Zurich Risk Engineering

Why do some driver behaviour telematics solutions fail to meet expectation?

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It is widely recognised that driver behaviour telematics solutions, when implemented and managed correctly, can help organisations achieve huge benefits including:

- Double digit improvements in fuel consumption.
- Large percentage improvements in third party and own damage claims.
- Less vehicle wear and tear particularly on consumables like brakes and tyres.

This leads to safer and more environmentally friendly fleets. Unfortunately not every fleet that purchases this type of solution achieves these benefits.

In this risk insight we will explore some of the pitfalls as to why driver behaviour telematics solutions sometimes fail to meet expectations.

Incorrectly sold/ incorrect purchasing

Historically the telematics industry has had some incidents where products were mis-sold and the solutions didn't match the customer's driver behaviour and safety focused needs. Consequently, once up and running, the purchasers quickly found out that they couldn't realise the benefits that had been sold. Conversely some organisations believed telematics to be a silver bullet for all their fleet risk challenges and purchased solutions in advance of establishing the correct building blocks in a fleet risk management safety system. In many of these cases the companies were very quickly swamped with data they simply did not know how to manage.

In both scenarios organisations are often left with a sour experience of telematics, as well as accruing charges whilst not enjoying the benefits highlighted previously.

In our experience telematics has been more easily embedded into organisations that were some way into their road risk management journey. Therefore the culture, policies and procedures were already well established prior to the introduction of driver behaviour telematics.

Objectives

More often than not, once word spreads within in an organisation that they are considering telematics, numerous interested parties appear from other departments. This not only considerably delays any decision making process, as they try to reach a compromise on all their differing requirements, it also often fails to leave the organisation with a clear focus on its main objectives for installing telematics; consequently the solution is generally bland and fails to deliver in one or more of the target areas.

Reliability of data

As soon as any data is proven to be inaccurate then the system very quickly loses its credibility with drivers and managers, and the organisation is left unable to effectively challenge any reported driver behaviour events. Therefore it is critical that anybody considering a telematics solution completes a suitable due diligence process on their chosen providers data for accuracy and consistency.

Other issues encountered include a lack of, or poor driver behaviour calibration to differing vehicle types within the fleet and/or a lack of accurate posted speeds, particularly in LGV systems.

True driver behaviour indicators

Unfortunately, as it stands today, there is no standard definition for driver behaviours in the telematics industry and, as a consequence, all solution providers claim to offer driver behaviour.

For Zurich, driver behaviours are recognised by the following indicators:

- Speed versus posted speed limit
- Braking
- Acceleration
- Cornering
- Lane changing
- Fatigue*

* this is a measure of how long the vehicle is driven without a break rather than the driver's physical status.

Which data or report?

Customers who have purchased telematics solutions are often overwhelmed with the data and reports available. Often users do not always know which reports could provide them with the most useful and relevant information to help the business improve both operationally and from a safety perspective.
Care should be taken when considering any telematics solution to fully understand the data and reports that are available and how they could impact the business as well as understanding any tailoring of reports that is available to help maximise benefits.

