Motive

The State of Fleet Management

Why it's time to increase safety, productivity, and profitability through technology

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Executive summary

We're in the midst of a Fourth Industrial Revolution—an era powered by digital transformations across industries. Companies around the world, large and small, are exploring new ways to be more efficient, engage with customers, and disrupt traditional methods of doing business. Things are changing, and they are changing fast.

With great change comes great opportunity. The companies that accelerate their digital transformation, optimize processes to stay ahead of ever-changing market conditions, and meet customer demands in the moment will have the competitive advantage. Technology is at the center of these transformations, enabling data-driven decisions across organizations.

For fleet managers, the demand for more energy, food, housing, and manufactured products paired with increasing expectations around the quality and convenience of delivery of these goods and services is putting immense pressure on them. Now, after years of relying on traditional, manual processes, fleet management is ready for its own digital transformation.

Industries such as construction, oil and gas, agriculture, delivery service, passenger transit, food and beverage, field services, trucking and logistics—virtually any company that relies on a fleet of vehicles—have a remarkable chance to increase safety, productivity, and profitability through technology.

Survey highlights:

- Fleet managers estimate their employees waste an average of **5 hours a day** on repetitive administrative tasks—totaling **three days** of the five-day work week.

- Nearly **two in five** fleet managers say inefficient spending is an inhibitor of getting stuff done throughout the day.

- Administrative work is distracting them from implementing safety measures—even though **39%** say that improving driver safety is one of their biggest challenges.

Driving into the state of fleet management

To get a better understanding of how they are dealing with an evolving industry, how automation can help them meet today's challenges, and how they plan to use technology to improve, we partnered with Wakefield Research and surveyed 1,000 fleet managers.

The findings? Fleet management is overwrought with inefficiency created by archaic, manual tasks, but automated fleet management solutions can overcome these outdated ways of working.

Mitigating these issues requires connecting every person, vehicle, piece of equipment, and facility to the cloud—giving fleet managers the real-time visibility and context they need to enable smarter, data-driven decisions.

Transparency born through technology can head off accidents before they happen, identify and provide recommendations for how to fix operational inefficiencies, increase vehicle lifecycles, uncover new revenue streams, and enable organizations to take advantage of market opportunities as they arise.

Introduction

Fleet management needs to keep up with an increasingly volatile world

In a time when agility is business critical to survival, fleet managers have a stunning lack of visibility into what's actually happening in the field and on the road. Not knowing about a traffic bottleneck, supply chain issues, driver performance, or customer requests greatly inhibits their ability to be proactive.

Instead, fleet managers are forced to react. React to traffic. React to gas shortages. React to complaints of dangerous driving. React to customer demands. Operating as they did in the pre-digital age, fleet managers are still working in the dark, relying on old information, hunches, and gut feel.

This means they can't meet increasingly higher customer expectations. They can't predict delivery times, provide automatic notifications, easily address last-minute delivery changes, anticipate vehicle maintenance, or make quick schedule changes due to employee absences.

Think about the Amazon experience, that's what customers are looking for now.

What's more, world and market issues like the global supply chain crisis, labor shortages, and rising inflation are putting even more pressure on fleets, yet these are precisely the problems optimization could help with.

Lack of foresight and insight into the impacts of these issues are perfect examples of why fleet managers need to eliminate manual tasks and make data-driven decisions in real time.
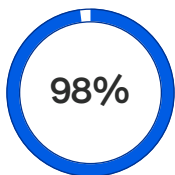
And, while our survey found that 98% of fleet managers want to automate repetitive business tasks so they can focus their efforts on higher priority initiatives, there's also a misperception that technology is hard to deploy and use, and that it's cost prohibitive.

But this isn't the case.

Software-as-a-service (SaaS) fleet management platforms can be rolled out quickly and seamlessly while eliminating IT overhead. Cloud-based platforms use powerful AI and machine learning to sort through the vast volume of data collected by vehicles, assets, people and business systems to create actionable insights that inform real-time decisions.

In turn, fleet managers can improve safety, productivity, and profitability. Let's take a look at how they responded in each of these three key areas.

98%

98% of fleet managers want to automate repetitive business tasks so they can focus their efforts on higher priority initiatives.

A changing, difficult world

The experts say...

"Time alone will not solve the Great Supply Chain Disruption. It will require investment, technology and a refashioning of the incentives at play across global business."

New York Times, February 2022

"The Consumer Price Index rose by 8.5% through March, the fastest pace of annual inflation in 40 years."

