

Fleet Management News Resource

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Precious Cargo

- ARI's First-Ever
Passenger Fleet Forum
- A New Focus on
Distracted Driving
- ASE Certification Can
Expedite Repairs
- Best Practices for
Accident Prevention



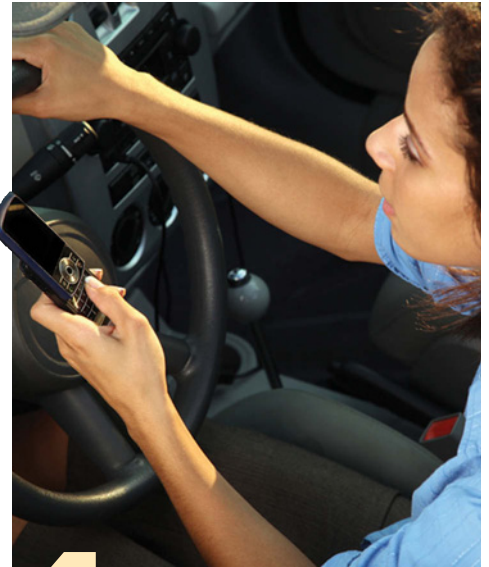
Driven fleet professionals. Driving results.™





2 ARI Passenger Fleet Forum Focuses on Unique Challenges

Fleet managers, executives and experts from numerous industries convened to tackle key issues affecting the passenger fleet segment.



4 Distracted Driving: Ending the Epidemic

Learn how fleet policy, procurement and technology can help keep drivers safe.



8 ASE Certified Technicians: Reducing the Cost of Ownership

Today's vehicles require expert care, and ARI relies on ASE certification to separate the best from the rest.



10 First to Prevent Accidents, Then to Resolve Them

ARI's risk-management strategy starts with MVR checks and ends with a finely tuned accident-management program.

In another sign of its commitment to providing fleet leaders with valuable opportunities to discuss trends, challenges and approaches, ARI hosted its first annual Passenger Fleet Forum November 9-10 at its headquarters in Mount Laurel, NJ. The seminar was the fourth category-specific conference hosted by ARI this year and gathered passenger fleet managers from a variety of industries, including manufacturing, finance, insurance, healthcare and pharmaceutical.

In line with its previous forums designed for utility, energy and railroad fleets, the Passenger Fleet Forum allowed leaders in this fleet category to discuss their unique needs and obstacles with ARI Subject Matter Experts as well as peers. The two-day event gave them an opportunity to further educate themselves on such critical industry topics as cost reduction, life-cycle analysis, driver safety training, vehicle remarketing and technology. It also provided each attendee with valuable information gleaned from ARI's 2011 Passenger Fleet Benchmark Survey, which collected responses from 38 passenger fleet

managers who represent a cross-section of industries, fleet sizes and geographical coverages. ARI also presented expense and activity data collected on over 145,000 passenger vehicles as captured in ARI *insights*.®

Attendees to the conference identified cost savings as their biggest concern entering 2012. But when asked if they had a percentage goal in mind for decreasing costs, 46 percent did not.

"Without a clear goal in mind, it can be difficult to attack the problem of reducing costs," said Jim Creighton, Vice President of Global Operations and the conference host. "When embarking on a cost reduction initiative, the most successful approach we've seen is when fleet managers work with upper management to establish realistic goals for cost savings and devise an action plan to accomplish it."

Another area where attendees noted that they'd like to see improvement within their companies is in driving behavior and training. Statistics from the Fleet Passenger Benchmarking Survey support this notion. An alarming 38 percent of respondents do not require any

form of confirmation from drivers that they have read and understand the fleet policy. An even larger number, 73 percent, do not test their drivers for comprehension of the policy. Ensuring that drivers read and comprehend the fleet policy is a must. Otherwise, the policy is likely to be ineffective.

"Passenger fleets face a number of challenges in writing fleet policies," said Ed Iannuzzi, Manager of Client Support Services. "Many passenger fleets allow employees to use vehicles for personal use during off hours, increasing the complexity of the issues these fleets face. But that's why it's even more important that drivers have a thorough understanding of the policies in place."

