IT'S ALL ABOUT SAFETY.

FLEET SAFETY CONFERENCE

July 25-26, 2017
Renaissance Schaumburg
Convention Center Hotel
Schaumburg, IL

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IT'S ALL ABOUT SAFETY.

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Risk Management Playbook:
Creating a Strategic Safety Plan for Your Company

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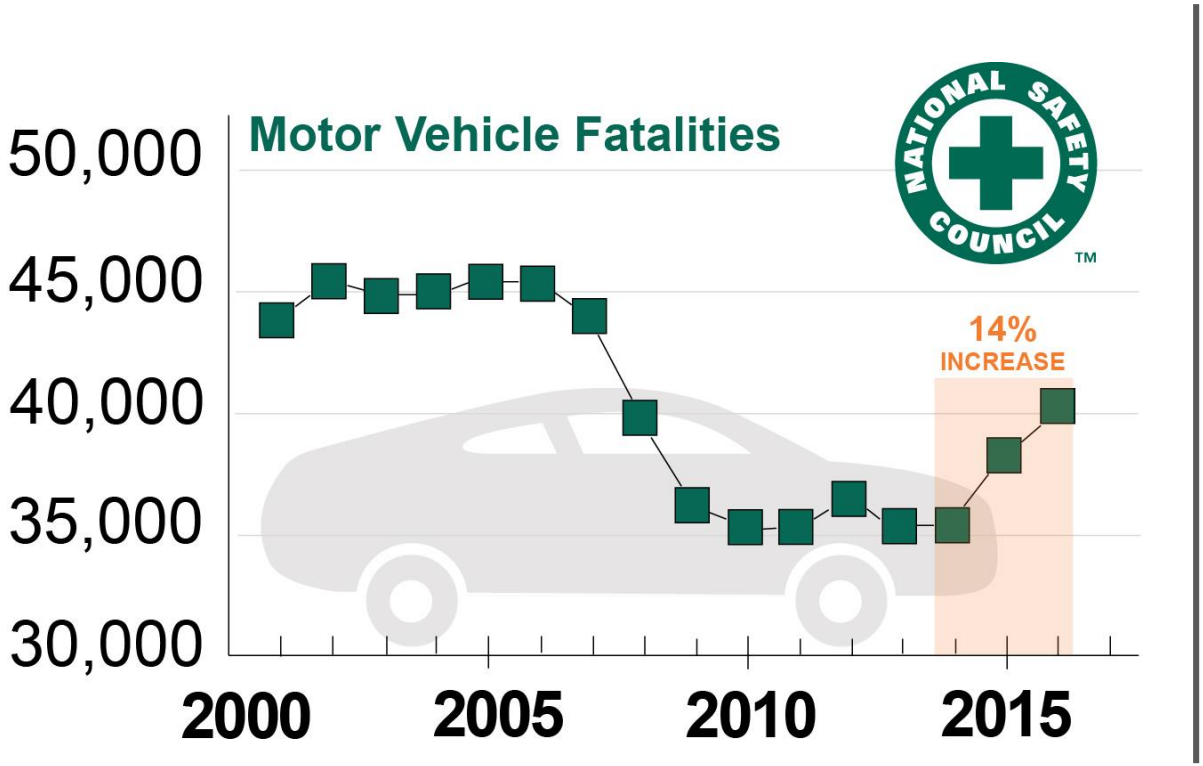
Motor vehicle fatalities are rising



Why?

