motive

Smart Fleets and Industry Comparison

Guide to Digital Transformation and Coaching

Abstract

Fleets hoping to compete and thrive must undergo a digital transformation that drives safety, productivity and profitability improvements. But the road to digital is congested with options, complicating technology selection. This guide will help fleet owners compare options and ask the right questions to reach a destination that transforms their operations.

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Introduction

The pandemic magnified cracks in the global supply chain as consumer demand accelerated. As a result, demand on businesses reached a breaking point. Companies that successfully drive a digital transformation will survive.

Large enterprises managing hundreds or thousands of vehicles, drivers and assets encounter unique challenges on this path toward innovation. Given the fast pace of today's global economy, fleets must move toward technology that helps them improve safety, productivity and profitability.

The highway to digital transformation is filled with options: driver safety platforms, compliance management suites, dispatch and workflow systems, tracking and telematics systems and more. With so many choices, it can be tough to determine which options will suit your needs best.

With this guide, you will know the right questions to ask, the features you need, and the criteria and definitions to understand what a technology platform really is. Let us help you jumpstart a journey that transforms your physical operations with technology.

State of the world

The demand for physical goods and services is higher than ever.

Growing middle class. The overall rise in the global middle class, which has more than tripled over the last 20 years, has driven higher demand. More than 1.7 million people now make up the middle class, and of course, these people consume more.

Rising income and consumption. They're consuming more energy, more food, more housing and more products. They need more goods and services.

Thanks to the Amazon Effect[1], expectations are higher than ever. Today consumers carry high expectations for quality, reliability and speed of delivery. As a result, businesses that power the physical economy struggle to keep pace with accelerating demand.

Risks and challenges. Technology has boosted the physical economy but businesses have fallen behind in the digital economy. This fact has led to:

- **Safety concerns.** Fleets lack visibility into risks and vulnerabilities within their operations. They are so busy that safety takes a backseat. Instead of working to prevent accidents, they deal with them after they happen with potentially devastating consequences, both physically and financially.

  The trucking industry saw the highest-ever nuclear verdict in an accident in August 2021. The verdict was $1 billion[2].

- **Constrained productivity.** Dependency on physical work and physical assets creates barriers to optimized utilization.

  In the digital economy if you need to add capacity or scale, it's easy to add servers, memory or storage to scale indefinitely at a low marginal cost.

  In the physical economy, you are dependent on physical work and physical assets that are not as easy to scale.

- **Lower profitability.** Fleets that power the physical are dealing with rising costs (fuel, labor, insurance) and constrained growth. This leads to shrinking margins and lower valuations. (The American Carriers Association estimates each truck puts $4,000 toward the bottom line monthly, but just $200 of that is revenue.)

Businesses driving the physical economy must leverage the power of digital to optimize operations and remain competitive.

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[1] What is the Amazon Effect?" Supply Chain Brain https://supplychaindigital.com/logistics/what-amazon-effect

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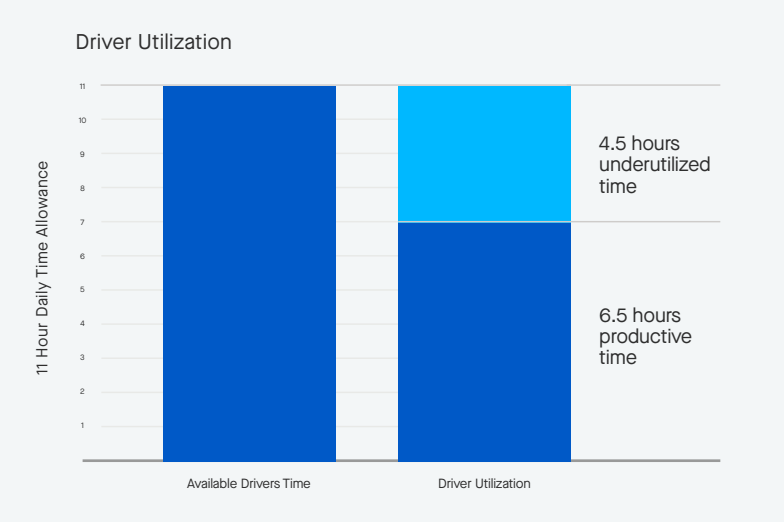
[2] "Nasau County, Florida, Family Awarded $1 Billion for Death of Son in Truck Crash" Lorenzo and Lorenzo https://www.lorenzoandlorenzo.com/blog/truck-accidents/billion-dollar-trucking-accident/

Why now?