Other topics covered at the forum included remarketing, vehicle life-cycles, technology and benchmarking. At the conclusion of the conference, ARI held a "Grab Bag" session to cover additional areas of interest specifically requested by attendees either before or during the forum.

"Once again we received an overwhelming response from attendees," said Suzanne Wilson

ARI Passenger Focuses on



The conference host:
ARI Vice President of
Global Operations,
Jim Creighton

Market Research manager at ARI. "We were very pleased that, when surveyed, 100% of attendees expressed significant interest in attending the next forum."

"Excellent forum and worth the time. I was able to share experiences and, most importantly, learn from ARI and the other fleet managers ways to improve our program."

— **Matt Giagiulio**, Amerisource Bergen

"Thank you for inviting me to the forum. I left ARI yesterday with the feeling that my time was well spent. Subject matter, content, presenters and attendees — I could tell a lot was put into the preparation and planning, and it paid off from my perspective. — **Lisa Adams**, W.L. Gore

"This four-part series was meant to arm our clients with industry specific advice to prepare them for 2012. And it did just that," continued Wilson. "As a leader in the fleet industry, we feel compelled to provide these unique learning opportunities for fleet professionals, regardless of their industry or sector. And we plan to continue that commitment in 2012. We have a lot of exciting events planned, so stay tuned." ■

Fleet Forum

Unique Challenges

It only takes a split second for an accident to happen. Every time drivers take their eyes off the road, even for just a few seconds, they put themselves and others in danger — and the consequences are often devastating. Unfortunately, with the increase in the use of cellphones, distracted driving is on the rise.

The U.S. Department of Transportation has taken on the challenge of putting an end to distracted driving on America's roadways. In the words of Secretary of Transportation Ray LaHood, distracted driving is "an epidemic, because everyone has a cellphone, and everyone thinks they can use it while driving. They can't." While several federal and state initiatives to thwart distracted driving are in motion, responsibility for ending the epidemic also falls to the individual and even the workplace — including the fleet managers.

Why the Focus on Distracted Driving?

On the road, we've all seen distracted drivers in action — it's frustrating and even infuriating. But a glance at the facts demonstrates a much worse reality — it's incredibly dangerous:

- In 2009, distracted driving caused 5,474 fatalities and 448,000 injuries in motor vehicle crashes on U.S. roadways, according to the Fatality Analysis Reporting System (FARS) and the General Estimates System (GES) crash database.

- That same year, the National Highway Traffic Safety Administration (NHTSA) reported that distracted driving was at the root of 20 percent of injury crashes.

It's likely these numbers only

represent the tip of the iceberg, because distracted driving isn't always reported as a factor in vehicle crashes. Worse, distracted driving appears to be on the rise. FARS and National Automotive Sampling data show that:

- The proportion of fatalities attributed to distracted driving increased 6 percent between 2005 and 2009, from 10 to 16 percent.

