Telogis

The Five Best Ways to

Reduce Fuel Costs

Executive Summary

Whilst fuel prices are expected to hold steady, the need for businesses to stay competitive whilst keeping operating costs down remains strong. Since fuel is the largest fleet operating expense, efficient fuel utilisation is essential. Companies that have the most efficient utilisation are relying on location intelligence technologies to provide visibility into five key areas that make a huge difference in reducing fuel costs:

excessive speeding, idling, vehicle maintenance, delivery schedules, and fuel slippage.

one Reduce Excessive Speeding

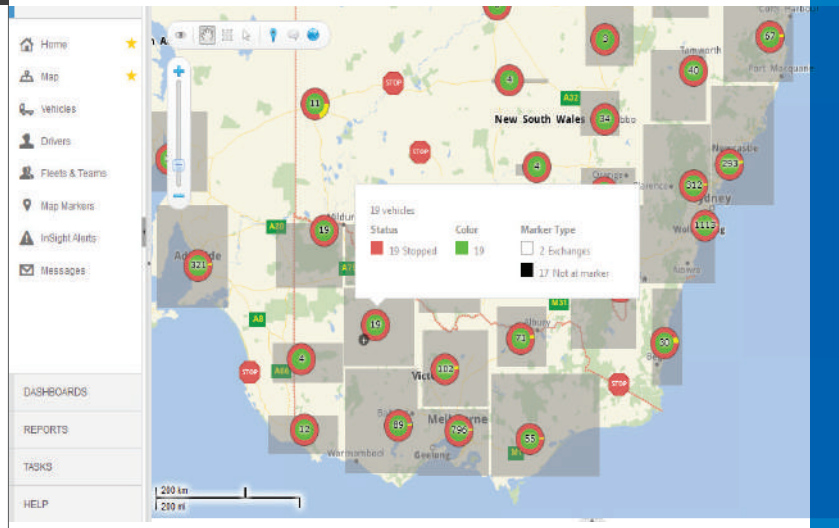
The fastest way for companies to save money at the pump is to reduce excessive speeding. According to the Australian Government Department for the Environment, fuel consumption increases significantly over about 90 km/h. At 110 km/h your car uses up to 25 per cent more fuel than it would cruising at 90 km/h.

So how do companies know if their fleets have an excess speeding problem? And if it does, what can companies do to reduce excess speeding to increase fuel economy?

To identify where excess speeding is a problem, use location intelligence to detect and record vehicle speeds and compare them against posted speed limits. If an issue is identified, here are some recommendations to curb excess speeding with teams in the field:

- ➔ Set speed limits on roads and motorways to levels 5 or 10km max over the limit
- ➔ Set up alerts that let supervisors know about any speeding events over the posted speed limit
- ➔ Coach drivers on the importance of slowing down and watching RPMs to increase MPG
- ➔ Reward and commend drivers who stay within speed range

http://www.environment.gov.au/settlements/transport/fuelguide/tips.html



Find a solution that offers

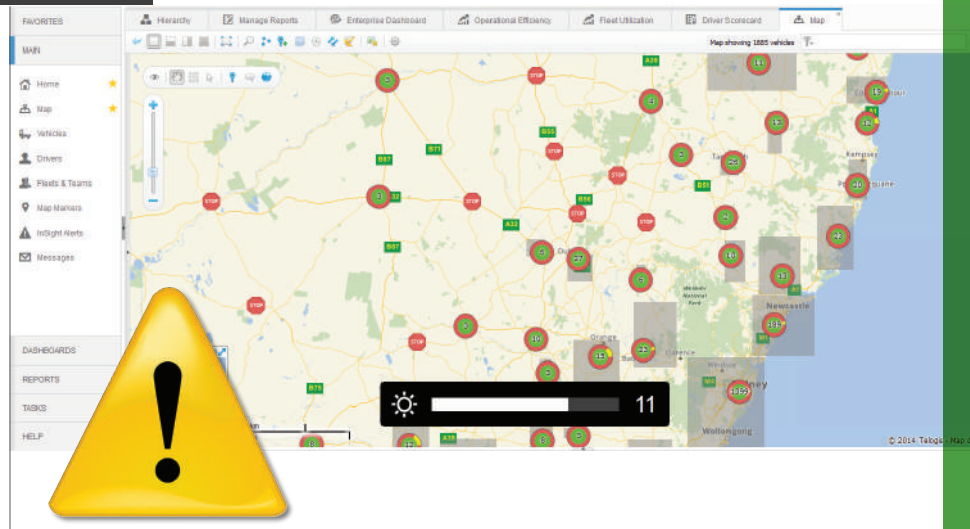
customisable reports and dashboards that provide insights to how teams are performing behind the wheel, but also includes customisable alerts that allow thresholds to be set to driver speed when driving over or under the posted speed limit. Speed limits are updated often; make sure the solution you select allows you to make edits to ensure data accuracy in reporting. In-cab coaching and alerts are also great tools to curb excessive speeding in real time. Coupled with a driver scorecard that ranks and normalises driver behaviour; get a full view of your fleet's driver behaviour and see how drivers compare with each other.

two Keep Fuel Savings from Idling

According to an Engine Idle Management Study by Roads & Maritime, New South Wales, savings as high as 8% can be achieved across fleets for local delivery vehicles, but greater savings can be expected on construction sites, where vehicles are sometimes left idling up to two hours during lay-over.