Industry trends shine a spotlight on why it's time for fleets to journey toward a digital transformation.

40% of America's trucking capacity is left on the table every day, MIT expert tells Congress.

- Underutilization contributes to supply chain challenges. Drivers spend 6.5 hours daily out of the 11 allowed doing their jobs.
- Driver shortages could be solved by adding just 18 minutes of driving time to every truck driver's day.



Managing driver safety is critical to lowering operating costs.

- Nuclear verdict amounts rose 500%, costing fleets on the receiving end an average of $22 million.
- Insurance costs as a percentage of total revenue have climbed to 4.8%, representing a 41% increase from 2016.
- The average cost of an accident is $200k and 87% of accidents are preventable.

Compliance is more important than ever – violations are expensive and multiple incidents can erode the bottom line.

- Single violations can cost up to $33,000, when a fleet knowingly allows a driver to operate a vehicle under an out-of-service order.

Operational costs continue to rise.

Vehicle downtime. A vehicle out of rotation can cost up to $800 of lost revenue per day.

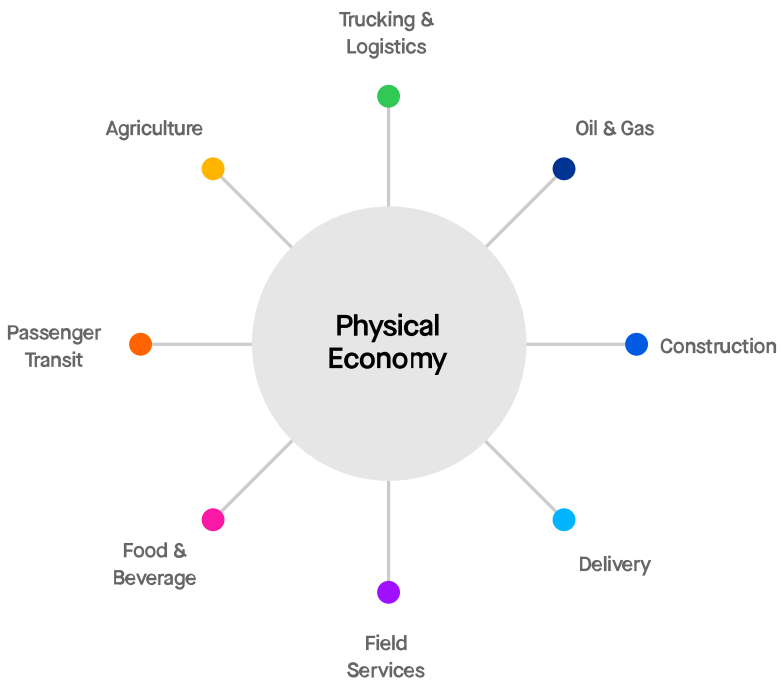
- **Insurance costs.** Insurers that put up $5 million to $10 million layers are now looking at $2 million to $5 million.
- **Fuel costs.** As fuel costs skyrocket, it's important for fleets to identify areas of inefficacy and take corrective action.
- Fuel costs represent over 26% of fleet expenditures, the second largest after driver wages.

  Diesel prices have soared to their highest since 2014 and crude oil prices show little signs of improving.

Success in a platform

To unlock the potential of the physical economy, fleets require technology that connects and automates physical operations. That, in turn, provides the foundational elements needed to transform the safety, productivity and profitability of the physical economy. Here are some of the transformations industries in the physical economy can expect.

Industries in the physical economy include:
Agriculture, Construction, Delivery, Field Services, Food & Beverage, Oil & Gas, Passenger Transit, Trucking & Logistics.



How digital transformations impact industries in the physical economy?

Trucking

Total visibility into every aspect of fleet management from safety and tracking to compliance and fuel costs.

Construction

Transform the safety of your construction fleet and enhance productivity across your construction fleet and equipment.

