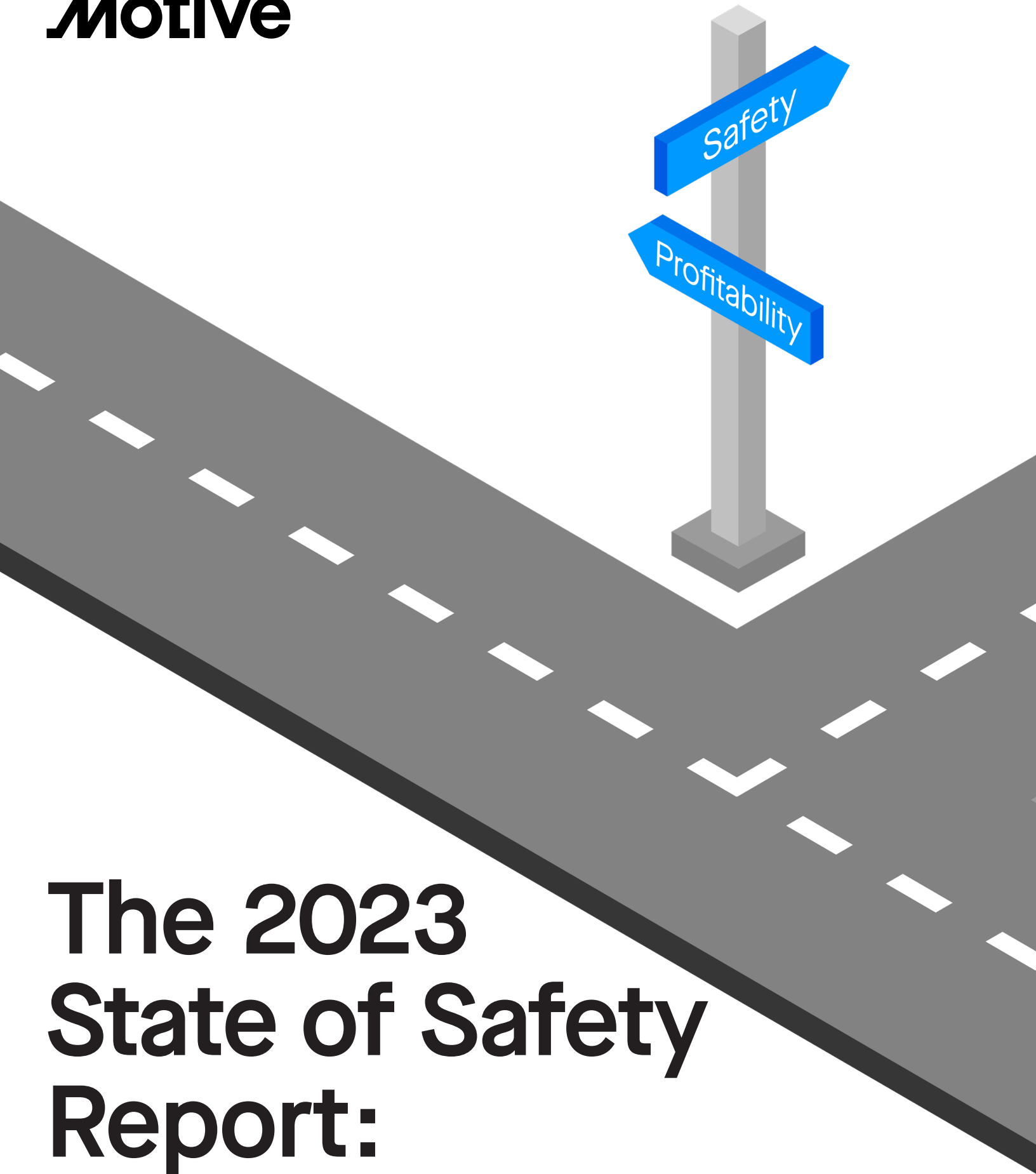


motive



The 2023 State of Safety Report:

The cost center misconception

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Executive summary

Motive, along with [Researchscape](#), surveyed 1,110 fleets in industries like trucking and logistics, construction, oil and gas, agriculture, and delivery to understand their priorities and practices, specifically around driver and fleet safety. We found that 95% of those surveyed said driver safety performance is a priority. While encouraging at first glance, our data shows that “priority” means different things from fleet to fleet. In fact, 40% of respondents said their fleets are underinvested in driver safety initiatives and technology, with 8% reporting they are “drastically underinvested.” And when asked to rank priorities from a list of options, respondents ranked increasing revenue (#1) and minimizing expenses (#2) higher than improving safety (#3).