Bureau of Labor Statistics, April 2022

"The trucking industry is short 80,000 drivers."

Chris Spear, President and CEO of American Trucking Associations in The Trucker magazine

Fleet managers say...

Nearly half (47%) of fleet managers foresee ongoing supply chain shortages in 2022.

Nearly all fleet managers (98%) are dealing with increased business costs. In fact, more than half (51%) project cost increases of more than 10%.

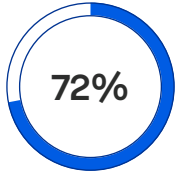More than a third (37%) of fleet managers see labor shortages as a top challenge.

Part 1
Safety

Part 1: Safety

Greater safety saves money, but more importantly, it prevents accidents and saves lives. A traditional reactive safety strategy, however, that relies on manual administration is both dangerous and expensive.

Our survey shows that tedious, manual administration is distracting fleet managers and their employees from safety—39% say that improving driver safety is one of the biggest challenges faced by their company.

What's more, 72% say they spend more than 10% off their budgets on promoting or managing safety. Top costs include insurance (51%), vehicle accidents (44%), business-related downtime (31%), and reputation harm (30%).

72%

72% of fleet managers say they spend more than 10% off their budgets on promoting or managing safety.

**A proactive safety strategy is crucial to saving lives and saving money**

With so much at stake, fleet managers are more open to using technology to identify and modify high-risk driving behaviors early. Those that are able to do so, save lives and money.

Currently, the top investment in safety measures is safety education training programs and coaching (65%), but fleet managers are also open to implementing driver recognition programs (64%) and fleet management software (60%) as a means to improve safety in a cost-efficient manner.

Our **Safety ROI Study** shows that deploying AI-powered dash cams and frequently coaching drivers on unsafe behaviors resulted in 22% fewer accidents and 56% fewer unsafe driving incidents.

These proactive, preventative approaches to safety can make all the difference in keeping both liability and costs low—and profit margins higher. More importantly, drivers can get home safe and make our roads safer for everyone.

Top safety costs as a percent of safety budget

Insurance	Vehicle accidents	Business-related downtime	Reputation harm
51%	44%	31%	30%
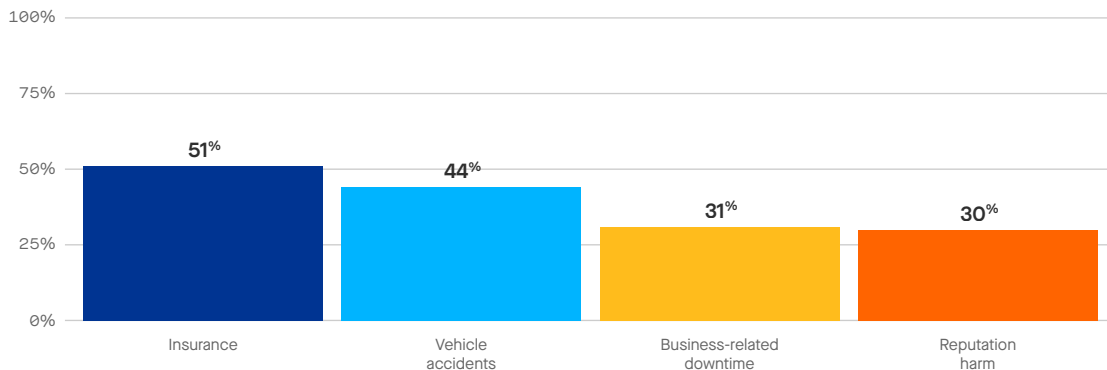
"These AI Dashcams are worth a million dollars. There's simply no price you can put on how valuable these cameras are to our business."
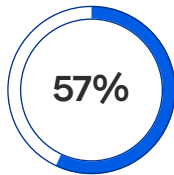
Tom Abrams
CEO, Reliable Carriers

Read more about [Reliable Carriers](#) fleet management.

Part 2

Productivity

Part 2: Productivity

Built on safety, fleet management also requires careful planning and execution across people, assets, and business systems. Doing this manually is a crippling waste of time. Fleet managers and their teams need technology solutions that reduce paperwork and allow them to focus on things that matter most. Our research shows they are ready to make a change.

57%

57% of managers with more than 100 vehicles say that their employees spend half their day or more on repetitive administrative tasks.

Time is money in any industry, but this is especially true in logistics

Vehicles need to be fueled, maintained, cleaned, and then rolled out on time. Goods must be inventoried, tagged, and properly loaded. Drivers need to know when to show up, which vehicle they are assigned to, and the optimal route for deliveries.