- More drivers
- More distractions
- More risky behaviors

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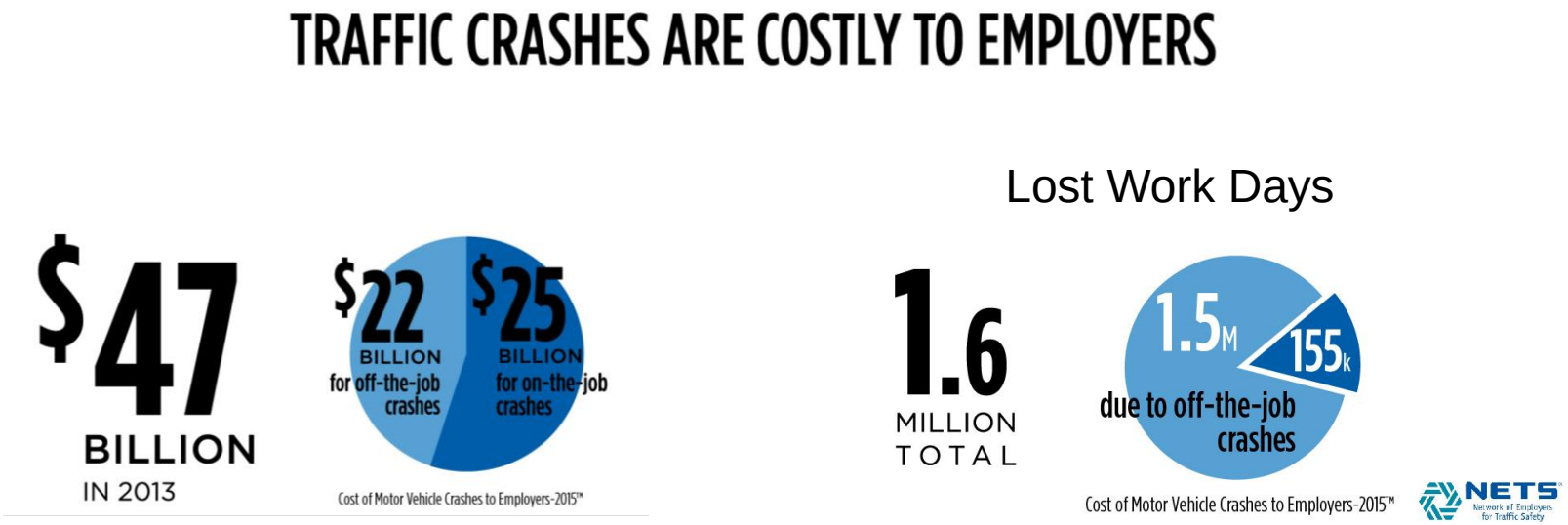
Crashes are the #1 cause of workplace death and injury… and they are costly



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How many of you have a safety program?

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Safety program to safety culture

Safety Program

- MVRs
- Safety Training
- Policy Development
- Accident Management

Safety Culture

Vehicle choice
- Accident Prevention Tech.
- Upfitting

Vehicle care
- Preventive Maintenance
- Recall Management

Driver compliance
- Performance Profile
- Telematics
- Unreported Accidents
- Violation reporting
- Corrective action

Accident Management
- Roadside Assistance
- High Quality Repairs

- MVRs
- Safety Training
- Policy Development
- Accident Management

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How do you build a safety culture?

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4 key steps to building a strategic safety plan

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STEP 1

ANALYSIS

Analysis

Understand current situation

Identify trends

Search for causes

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STEP 1

ANALYSIS

Leading and lagging indicators

Lagging (historical)

Leading (predictive)

STEP 1

ANALYSIS

Key indicators

	SAFETY CATEGORY	INDICATORS
Lagging Indicators	Accident Analysis	Collision Rate
		Crash Rate
		Total Injuries
		Injuries Per Million Miles
		Excessive Damage At Time Of Sale
Leading Indicators	Driver Behavior	MVR Report
		Violations
		Telematics data – speeding, harsh braking, etc.
		Training Requirements Compliance
	Vehicle Safety	Maintenance Compliance
		Safety Features
		Technology Distractions

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Determine focus areas

Policy

- Clearly defines fleet priorities
- Clearly defines driver responsibilities
- Protects company from liability

Driver

- Telematics
- Safety Week
- Coaching
- Risk assessment
- Driver competition
- Communications
- Remarketing

Vehicle

- Right vehicle
- Driver Assist
- Safety Ratings
- Technology
- Driver distractions
- Compliance

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STEP 3

SOLUTIONS

Determine optimal solutions

Policy

- Customization and alignment
- Regular MVRs
- Right training
- Communication and enforcement

Driver

- Vehicle selection
- Safety kits
- Safety training

Vehicle

- Choice
- Safety features
- Interior distractions

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STEP 4

COMMITMENT

Gain alignment and commitment

Executives

Risk Department

Safety Council

Local Management

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CASE STUDIES

Client “A”