With accidents and costly verdicts at an all-time high, 52% of respondents reported they invested in tools to improve safety in 2022, and 71% of respondents plan to invest in new tools to improve safety this year (2023). Still, with this seemingly large focus on improving safety through technology, when asked to rank the most significant challenges they faced last year (2022), respondents said fuel costs (#1), increased insurance premiums (#2), and a driver shortage (#3).

Companies that have implemented a driver coaching program are seeing safety improvements, including fewer unsafe driving behaviors (56% of respondents), fewer accidents (53% of respondents), and insurance savings (44% of respondents). The benefits increase when dash cams are part of a fleet’s safety program, with respondents seeing a reduction in unsafe driving behaviors and insurance premiums.

The survey shows many fleets have an outdated approach to safety, and that more education is needed to dispel the belief that improving safety is a cost center, not a revenue driver. In fact, survey data and [recent research](#) show the opposite. Running a modern, best-in-class safety program addresses the self-reported challenges facing fleets, i.e., fuel costs, insurance premiums, and a driver shortage.

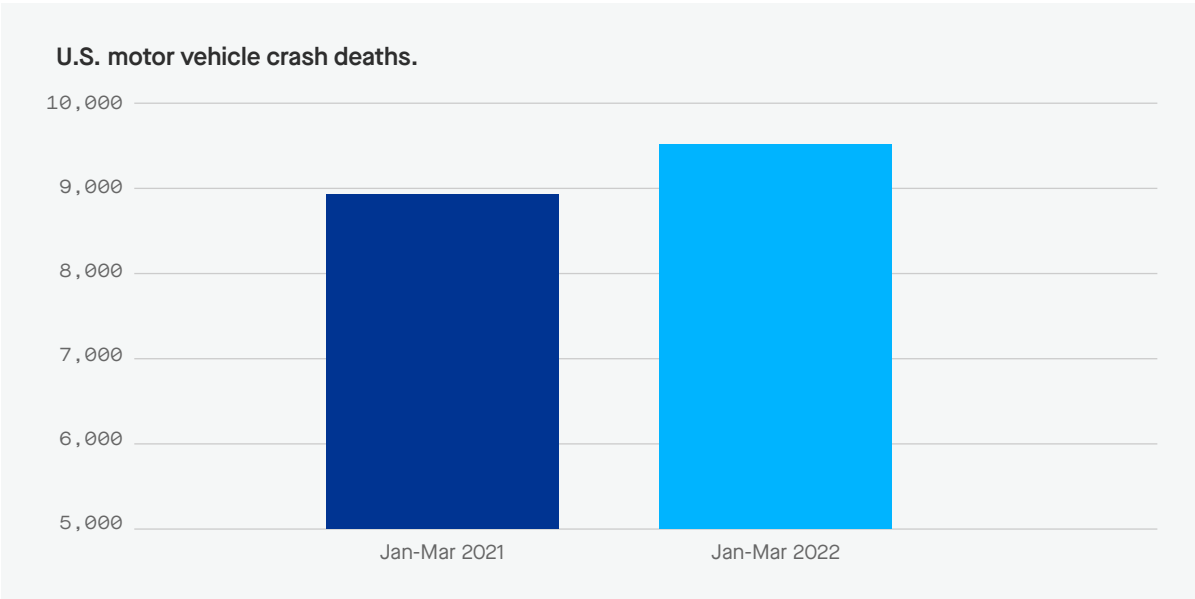
By identifying and coaching drivers who speed, hard accelerate, or hard brake, fleets can correct driving behaviors that negatively affect fuel economy. Reducing accidents and safety incidents can lower insurance costs. Recognizing and rewarding top-performing drivers and those who are improving can help with driver retention and recruitment.