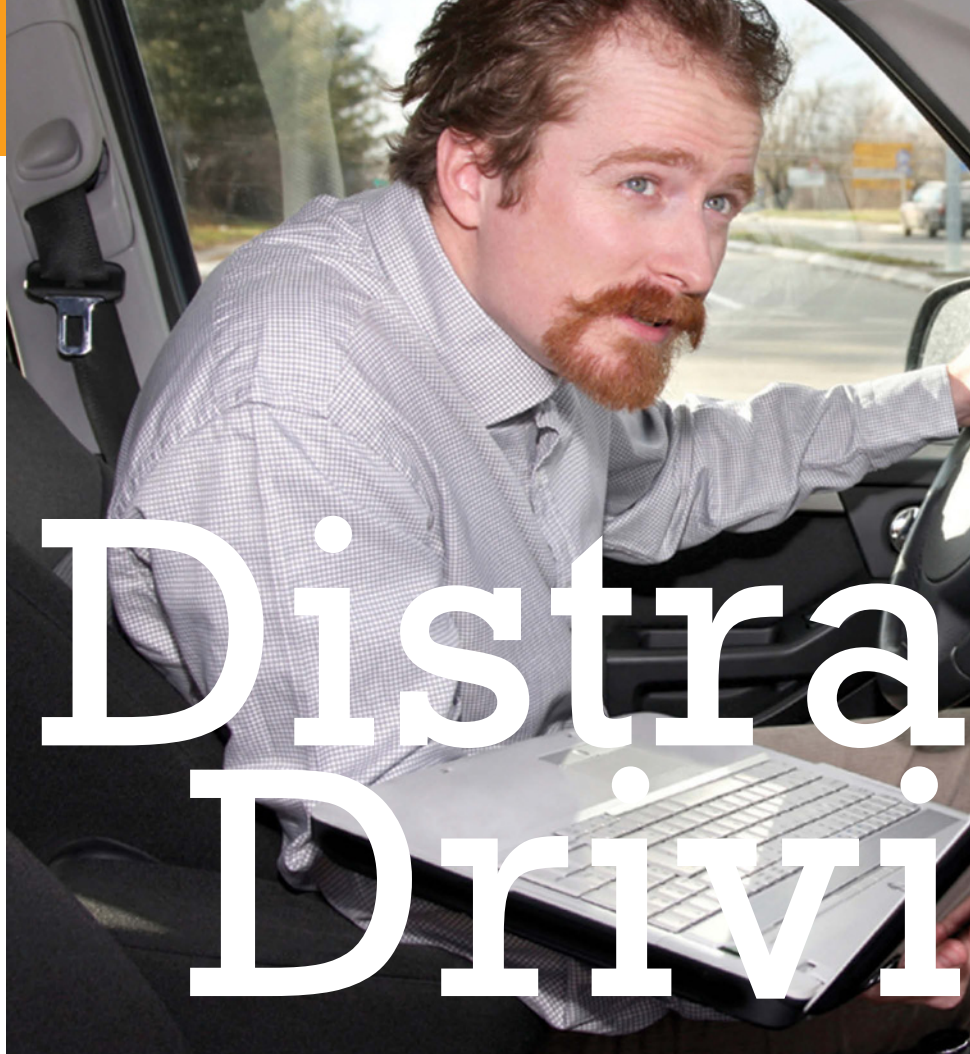
- The percentage of distracted drivers reportedly involved in fatal crashes increased from 7 percent in 2005 to 11 percent in 2009.

And while any distraction can cause an accident, statistics suggest that cellphones are increasingly the culprit in distracted driving crashes:

- The NHTSA reports that cellphones were the source of distraction in 18 percent of fatal crashes.

- According to the Insurance Institute for Highway Safety (IIHS), drivers who use hand-held devices are four times more likely to get into crashes serious enough to injure themselves.

- A University of Utah study finds



Distracted Driving

Ending the Epidemic on American Roadways



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that cellphone use while driving delays a driver's reactions as much as having a blood alcohol concentration at the legal limit of .08 percent.

These numbers tell a strong story — distracted driving is a growing epidemic on U.S. roadways, and cellphones are increasingly to blame.

Who Isn't Distracted?

The most frequent culprits are teens. With the advent of text messaging and rampant use of cellphones, teens are certainly distract-

ed. But the buck doesn't stop there. In addition to teens, everyday drivers are just as culpable. And that's not all — vocational drivers are distracted, too. Salespeople, delivery drivers, bus drivers, train operators, truck drivers and even school bus drivers frequently allow distractions to interfere with their work.

In fact, the NHTSA reports that, along with motorcyclists, light-truck drivers had the greatest percentage of total drivers reported distracted at the time of a fatal crash, at 12 percent. Clearly, voca-

tional drivers are not the exception to the distracted driving rule.

Strategies for Stopping Distracted Driving

While individuals are ultimately responsible for stopping distracted driving, action also is taking place at the state and federal levels. Companies can do a lot as well to encourage safer driving practices among their drivers.

But as we know, fleet managers typically manage the vehicle, not the driver. Nevertheless, fleet managers are often called upon to assist, and they can employ several strategies.