- Financial Services Co.
- All sedans
- Significant increase in crash rate over the past 12 months

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STEP 1

ANALYSIS

Collision rate increase

		PRIOR PERIOD	CURRENT PERIOD	DIFFERENCE
Cost of Collision	Collision Cost	$550,834	$562,108	$11,275
Collision Occurrences	Number of Claims *	273	310	**37**
	Units on Collision	1125	1067	(58)
	Annual Collision Rate	32.4%	38.7%	6.4%
	Collision per Million Miles	14.93	18.69	3.76
	Number of Crashes ^	168	180	12
	Annual Crash Rate ^	19.9%	22.5%	**2.6%**
	Crashes per Million Miles ^	9.19	10.85	**1.67**

** Claims are all loss reports created*
^ Crashes are claims that occurred while the vehicle was in motion

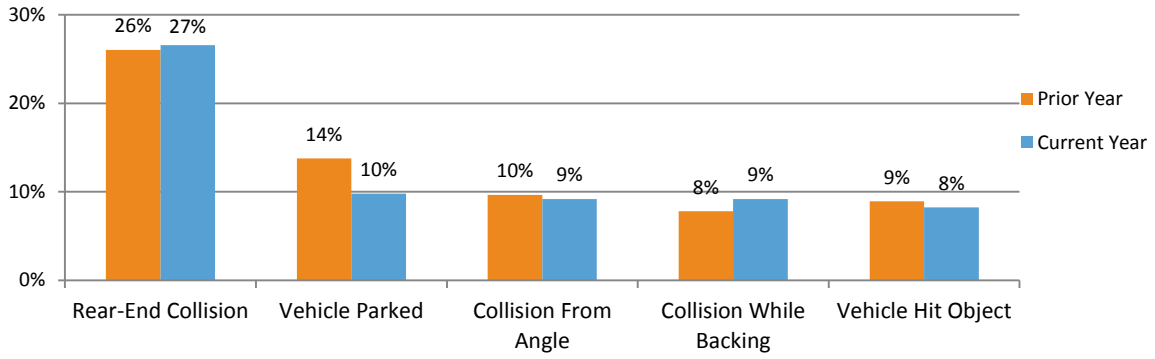
A comprehensive safety program is key in driving collision costs by lowering total number of overall claims