Engine idling will waste one gallon of fuel per hour according to the Environmental Defence Fund. Light commercial vehicle engines can use 2-3 L of fuel per hour idling, while prime movers use up to 4 L/H.

In the same way speeds can be monitored, location-based software solutions identify where excessive idling is an issue and allow operation leads to set rules to bring it under control. For example, limit idle time and set alerts for idle time above a set time period. Always coach drivers on best practices and reward drivers who show improvement in their idle times with tools such as in-cab alerting and driver scorecards. Not all idle behaviours are made the same, the solution you select should understand productive vs. non-productive idle. Taking a proactive role in managing idle time will go a long way to help increase savings at the pump.



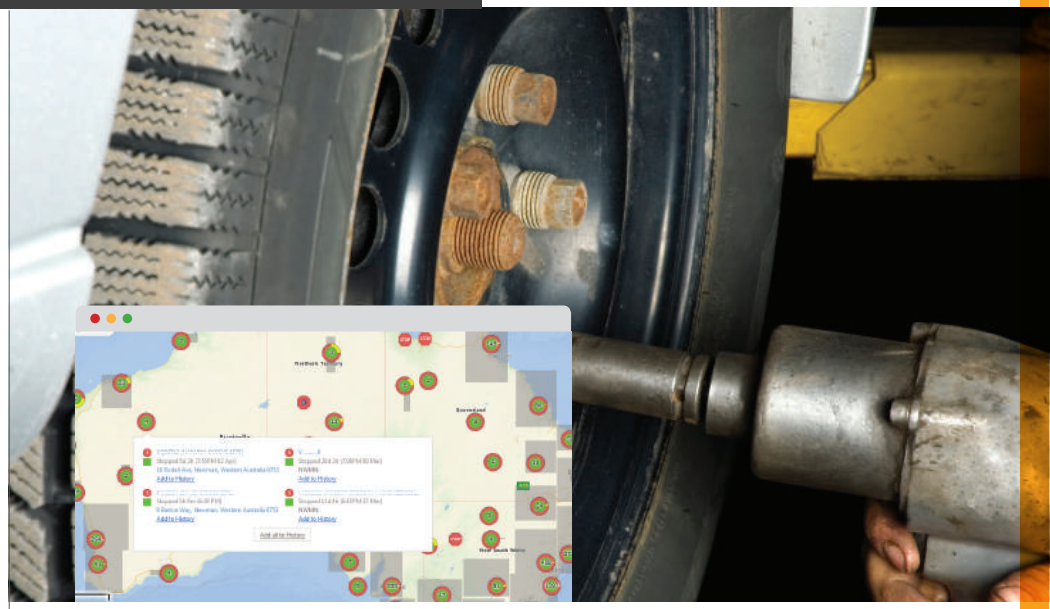
How do companies know how much time their fleets spend idling? Is there a straightforward way to identify where excessive idling is taking place? Location-based software solutions provide detailed reports to pinpoint when trucks are unnecessarily idling and include:

- Warming up the engine longer than necessary
- Leaving the engine running during stops or deliveries
- Keeping the engine running in order to operate radios and equipment in the vehicle

three Better Maintenance = Lower Fuel Costs

Motorama blogged about the actual costs of unplanned maintenance, this will add to your annual operating costs.

To ensure vehicles are operating optimally at all times, it can help to identify the precise best time to perform maintenance. How do companies establish sufficient notice of upcoming preventive maintenance service so it can be scheduled without disruption to their workflows? An integrated location intelligence platform can help automate these processes with real-time maintenance alerts on vehicles and with route planning tools that adjust routes seamlessly to make up for vehicles out for maintenance or repair.



Proper maintenance is also important in the fuel economy equation. This again will multiply with the savings per gallon across the entire fleet. Here are some important maintenance areas to remember with regard to fuel economy:

- Maintain proper tyre inflation pressure; check tyre wear
- Replace fuel filters at the proper intervals
- Keep all axles aligned to minimise rolling resistance
- Repair vehicle body damage
- Use recommended grades of motor oil

four Improve Navigation & Delivery Schedules

The most expensive kilometer you'll ever drive is the one you didn't need to.