Fleets must overcome near-term challenges, such as driver pushback and budgetary concerns, to gain the long-term benefits of a world-class safety program. When businesses understand that **the reduction of even just one accident can save millions in insurance premiums, associated fines, and payouts**, more fleets will allocate resources dedicated to fostering a safety culture backed by advanced technology and processes.

Introduction

Our roadways are dangerous. Recent data from the [National Highway Traffic Safety Administration \(NHTSA\)](#) shows traffic deaths reached a 16-year high in 2021, with truck crash deaths jumping 13%, year over year.

And it's getting worse out there. According to [early estimates from the NHTSA](#), "...9,560 people died in motor vehicle traffic crashes in the first quarter of 2022. This is an increase of about 7% as compared to the 8,935 fatalities projected for the same quarter in 2021. This would be the highest number of first-quarter fatalities since 2002."



The danger and stakes are higher for drivers and workers in commercial transportation. According to the [National Safety Council](#), the average cost of a fatal motor vehicle collision in 2020 was \$1.7 million. Those costs can soar if a large truck is involved. FMCSA data about fatal accidents in large commercial vehicles show financial impacts can be as high as **\$7 million** per incident.

These are staggering statistics. With insurance costs and nuclear verdicts on the rise, fleet safety has never been more critical to the health and success of a business. Even smaller verdicts can be costly, with the mean payment size in smaller verdicts and settlements hovering **around \$427,000**.

Shifting priorities: Is safety really a focus for fleets?

When asked if driver safety performance was a priority, 95% of respondents said yes. But when asked to rank priorities from a list of options, “improving safety” ranked behind “increasing revenue” and “minimizing expenses.”

What are the top priorities for your organization in 2023?

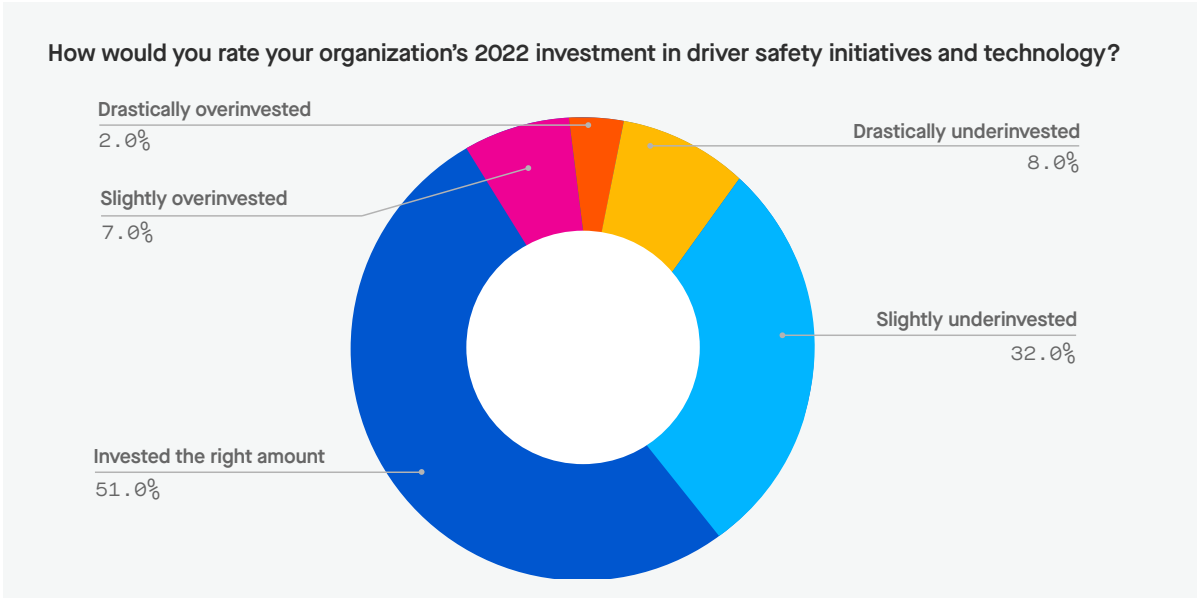
1. Increasing revenue
2. Minimizing expenses
3. Improving safety

Those rankings begin to make sense when looking at the major challenges facing fleets this past year. When asked to rank the most significant challenges they faced last year (2022), respondents said fuel costs (#1), increased insurance premiums (#2), and a driver shortage (#3).

