for a typical articulated trailer/tractor unit on trunking operations.

GPS fleet tracking also provides data on driver habits, including excessive speed and working beyond legal limits.

Examples have also proven that GPS tracking can thwart would-be thieves and provide significant aid in the recovery of stolen vehicles. The West Mercia Constabulary Collision Investigation/Speed Enforcement Division recently utilized a GPS Vehicle Tracking Solution installed in a stolen fleet coach to catch and arrest the alleged thief.

Choosing the Right GPS Solution

There are literally hundreds of GPS vehicle tracking suppliers on the market, making it difficult to choose which system will work best for your business. The key is to find a company that delivers a GPS solution that contains in-depth reporting, ease of use, reliable connectivity and excellent customer service.

In-depth reporting features provide SME owners with the data they need to make sound business and efficiency decisions regarding their fleet vehicles and drivers. In addition, accurate reporting of speed, vehicle usage, idle times, and start up and shut down can be utilized as part of an employee reward program to encourage fuel-efficient and safe driving habits.

Many companies create GPS solutions from a technical viewpoint without considering the usability of the system. A company that understands the need and has extensive experience in serving the SME market can greatly enhance the results of a GPS solution.

Another consideration is system uptime. Be sure to ask any prospective GPS company how often their system is online and how often they experience disconnections.

Finally, customer service should be a major consideration when choosing a GPS solution. With the growth of demand in GPS tracking, flimsy companies have sprouted up offering discounted services with poor-quality systems and even poorer customer service.

Reputable GPS companies will be responsive to customer service, technical and training requests. In fact, the best GPS companies provide these services at no additional costs to their customers.