Policies, procedures and implementation

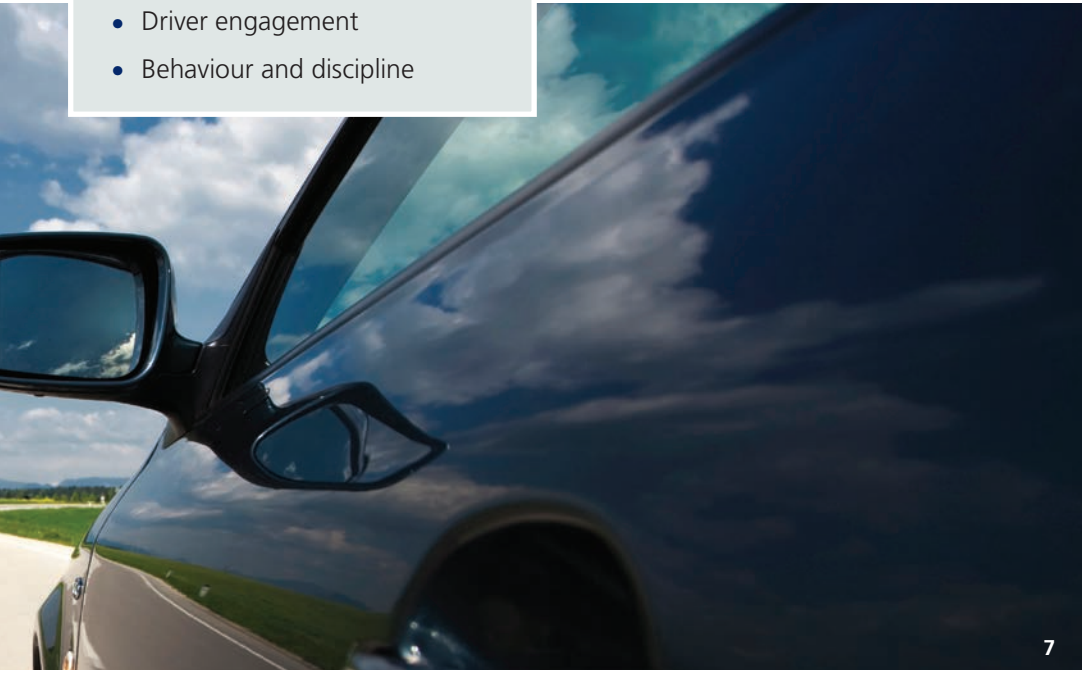
Before any organisation considers purchasing a telematics solution they should ensure that they have fully implemented policies and procedures that are managed, monitored and maintained, in the following areas:

- Health and safety
- Safe driving
- Compliance with road traffic laws/Highway Code
- Risk assessment
- Training
- Communications
- Driver engagement
- Behaviour and discipline

These are the fundamental building blocks for any organisation looking to embed telematics (or any other work-related road risk management intervention). For example if an organisation implements telematics, then studies the driver data generated and identifies that 90% of its drivers are speeding, it needs the policies and procedures in place to understand how it will manage this issue going forward.

In vehicle feedback and coaching

Without this in place a driver may quickly forget they have a telematics device installed; therefore it acts as a useful ongoing aide memoir to the driver that they may have driven inappropriately against their employers' agreed standards.



Regular triggers of in vehicle feedback as well as any long terms trends should lead to line manager dialogue on a regular basis. If no one is communicating with the driver on issues identified by the installed device then the driver is likely to ignore warnings generated thereafter and continue to drive inappropriately.

Caution should be taken to ensure any installed device is correctly calibrated to avoid false positives!

Feedback, feedback and more feedback. It cannot be stressed enough that line managers must engage with drivers on a regular and ongoing basis if telematics is to achieve the expected results. Feedback should be given to all drivers – where they are driving to the agreed standards they should be praised, and where they are not then the line manager should look to fully understand why not. Any debrief is always looking for the underlying root cause or causes of the behaviour. Organisations that do this particularly well consider underlying operational as well as driver root causes and only then would they consider the appropriate management or driver focused intervention

Because of the importance of line management involvement in the driving at work strategy, line manager training is imperative to ensure they fully understand their roles and responsibilities, as well as how to engage with their drivers.

Employee communication and engagement

As with driver feedback, employee communication and engagement is critical to the success of any driver behaviour programme. Engagement and dialogue starts from the moment telematics is being considered to the regular ongoing communication by line managers on the data generated by the installed device.

It is equally important that drivers are also given the opportunity to analyse their own data if they wish. Some organisations have found that the gamification of the telematics data has helped to embed the solution within the business and helped foster a two way communication process.

Additional care should be taken to ensure that line managers are fully aware of their responsibilities and everyone else within the business understands the technology and why it has been adopted.

Additional stakeholder engagement

The view of unions and workers councils representing drivers should be taken into consideration when looking at a driver behaviour telematics system. Additional stakeholders to consider within the process include:

- Human Resource
- Driver trainers
- Operations
- Safety team
- Line management

You may also wish to consider engagement with:

- Insurer and broker
- Leasing company
- Accident management supplier

Reward and recognition

This doesn't have to be all financially focused – consider other means of driver recognition such as:

- Certificates or badges of achievement
- Company publications
- League tables
- Driver of the month, quarter or year

Business DNA

If driver behaviour telematics is implemented and managed correctly it simply becomes part of 'business as usual.'

It can provide useful insight allowing the opportunity to improve behaviour when required as well as delivering numerous other benefits including improved fuel economy, incident reduction and reduced vehicle wear and tear.