Oil & Gas

Keep your fleet running efficiently and safely. Fleet management technology delivers real-time visibility into your entire oil and gas operation.

Software

Improve customer satisfaction, fleet visibility, and driver safety with our all-in-one solution for passenger transit companies.

What is a platform?

The first step on a journey to a digital transformation is understanding what a platform is and what it can do for you.

A platform connects vehicles, equipment and physical assets to the cloud. Devices mounted in vehicles collect data then gather, analyze and share that data to the applications customers use.

The components of a digital platform

- AI dash cams and safety platforms
- Compliance management
- Dispatch and workflow
- Tracking and telematics
- Maintenance
- Fuel management

Platforms are as varied as there are vehicles on the road. But there are three key areas that differentiate one platform from another.

- Integrated product set
  - Solves customer's most critical problems
  - Ease of use for fleet managers and drivers
- Extensibility/scalability
  - Customization
  - Integrations
  - Data insights + automation
- Customer success
  - Dedicated CS team
  - Professional services
  - Customer support

Solutions Available

Technology solutions exist, but often fleets rely on a patchwork of legacy technologies to manage their physical operations. Point solutions, outdated software and hardware that is difficult to use, and siloed data do not deliver the results needed to digitally transform fleet operations.

The Platform Advantage
An IoT data platform can provide shared services and integrate applications to solve the full spectrum of problems faced by fleets. These applications can include:

- Tracking and telematics
- Driver safety
- Compliance
- Dispatch and workflow
- Maintenance
- Sustainability
- Spend management

Evolve with Integrations
Integrations can extend a platform to better match the needs of your fleet. When you integrate your data, it can:

- Increase efficiency and optimize operations
- Integrate with your software stack
- Give you full control over data sharing
- mprove data analytics
- Improve the speed and accuracy of decision making

Key Features to look for in a Platform

When looking to invest in a platform, there are a few key features to look for.

Real-time Data Streaming. Establishes connectivity with devices, capable of real-time streaming of data, and provides offline support when there is no internet connection.

Machine Learning. After the data is collected, how is it used to generate insights for analytics and reporting? A platform can leverage Machine Learning and AI (such as on an AI dash cam to automatically identify unsafe incidents and alert drivers in real time).

Extensibility. This is important because every development is different. That extensibility can be done in many different ways. For example, no-code tools such as customizable forms and workflows, an open API that allows developers to write code and build applications, developer tools and support, as well as integrations with a wide range of partners.

Security and Scalability. A platform can deliver the security and scalability that enterprises need. For example, can it handle very high spikes in traffic, ensure that customer data is safe, provide integrations with your existing infrastructure, and share permissions based on users and roles?

Is a platform right for me?

Maybe you still are unsure if you need a platform at all. Here are a few questions to ask when considering this investment:

- **Are your current solutions providing the data you need to improve safety, productivity, and profitability?**
- **Do they provide a holistic view into your operations to make better decisions?**
- **Are you dealing with manual tasks or are operations streamlined and automated?**

Vendor evaluation

To find the right platform partner for your operation, ask targeted questions. Here are some questions to ask when assessing platforms:

- **Do you have an integrated stack that solves the full scope of problems that we face?**
- **Do you integrate with applications in our tech stack (TMS, maintenance, etc.)?**
- **How does your platform help to automate operations and reduce manual tasks?**
- **What makes your enterprise platform and services different from other vendors?**
- **What success metrics have your customers seen across their operations?**
- **How does your AI dash cam performance compare to other vendors in the market?**

Conclusion

Selecting the right technology platform for your fleet is vital. As demand and competition heats up, the fleet that emerges in front will be the one that bases operations on a technology platform designed to improve safety, productivity and profitability.

Unlock Potential

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About Motive

Motive builds technology to improve the safety, productivity, and profitability of businesses that power the physical economy. The Motive Automated Operations Platform combines IoT hardware with AI-powered applications to automate vehicle and equipment tracking, driver safety, compliance, maintenance, spend management, and more. Motive serves more than 120,000 businesses, across a wide range of industries including trucking and logistics, construction, oil and gas, food and beverages, field services, agriculture, passenger transit, and delivery. Visit **gomotive.com** to learn more.

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