Efficiency is paramount throughout this life cycle, especially as fleets scale to hundreds or thousands of vehicles across multiple locations.

Unfortunately, labor-intensive, repetitive tasks waste a shocking amount of time. Fleet managers estimate that their teams lose an average of five hours a day working on manual, administrative tasks—more than three days in a five-day work week.

The waste is even more pronounced for large fleets—57% of managers with more than 100 vehicles say that their employees spend half their day or more on repetitive administrative tasks.

6 in 10 fleet managers say say they are still using spreadsheets to manage their fleets.

The impact of not having the right tools for the job is astounding

This lack of efficiency is understandable given that 60% of respondents say they are still using spreadsheets, and 52% still use paper documents to manage their fleets.

Overall, more than one-third of fleet managers admit that manual processes make it difficult to keep track of financial information such as receipts and transactions. In addition, 28% are concerned about potential errors and audit risks this presents.

Delivering a powerful employee experience is critical

What's more, many of today's employees are digital natives and typically technically savvy in their personal lives. They expect the same level of sophistication at work. As a result, fleet managers report that, in the absence of the right technology, drivers will download their own apps to help make their jobs better.

Delivering the right employee experience is just one more reason why nearly 100% of fleet managers surveyed want to use technology to automate repetitive tasks such as vehicle maintenance scheduling, fuel management, driver safety, invoicing, and asset tracking.

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"My favorite part about Motive is that it eliminates the void between the front line and corporate. We could never proactively see what was happening on the road—and now, we can."

Rob Carpenter
Director of Safety and Compliance, Groome Transportation

Read more about Groome Transportation's [fleet management](#).
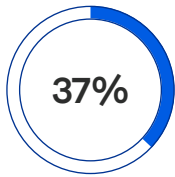
Part 3

Profitability

Part 3: Profitability

Of course inefficiencies eat into profit. Whereas, automation can streamline business processes (such as optimal routing) and cut out wasteful spending or eliminate big capital outlays (such as replacing a vehicle) to help improve margins. The research shows that fleet managers are struggling in all of these areas.

37%

37% of fleet managers say that inefficient spending is a big challenge for managing their finances.

Inefficient spending is exacerbating growing operational costs

More than half of fleet managers report experiencing a 10% increase in operating costs over the past year, while a small fraction saw prices rise as much as 30%.

In addition, 37% say that inefficient spending is a big challenge for managing their finances, with 32% citing a lack of visibility and clarity into employee expenses as one of their biggest issues.

Plus, unlike digital goods and services that can be scaled nearly infinitely with relatively low marginal cost and complexity, physical goods and services and the companies that provide them are subject to more constraints.

Dependency on physical assets and manual work can inhibit growth, but minimizing safety and security risks while maximizing employee productivity will help effectively manage costs to drive profitability.

For example, according to our **ROI Safety Study**, better safety measures such as dashcams and proactive training provide 4-10x return on investment (ROI) in their first year of deployment. We get this number by multiplying the average cost of a crash ($91,000) by the reduction in crash risk as a result of dashcams (0.8)—resulting in $72,800 per 100,000 hours driven. Higher safety records as a result of automation can also result in lower insurance rates—expounding cost savings.

$91,000	X	0.8	=	$72,800
Average cost of a crash		Reduction in crash risk as a result of dashcams		Savings per 100,000 hours driven

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"Our insurance provider cut our renewal rate from 45% to 17% because of Motive's Smart Dashcam and DRIVE safety score."

Stacy Hill
Communication and Safety Manager, Tri-Pol Enterprises
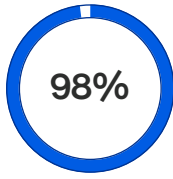