■ **Establish a Policy — and Stick to It.** Many of the safest fleets begin with the simple step of establishing a safety policy specifically geared toward distracted driving. The policy should include clearly defined rules for cellphone use and other distractions, as well as penalties for infractions.

Perhaps the most important element of a distracted driving policy is sticking to it. If rules aren't enforced and penalties followed through on, drivers won't take the policy seriously.

"Some companies go as far as establishing a zero-tolerance policy," said Keith Steidle, ARI Manager of Business Development. "If an employee is reported using a cellphone while driving, and it can be verified, the employee may lose privileges, or his or her job. Not every company has to take penalties to this extreme, but strictly abiding by the policy sends a strong message to employees about taking it seriously."

■ **Eliminate Distractions in the Vehicle.** Another simple way to reduce distracted driving is to pur-

chase or lease vehicles that allow drivers to focus on the road. Fleet units with easy-to-operate controls, simple stereo systems and, if making calls on the road is a must, Bluetooth, can keep drivers' attention where it should be.

While many of the latest developments in automotive technology exist to help drivers focus on the road, many also do the opposite. But safety should never take second place to entertainment. Purchasing or leasing vehicles that skip frills like DVD players, video screens and web surfing can go a long way,

protects the vehicle movement. One option, Izup, uses GPS to detect when a vehicle is in motion, then automatically sends calls to voice-mail and holds text messages. Similarly, ZoomSafer Mobile also uses software installed on the phone to block texting, emailing, web surfing and calls while the vehicle is in motion. It can also selectively accept calls using a hands-free device. Software options like these remove the temptation to use handheld devices while driving.

The hardware approach leverages telematics to monitor and alter

discussed by several industry experts and leverages the capabilities of cellular providers, such as Sprint, AT&T or Verizon. These options use the provider's network to monitor a phone's motion and shutdown the phone's capabilities.

"Each strategy has its costs, benefits and loopholes," Steidle said. "For instance, some software applications and carrier solutions may be very good at locking down a phone's capabilities, but what happens if the person is a passenger, not the driver? Likewise, many software applications don't work on iPhones or older models, limiting capabilities to Android and Blackberry systems. The 'vision' approach leverages a telematics system and works with all phones, but again, what if three drivers take turns at the wheel? Choosing the right solution depends on the individual fleet."

Which Strategy Is Right for Your Fleet?

Some fleet managers may choose to leverage all these technologies; others may not. Either way, any of the preceding measures can reduce distracted driving. "Logically, it makes sense to introduce a policy first, then monitor and coach from there," Steidle said. "After that, behavior can be modified through technology and building an improved culture of safety."

While each fleet has a unique composition and requires varying levels of control and monitoring, talking with technology providers can help fleet managers identify the right solution. ARI can facilitate these conversations. For more information, contact Keith Steidle, (856) 439-7470. ■



A University of Utah study found that using a cellphone can cause the same increase in reaction time as a blood alcohol level of .08 percent.

if these features are not germane to business needs and could do nothing more than add distractions.

■ **Leverage Technology.** In addition to choosing vehicles that reduce distractions, additional technology can also help reduce the use of cellphones while driving. When it comes to technology, there are three basic approaches: software, hardware and network-based systems.

The software approach installs programs on the cellular device. Cell control utilizes software on the smartphone linked via Bluetooth to an in-cab OBD II device that de-

cellphone use. By synchronizing a telephone number with a telematics device, fleet managers can monitor whether calls are made or texts are sent while the vehicle is in motion. For instance, Zoomsafer Vision combines cellphone usage data and vehicle trip data so companies can measure and manage employee use of cellphones while driving. Monitoring driver behavior gives fleet managers the opportunity to coach drivers to focus more on the road and to build a safer culture overall.

The network approach has been

Our world revolves around complex fleets.

Cars, trucks, garaged, de-centralized, regional, national, global...

The more complex your fleet, the more you'll appreciate ARI's unsurpassed complex fleet expertise. Best practices assessment. Lifecycle analyses. Sustainability studies. Predictive modeling. Global sourcing recommendations. More advanced tools, in the hands of experienced fleet professionals, ensure the best results.