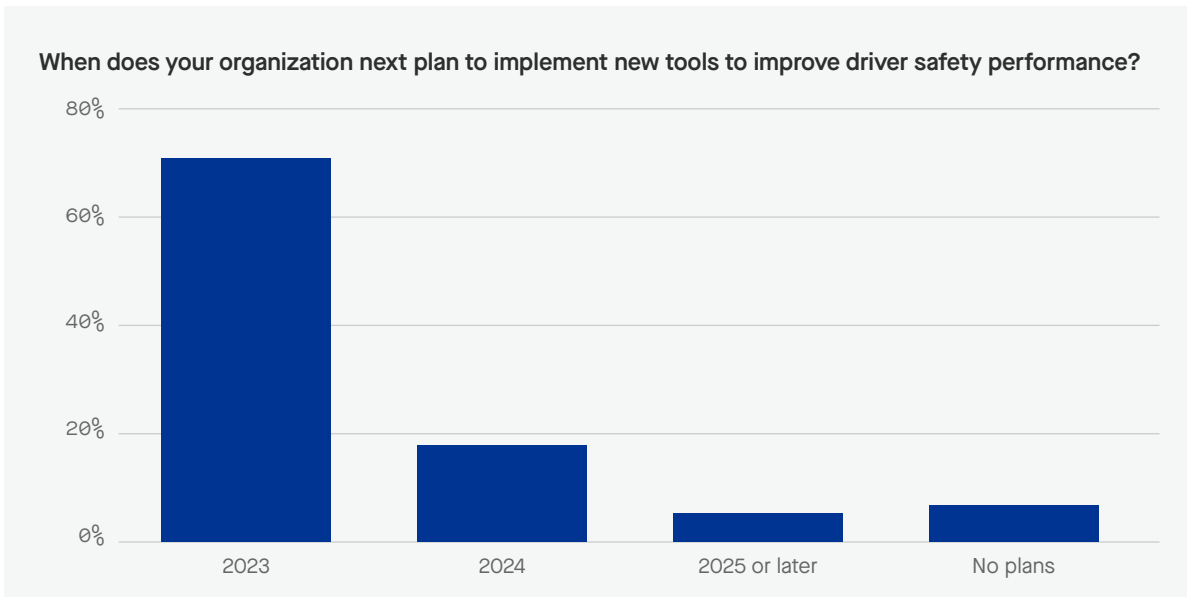
What are the biggest challenges that your organization's fleet has faced this past year?

1. Fuel costs
2. Increased insurance premiums
3. Driver shortage

Fleets clearly want to reduce expenses and improve safety, but there appears to be a false dilemma fallacy at play. Even as safety is noted as a top priority, 40% of organizations said they were underinvested in driver safety initiatives and technology in 2022, with 8% responding that they were drastically underinvested.