Implementing an integrated location intelligence platform can provide the tools needed to optimise routing and dramatically cut OOR (Out of Route) kilometers. Solutions for improving navigation and delivery schedules can make a huge difference here. A sophisticated navigation tool can give drivers critical information to reduce mileage when in route, including:

- ➔ Real time road network updates (storm/weather closures)
- ➔ Yard approaches and yard exits
- ➔ Configurable Out of Corridor alerting
- ➔ Company specific points of interest to support use of preferred fuelling locations

Additionally, take the guesswork out of delivery scheduling with routing software that integrates seamlessly with other location intelligence technologies like telematics. A web-based multi-vehicle routing solution helps to set the best schedules and optimised routes to reduce mileage, while taking into account some key factors, including:

- ➔ Driver and vehicle availability
- ➔ Frequency of visits
- ➔ Customer requests and SLAs
- ➔ Loading and unloading

Optimised navigation and delivery schedules mean not only fewer kilometers driven and lower fuel consumption but also less vehicle maintenance and overtime for teams.

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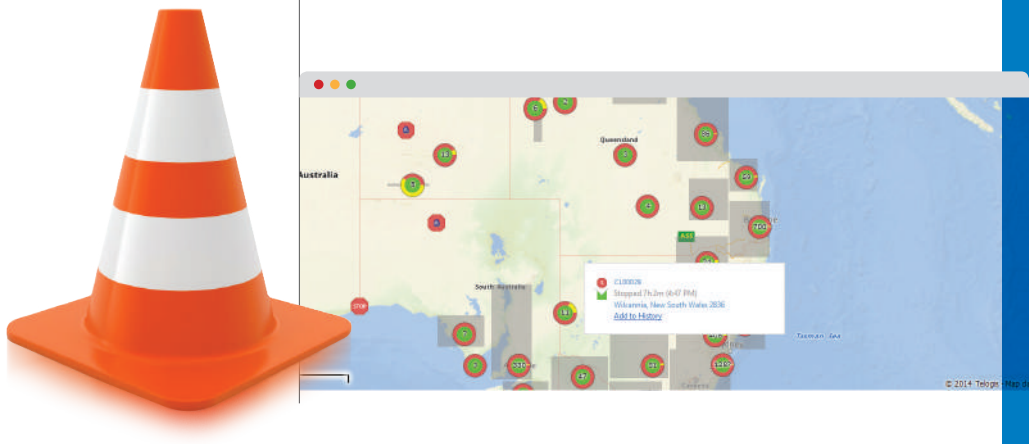

five Fuel Slippage

Is your fleet at risk of fuel theft that you might be unaware of?

Unfortunately, as the price of oil increases, there is an increasing chance that your fleet could be at risk from fuel theft. Fuel theft and unauthorised fuel purchases could be hurting your business more than you realise.

A built-in fuel efficiency module that can monitor each vehicle's fuel usage, fuel economy and mileage can help detect any abnormalities when compared against vehicle averages. In addition to tracking fuel usage, fuel card integration can help with cost reconciliation. Integrating your fuel card with your telematics solution also makes it easy to identify fraudulent card use by comparing fuel card use to the actual location of the vehicle. Identify fuel card abuse by reviewing instances where your vehicle was not present at the fuelling station when the assigned fuel card was used or when the driver purchased more fuel than the vehicle's tank can actually hold.

Fuel Card Match Summary

1/19/2014 12:00 AM to 1/26/2014 12:00 AM

Driver	Total Un-Matched Purchases	Total Matched Purchases	Total Purchases	Match %
10000	2	2	4	50 %
10001	0	3	3	100 %
10002	2	0	2	0 %
10003	1	0	1	0 %
10004	3	1	4	25 %
10005	0	3	3	100 %
10006	1	0	1	0 %
10007	1	0	1	0 %

Conclusion

Utilise these fuel savers and companies can be well on their way to achieving better fuel economy.

By using an advanced fleet management solution to help decrease speeding and idling and improving maintenance and delivery schedules, companies can save up to

20-25%
on annual fuel costs.

Benefits of Fleet Management System,
Frost & Sullivan, 2012

Telogis

Telogis provides a cloud-based location intelligence software platform for companies that require route optimisation, real-time work order management, commercial navigation, telematics and mobile integration services for their mobile workforces.

Telogis is dedicated to enhancing the value of its customers' businesses through intelligent integration of location technology, information and services. Telogis was established in 2001 and is headquartered in Aliso Viejo, California, with offices in Australia, Europe and Latin America as well as development centers in Austin, Texas; Toronto; and Christchurch, New Zealand. Telogis' products and services are used and distributed in more than 100 countries worldwide.

To learn more about Telogis, visit **www.telogis.com.au**
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