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ASE Certified Technicians:

A Maintenance and Claims Solution that Reduces Cost of Ownership

You've probably noticed numerous references to ASE Certified World Class Technicians in our literature and on our website. Why is ASE Certification significant, and how does it benefit you as an ARI client?

Today, vehicle repair is more complicated than ever. Vehicles keep getting more complex, while technology and diagnostic tools constantly change as well.

As a result, finding a competent, knowledgeable automotive professional can present a real challenge. The non-profit National Institute for Automotive Service Excellence (ASE) helps overcome these challenges by testing and certifying automotive professionals. Today, more than 350,000 technicians hold ASE Certifications and work in every part of the automotive service industry.

No classes or courses are required to take one of the more than 40 available certification tests. The exams are grouped into specialties such as Automobile, Medium/Heavy Truck, Truck Equipment, School Bus, Collision Repair and more. Technicians also must demonstrate two or more years of hands-on work experience. In some cases, they can substitute formal training for part of the work experience requirement.

The exams stress knowledge of job-related skills. The four-hour tests consist of 50 or more questions, and they are extremely challenging; in fact, usually only two out of every three test-takers pass on their first attempt. After passing an exam and providing proof of relevant work experience, test-takers become ASE Certified. To maintain each certification, technicians must retest every five years.

ASE Master Technician status re-

quires multiple certifications. For example, professionals must pass eight certification tests to become Master Automobile Technicians and seven tests to attain Master Medium/Heavy Truck Technician. To maintain Master Technician status, they must keep each one of those certifications current.

The pinnacle, World Class Certification, requires certification in 22 specialty areas. Since the World Class Technician recognition was established 23 years ago, only about 1,800 technicians have achieved it.

ASE and ARI

At ARI, ASE Certified technicians provide 24/7/365 telephone support for clients that have vehicles on any ARI maintenance and accident-management program. Certification of those technicians falls under the umbrella of the Training Department, headed by Assistant



Manager, Technical Education and Quality Assurance, Kirk Mahaffy.

According to Mahaffy, hiring certified technicians provides ARI with experts who clearly understand clients' vehicle needs when dealing with repair facilities. "So rather than the client's repair facilities dealing with someone off the streets, we can say with a high degree of confidence that they are dealing with people at least comparable to, if not above, industry standards as far as mechanical knowledge and background," he says.

ASE Certification also enables ARI technicians to better identify issues that may pose safety concerns to drivers, and it gives them the knowledge to avoid unnecessary repairs that typically are upsells that would benefit the repair vendor but not the client.

"We strongly encourage participation in the ASE Certification process, and an incentive program

is in place to help with that," Mahaffy says. "We have various tiers of pay increases as our technicians achieve more certifications. Once they receive a Master Certification in Automotive, Truck or Body, they move into a yearly bonus program. They receive a larger bonus when

"Rather than the client's repair facilities dealing with someone off the streets, we can say with a high degree of confidence that they are dealing with people at least comparable to, if not above, industry standards."

they achieve two Master Technician Certifications, and that increases yet again for three Master Certifications.

Employees who achieve World Class Certification, comprised of Master Automotive, Master Medi-

The ASE program includes the Master Automobile and Medium/Heavy Truck Technician certification, which includes as many as eight tests, each of which must be retaken every five years.

um/Heavy Truck, Master Body and two additional advanced level tests totaling 22 certifications, receive an even larger bonus for every year they maintain that status.

Of the more than 300 ARI service technicians currently staffing the phones, 237 hold at least one ASE certification. In addition, 22 of them are World Class Certified technicians.

"To my knowledge, we have the largest number of World Class technicians under one collective roof of any organization out there," Mahaffy says. "Our ASE Certified technicians are another powerful solution that strengthens client partnerships and helps reduce their cost of fleet ownership." ■

First to Prevent Accidents, Then to Resolve Them

ARI Helps Fleets Through the Full Range of Risk Management

According to the National Highway Transportation and Safety Administration (NHTSA) there are more than 5 million vehicle accidents in the U.S. every year; that's an average of one per minute. So, as the old saying goes, accidents will happen. Since there is no sure-fire way to prevent accidents altogether, fleet managers must implement ways to minimize the risk and reduce the number of headaches after they've occurred. Here are tips to help you address accidents both proactively and reactively.