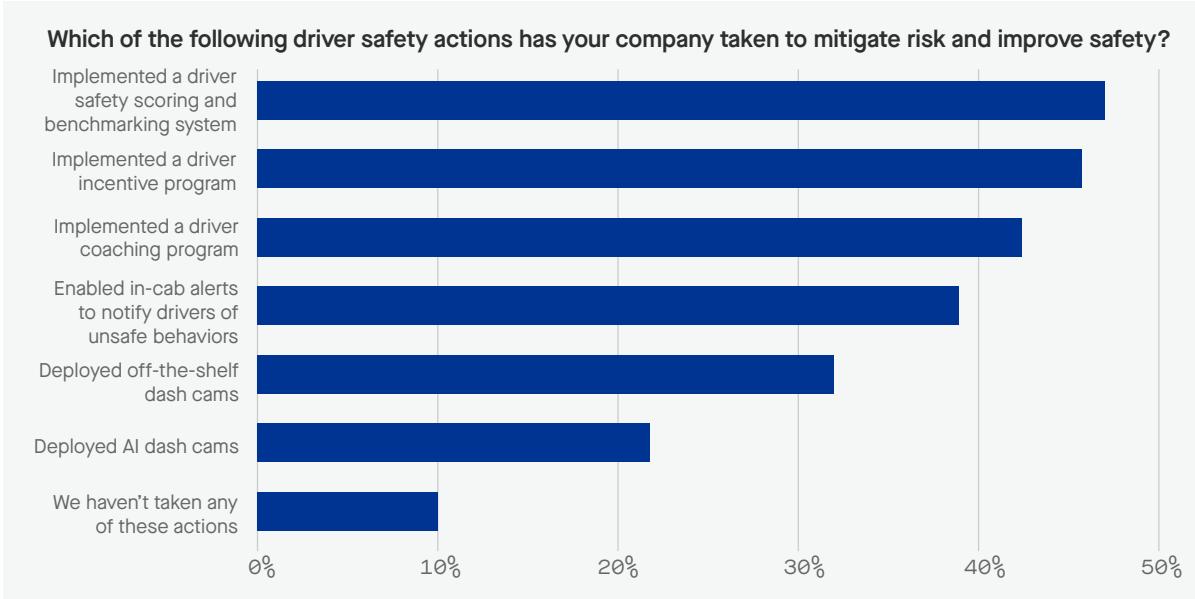
Encouragingly, many fleets have invested, or plan to invest, in new tools to improve driver safety. More than half (52%) of fleets surveyed implemented new tools to improve driver safety in 2022. Looking to the future, a vast majority (89%) plan to implement new tools, with 71% of respondents targeting this year (2023) and 18% waiting until 2024.



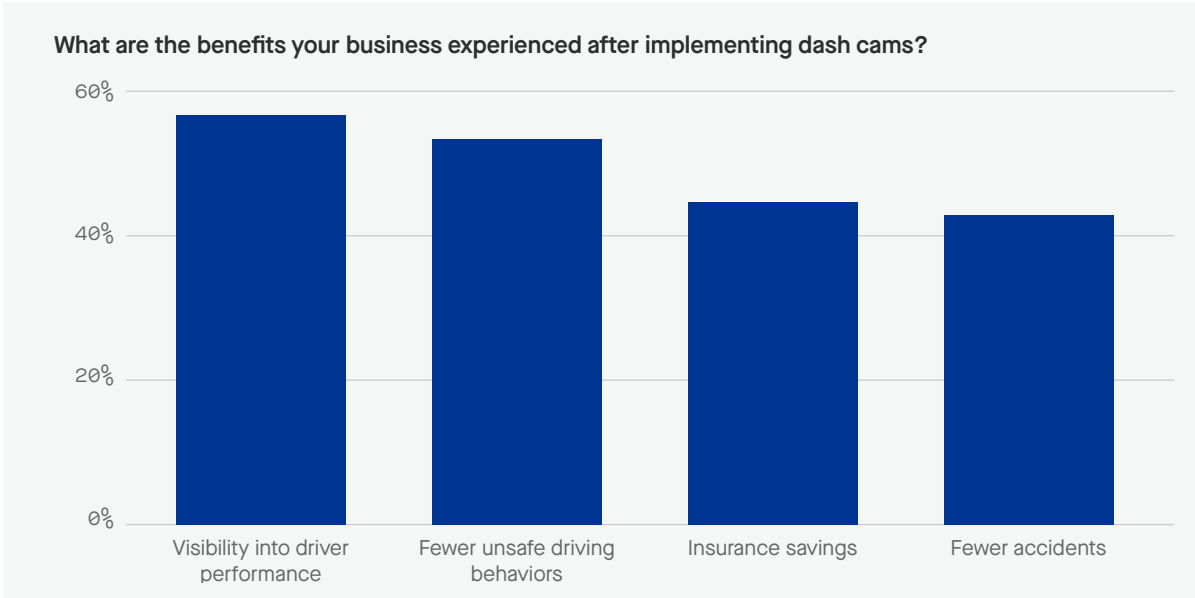
Diving deeper into the level of investment surveyed fleets are planning over the next 12 months, 44% plan to spend more on safety in 2023, while 49% plan to spend the same as in 2022.