Read more about [Tri-Pol Enterprises](#)' fleet management.
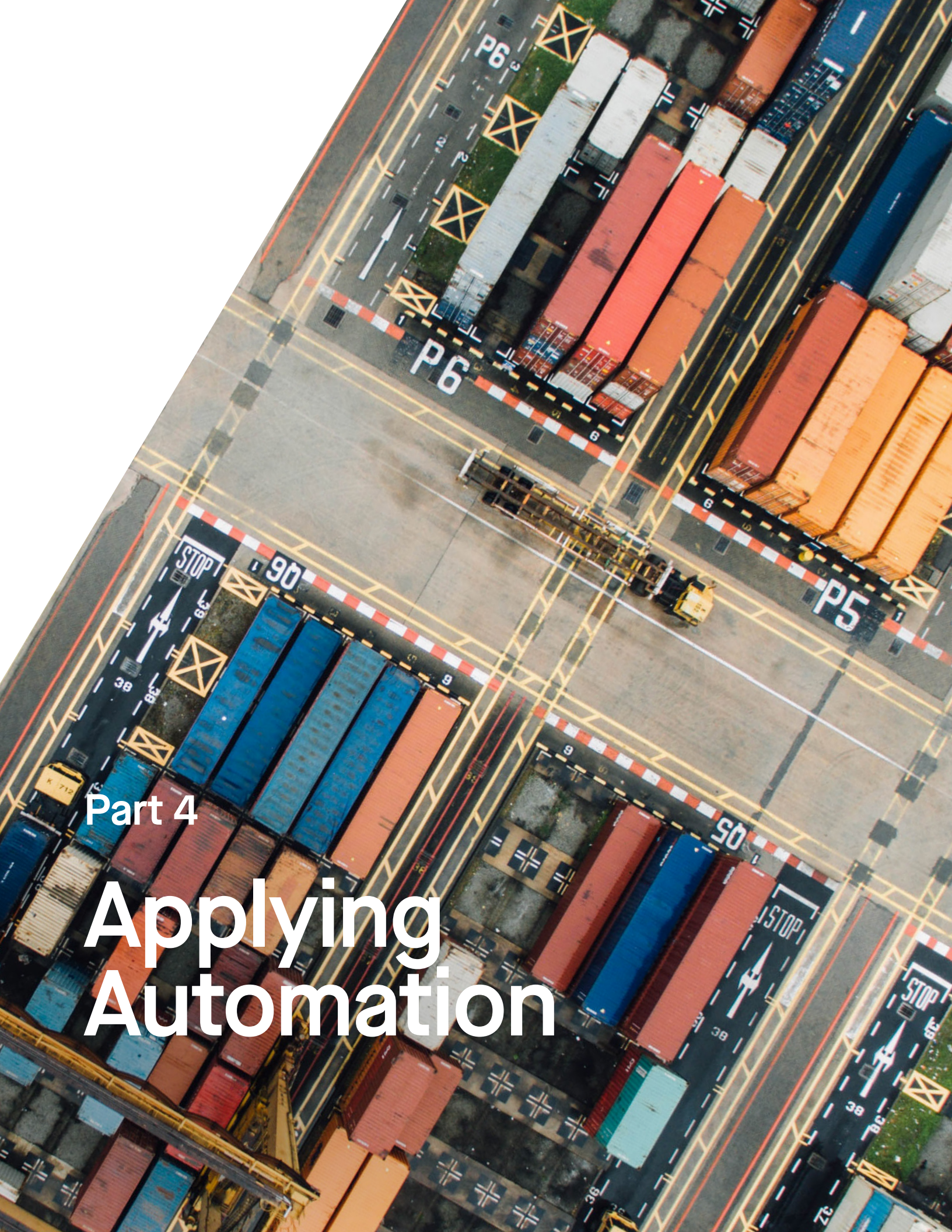
Part 4

Applying Automation

Part 4: Applying automation

98%

98% of fleet managers are open to using automation to reduce repetitive tasks.

Overall, here's how the fleet managers we surveyed intend to apply automation.

- **In the driver's seat:** It's nearly unanimous; 98% percent of fleet managers are open to using automation to reduce repetitive tasks, and 44% say automation will be one of the top investment priorities for the next two years.
- **Where the rubber meets the road:** Automation is more than just paperwork. Fleet managers are most interested in automating vehicle maintenance (58%) and fuel management (53%).
- **What matters most:** Looking beyond just automation, fleet managers see huge benefits from an increased investment in technology — especially when it comes to safety. Fleet managers cite safety (62%) over profitability (57%) as major drivers of technology adoption.
- **Happy customers, happy managers:** 52% of fleet managers would like to see increased customer satisfaction due to increased investment in technology. A key component of improving the customer experience? 48% would like to automate invoicing.

Through an ML-informed, AI-powered solution, fleet managers can do better in all three key areas discussed in this report—productivity, profitability, and safety. Technology can both eliminate manual processes and create actionable insights that enable optimal decisions, often in real time. Digital transformation is just a few easy steps away.

It's time to take the next step.

Motive is here to help you optimize and automate your operations. For more information, visit **GoMotive.com** or reach out to **feedback@gomotive.com**.

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Methodology

Motive's survey was conducted by Wakefield Research among US 1,000 fleet managers, between January 19-31 2022, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

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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.