

HOW TO MANAGE YOUR SMB FLEET MORE EFFECTIVELY

ON THE ROAD TO SUCCESS WITH GPS FLEET MANAGEMENT



ECONOMIC BACKGROUND

Australian business confidence may be on the rise but life is still tough for the small and mediumsized businesses (SMBs) in the engine room of our economy. Data from the Australian Securities and Investments Commission shows the number of companies declared bankrupt in May 2015 was the highest since October 2013.

Business owners in the logistics and service industries are among those feeling the pinch. Smaller logistics firms are being squeezed between the conflicting forces of legislative pressures and the need to compete with larger rivals.

Australia takes a very firm stance on occupational health and road safety issues but smaller operators and sub-contractors need to work long hours to remain in business. Drivers need to travel further in a shorter amount of time, and manage quick turnarounds between shifts, if they are to show a profit for their efforts.

Elsewhere, service industries are feeling the pressure in many regional and rural areas as the mining boom continues to slow down. Mining towns in Queensland and Western Australia have seen population numbers drop significantly, which has had a negative impact on electricians, plumbers and many other service industries.

Then there are the cash flow and human resource issues that constantly plague SMBs regardless of the broader economic picture. So despite the general uptick in business confidence, operational efficiency is still very much the order of the day at this end of the market.



AUSTRALIA BANKRUPTCIES

GPS FLEET MANAGEMENT

Operating a fleet of vehicles is typically the largest expense in a business apart from your people and the buildings they work in. It's also the most addressable cost. This is where GPS fleet management can give your business a valuable competitive edge. Yet so many SMBs fail to take control of variable costs they have the power to reduce.

Ineffective fleet management impacts everything from business costs and staff productivity to legislative compliance and customer satisfaction. Using GPS fleet management you can track and manage fuel consumption, schedule maintenance more efficiently and produce performance reports for every vehicle or driver in your fleet. In a tough operating environment with little room for error, this information could be the difference between the success and failure of your business.



KEY BENEFITS



CUSTOMER SERVICE

Running a successful SMB depends heavily on providing a better service than the next guy. Your business prides itself on putting the customer first so, if you rely on a fleet to deliver that service, it must be managed efficiently. The level of transparency you can provide through GPS fleet management will give you the edge over your market rivals. For example, a customer in need of emergency repairs can be advised that the technician will be with them within 20 minutes.

Key features include:

- Automated service and delivery schedules
- Accurate time and location data for service teams
- Detailed logbooks to record billing information
- Location data for every vehicle in your fleet



PRODUCTIVITY

Using GPS fleet management means you no longer need to rely on inaccurate paper trails to track how long a job took to complete, where your drivers are at any given time or why one of your vehicles was late for a scheduled appointment. You can also reallocate jobs throughout the day. So if an appointment is scheduled for two hours but finishes half an hour early, the driver can be dispatched to another job. Having greater visibility across your entire fleet means you can move drivers to the closest jobs, improving customer service and reducing fuel costs.



BILLING

Now you can record all of your fleet's work in a central database without the need to manage multiple logbooks and job sheets. Fleet data can be integrated into the systems you use to run your business, providing a trustworthy source of verification should a billing dispute arise. When a service operator head out for a maintenance job you'll know when they arrived, how long they were on site and exactly when they left. This improves the accuracy of customer billing.



PREVENTATIVE MAINTENANCE

Manual management of maintenance across your fleet is difficult. With GPS fleet management you can program reminders to avoid the danger of more serious and expensive repairs caused by missed service schedules. You can set alerts to have a vehicle's tyres rotated every 10,000 kilometres to minimise wear and tear. Saving a full set of tyres each year across a fleet of 30 vehicles can generate savings of up to \$50,000.



ROUTE OPTIMISATION

Providing real-time insights into traffic and weather conditions means you can steer drivers away from inner city congestion at peak periods and flooded roads on rural journeys. This minimises delays, reducing idle times and maximising the amount of time spent on a job instead of travelling between them.



UNAUTHORISED USE

Excessive personal use of fleet vehicles can quickly become a sizeable expense for your business. There's also the temptation for drivers to fill up other vehicles and claim receipts as a business expense. Using GPS fleet management you can marry up the kilometres done by each vehicle with the amount and type of fuel used. This will also highlight situations where vehicles have been driven excessively for private use and might lead to restrictions being placed on drivers.



FRINGE BENEFITS TAX

Fringe Benefits Tax (FBT) can have serious cost implications for SMBs, especially when vehicles travel long distances with minimal private use. Automated logbooks remove the time pressures and inaccuracies associated with manually logging each journey. Now you can calculate FBT according to operating cost instead of the statutory fraction rate of 20 per cent. In many cases this has reduced FBT liability by up to 40 per cent, which translates to thousands of dollars.





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