**Looking down the road:
Seeing safety in a whole
new way**

Fleets that commit to improving safety are doing so in a variety of ways. Interestingly, when asked to rank the actions their fleet has taken to mitigate risk and improve safety, respondents tended to focus on improving the performance of the driver or operator, with “implemented a driver safety scoring and benchmark system” (46%), “implemented a driver incentive program” (45%), and “implemented a driver coaching program” (42%) being the most popular responses. However, less than half of the fleets have taken these actions.



For the fleets that use dash cams as a part of their safety program, the bottom-line results add up fast. When asked what benefits their businesses experienced after implementing dash cams, those surveyed listed visibility into driver performance (57%), fewer unsafe driving behaviors (54%), insurance savings (45%), and fewer accidents (43%) as the top four outcomes.



While driver exoneration was much lower on the list of benefits (28%), it's still important to touch on it. As [nuclear verdicts](#) increase, video is an even more critical asset for commercial fleets. Dash cam clips give businesses the power to clear their names and protect themselves from unwarranted multimillion-dollar payouts, especially when [81% of crashes](#) involving a commercial truck and car are actually the fault of car drivers.

Taking a closer look at unsafe driving, fleets that use a safety solution powered by artificial intelligence (AI) see an even greater reduction. Of the respondents that implemented an AI-powered safety solution, 57% have seen a decrease in risky driving behaviors like close following, unsafe lane change, and cell phone use.

The state of safety in numbers.

44%

of organizations with driver safety programs report seeing insurance savings.

57%

of fleets report a decrease in unsafe driving after implementing an AI-powered solution.

61%

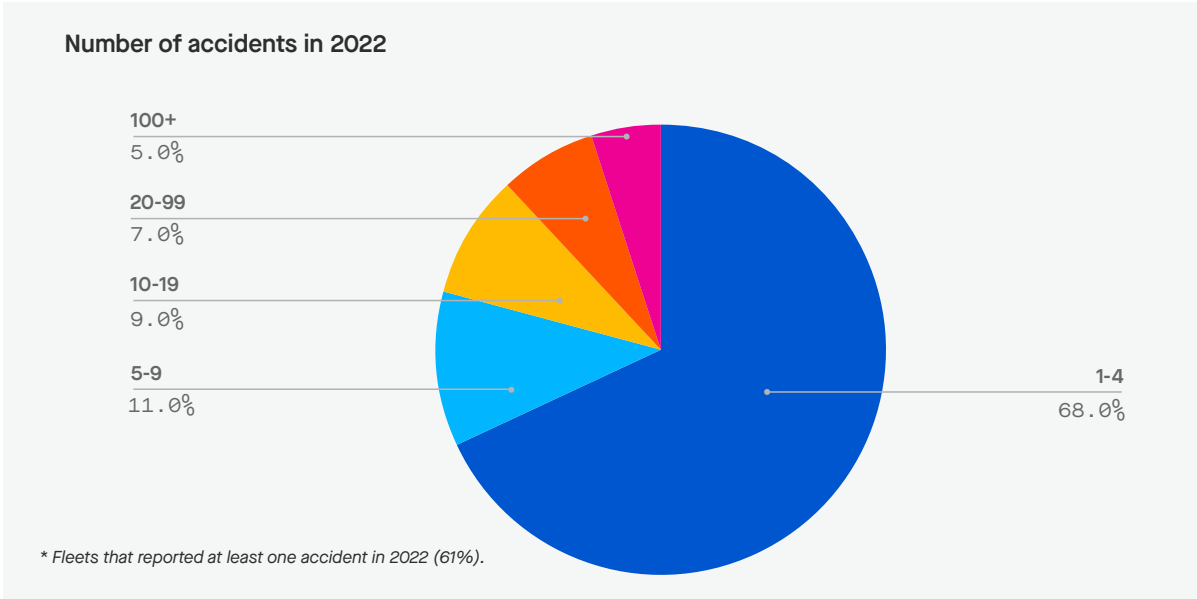
of fleets report having at least one accident in 2022.

\$910,000

average cost of 10 large commercial vehicle crashes, according to the FMCSA.

Incremental improvements, real results: The bottom-line impact of fleet safety

Accidents can have a catastrophic impact on a business—in lives and livelihoods—and our survey respondents know that firsthand. 61% of respondents, regardless of fleet size, reported having at least one accident in 2022. When looking at just those fleets that experienced accidents, 21% had 10 or more.