STEP 2

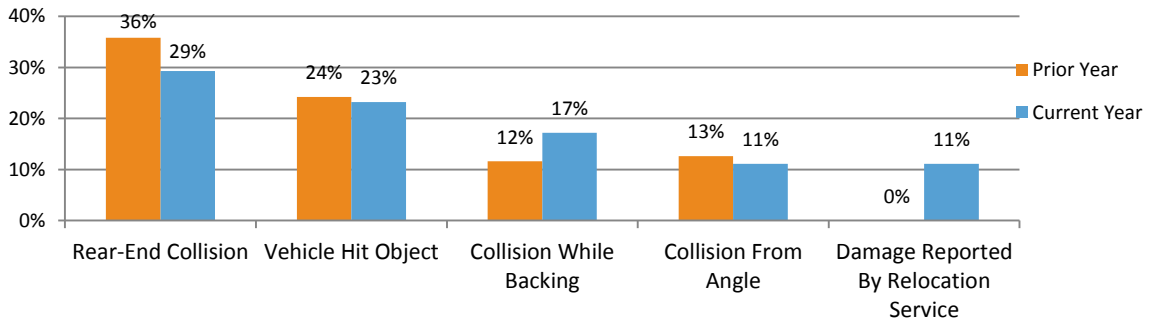
FOCUS

Distracted driving

TOP COLLISION CAUSES



TOP CAUSES – PREVENTABLE ONLY



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STEP 3

SOLUTIONS

Strengthen policy

“No Cell Phone” policy

Policy acknowledgement

CEO communication

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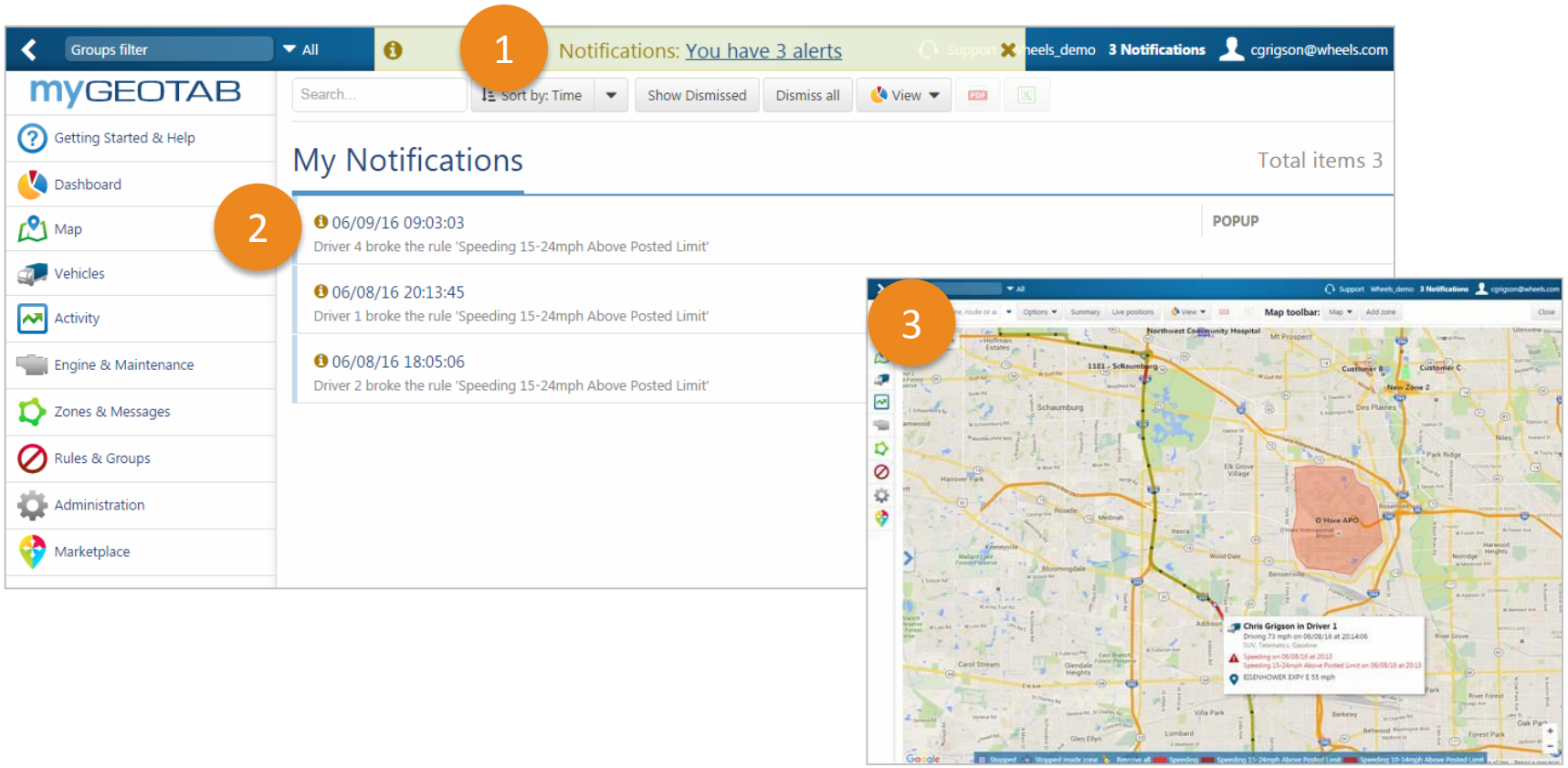
STEP 3

SOLUTIONS

Implement telematics



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STEP 3

SOLUTIONS

Minimize distractions, add safety features

Interior Distractions

- Systems and apps
  - Infotainment
  - High end audio
  - Navigation
  - Apple Carplay™ and Android Audio
- Redundant climate controls
- Voice recognition controls
- Good rear visibility

Safety Features

- Rear cross-traffic alert
- Rear backup camera
- Rear parking sensors
- Autonomous rear braking