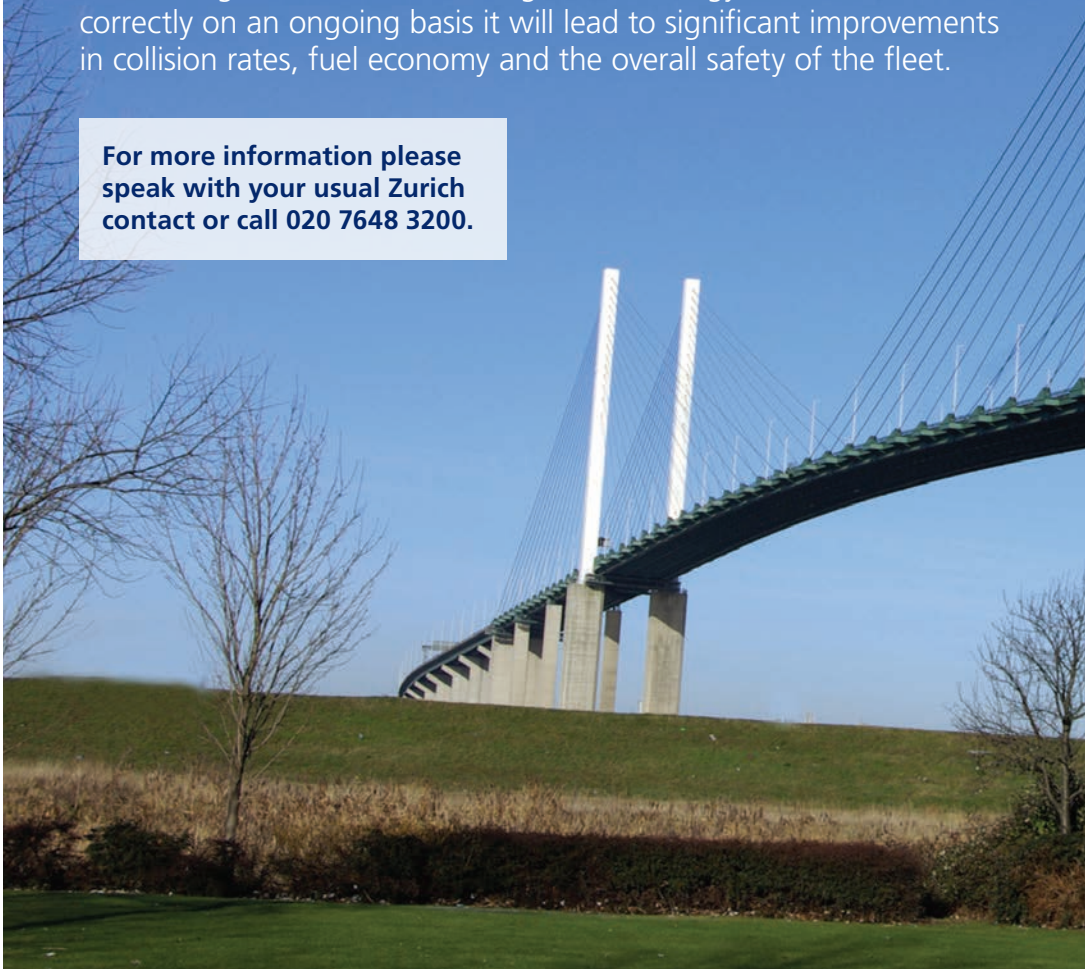
When Iron Mountain installed telematics they were initially concerned that they would see a reduction in operational performance because of safer driving, however a short time after full implementation, they actually achieved and maintained their 99.97% on time delivery KPI, whilst at the same time seeing a 63% reduction in own damage and third party costs, as well as estimated fuel savings of over 7% on an already well managed fleet.

Conclusion

Telematics solutions are often seen as the 'silver bullet' to resolve issues relating to work-related road risks, however from our experience when the fundamental risk management building blocks are not in place to create a solid foundation (in terms of culture, strategy, policies and procedures), then sustainable improvements in the collision and claim rates are unlikely to be achieved.

Driver behaviour telematics should be viewed as a very useful tool in the risk management toolbox and deployed at the appropriate time during the overall risk management strategy. When used correctly on an ongoing basis it will lead to significant improvements in collision rates, fuel economy and the overall safety of the fleet.

For more information please speak with your usual Zurich contact or call 020 7648 3200.



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