Based on a [study conducted by the FMCSA](#), the average cost of a large commercial vehicle crash is \$91,000, although the cost of a fatal truck accident is much higher. Using the FMCSA's estimate, 10 crashes would cost a fleet \$910,000, on average. That would mean the 21% of fleets surveyed that had 10 or more accidents in 2022 could have saved nearly \$1M if those accidents had been prevented.

AI-powered accident avoidance

When it comes to accident avoidance, it's clear that fleets that have invested in safety are leveraging AI to prevent crashes. When asked, "How many accidents in the past year, if any, would you estimate you avoided by using an AI-powered safety solution?":

- 19% of small fleets (<20 vehicles) reported avoiding at least one accident.
- 58% of mid-sized fleets (20-99 vehicles) reported avoiding 1-4 accidents.
- 21% of large fleets (100+ vehicles) said they avoided 10-19 accidents.

This highlights the disconnect between investing in safety and minimizing expenses. Forward-thinking fleets that have implemented an AI-powered safety solution to prevent crashes saved anywhere between \$91,000 and \$1.72M in 2022¹. And more than half (52%) of large fleets surveyed say they have saved over \$10,000 by implementing a safety program, while 20% of firms have saved over \$100,000.

Lower insurance costs

Furthermore, 44% of organizations with driver safety programs report seeing insurance savings as a result:

- Organizations with small fleets (<20 vehicles) saved a median of 5-8%.
- Mid-sized fleets (20-99 vehicles) reported saving a median of 9-12%.
- Large fleets (100+ vehicles) also reported saving a median of 9-12%.

Safety roadblocks: What is stopping fleets from going all in?

Improving safety can help fleets achieve their top two priorities: maximizing revenue and minimizing expenses. So what is preventing them from implementing a driver safety program? It comes down to a lack of resources and understanding.

When asked why they haven't implemented a driver safety coaching program, the top three responses were "we don't have the resources to actively coach drivers" (32%), "we don't feel we would benefit from a coaching program" (31%), and "we don't know how to develop a coaching program" (24%), respectively.

Why haven't you implemented a driver safety coaching program?

1. We don't have the resources to actively coach drivers.
2. We don't feel we would benefit from a coaching program.
3. We don't know how to develop a coaching program.

Similarly, when asked why they haven't deployed dash cams in their vehicles, those surveyed listed "don't have the budget" (34%), "don't have the resources" (29%), and "concerned about driver pushback" (24%) as the top three reasons.

¹ Calculated using the number of crashes survey respondents reported and the FMCSA data on the average cost of a large commercial vehicle crash.

Why haven't you deployed dash cams in your vehicles?

1. We don't have the budget.
2. We don't have the resources.
3. We're concerned about driver pushback.

And even if they have implemented a driver safety program, fleets seem to struggle with managing it. Those surveyed reported, “lack of budget to purchase tools” (42%), “lack of resources to staff effectively” (41%), and “driver pushback” (39%) as the biggest challenges they face when managing a driver safety program.

When it comes to managing a driver safety program, what are the biggest challenges?

1. Lack of budget to purchase tools.
2. Lack of resources to staff effectively.
3. Driver pushback.

Conclusion

Fleets of all sizes and industries believe safety is a priority. While some think investing in a safety program will unlock revenue opportunities and cut expenses, too many fleets still think of safety programs as costly “nice-to-haves.”

Businesses need to shift their mindset; they need to stop seeing safety as a cost center and start treating it as a profit center. Until that disconnect is reconciled, fleets will focus on safety when it's convenient or, even worse, after a potentially disastrous accident or incident.

For more information on how Motive can help you improve driver and fleet safety while increasing productivity and profitability, visit gomotive.com.

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 beverage, field service, agriculture, passenger transit, and delivery. Visit gomotive.com to learn more.

Survey methodology

Researchscape International, an independent market research firm, surveyed 1,110 U.S. fleet managers, business owners, and transportation managers in firms with a combined total of 904,000 vehicles. The online survey was fielded from January 13 to February 14, 2023.

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