STEP 4

COMMITMENT

Get executive buy-in

RECOMMENDATION	BENEFIT	POTENTIAL
• Identify high risk drivers • Reduce accident costs • Improve productivity	• Reducing accident rate by 10%; • Eliminates 155 hours of downtime for increased productivity	$510,601 savings

Assumptions:

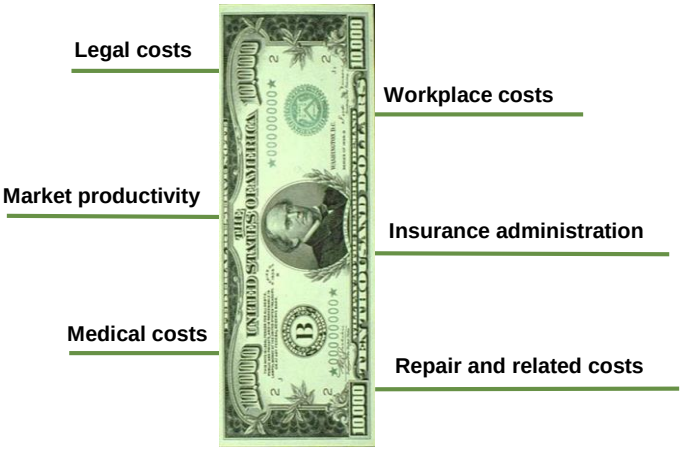
- Benchmark accident rate is ~10%
- Downtime costs $200/hour

Potential Client Results

- 310 accidents
- 10% reduction savings
  - 31 * $16,471 = $510,601 Total
  - 31 * 5 = 155 hours of downtime

Driver Productivity

Average accident results in 5 hours of downtime



One accident can cost

$24,000*

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Client “B”

- Service fleet
- Mix of vans, light duty trucks
- Slight reduction in accidents, but costs rising

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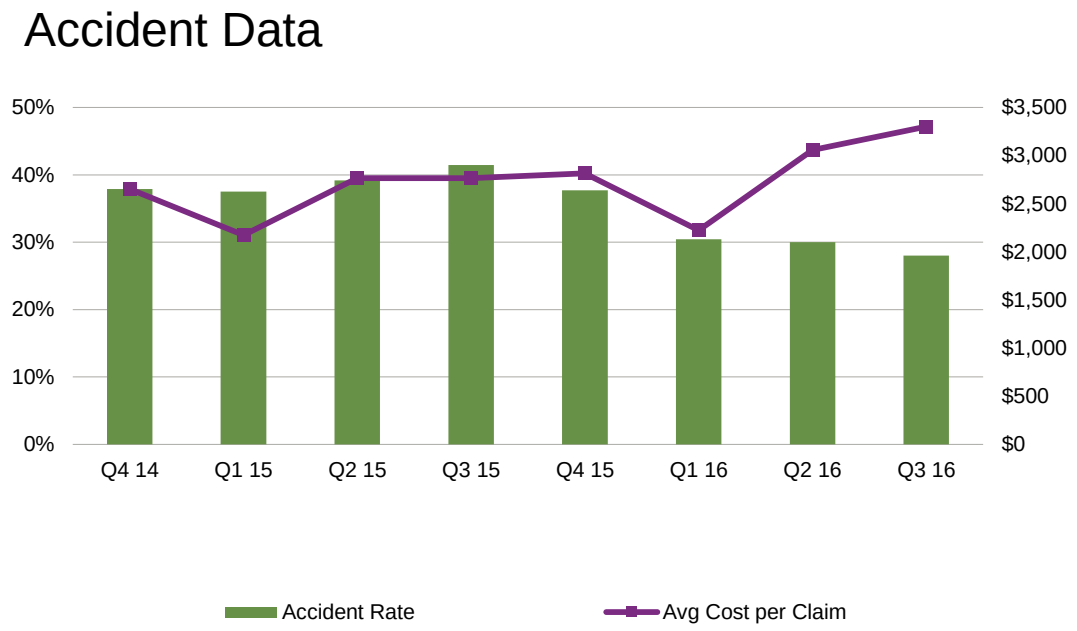
STEP 1

ANALYSIS

Accident costs rising



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STEP 2

FOCUS

Vehicle safety solutions

Vehicle design and selection

- Determine right vehicle for job
  - Safety
  - Eco and alternative fuels
  - Load requirements
  - Value add features
  - Driver experience
  - Regulatory compliance
  - Resale
- Facilitate design and selection

Truck Operations

- Understand needs & requirements
- Perform analyses & site visits
- Design, spec, quote & order:
  - Truck chassis
  - Bodies
  - Aftermarket equipment
- Select & manage vendors
- Support order process

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STEP 3

SOLUTIONS

Update policy

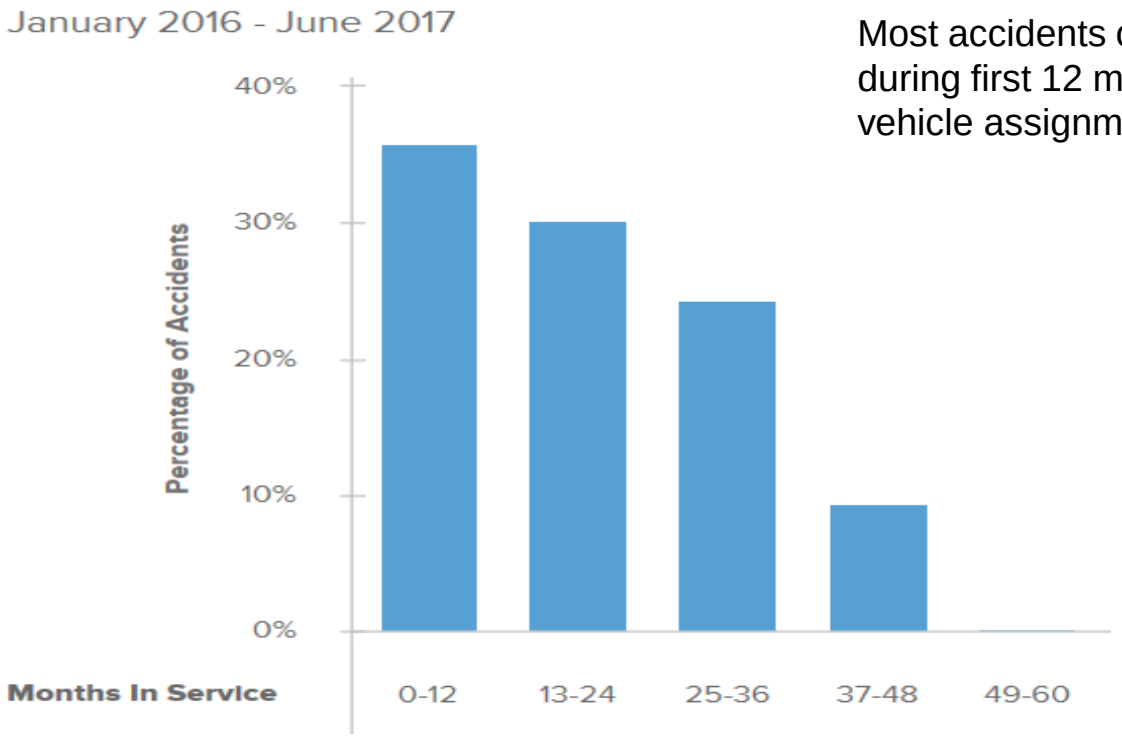
No upfitting post-delivery

Annual vehicle review

STEP 3

SOLUTIONS

Assign behind-the-wheel training



Most accidents occur during first 12 months of vehicle assignment

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STEP 3

SOLUTIONS

Test upfitting and train drivers

Vehicle Safety and Training

- Know how vehicle works: consider a demo
- Ensure features explained at delivery
- Provide summary of safety features
- Can safety features be deactivated?
- Demo Driver Assistance features and how to react when they engage
- YouTube videos

Vehicle & Upfitting

- Pilot test new configurations before offering to fleet
- Test with full load and weight
- Provide driver training
  - Proper loading of shelving and tools
  - Proper use of clamp ladders, shelves, etc.
  - Upfit maintenance requirements

STEP 4

COMMITMENT

Get field buy-in

Summary

- Accidents are rising… so are costs
- A safety program is a good start, but you need a safety culture
- A strong plan and execution make the difference
- 4 key steps to building a safety culture

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Thank you.

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