A Foundation for Safety

A fleet manager cannot control accident avoidance, only influence it. So, it's the fleet manager's job to pick the best drivers and train them accordingly.

"An effective driver training and safety policy can save fleets tens of thousands of dollars a year in budget," says Ed Ianuzzi, Client Support Services Manager at ARI. "It's just a matter of taking the time to educate and enforce that policy."

Much of the preventative work

comes before a driver ever gets behind the wheel of the company vehicle. With lawsuits on the rise, it's critical that businesses make sure they're putting qualified and licensed drivers in their vehicles. The NHTSA estimates that nearly 18% of fatal accidents involve improperly licensed drivers. Employers should check driving records for potential employees before hiring.

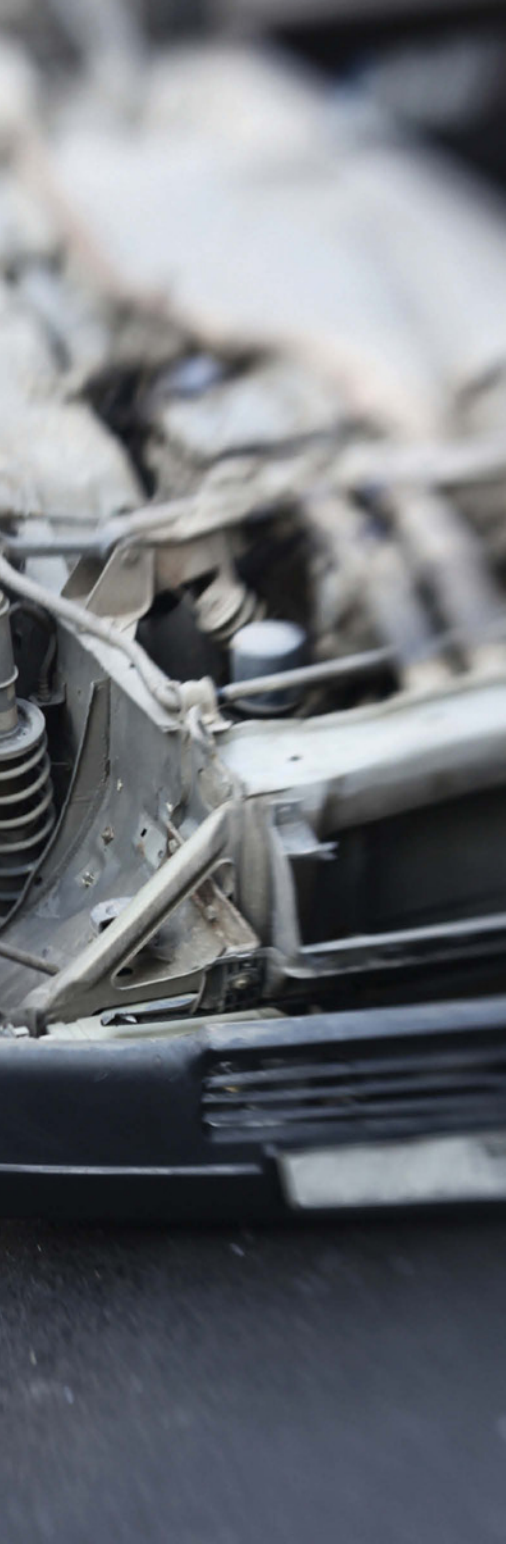
ARI offers a Motor Vehicle Record (MVR) ordering and retrieval system that posts MVRs online, most within 24 hours. These reports are viewable through the web-based fleet management system, ARI *insights*,[®] providing a quick and easy way to check driving histories for all drivers.

After an employee is hired, the fleet manager must conduct safety follow-ups and educate. Routine motor vehicle records checks and on-going driver training that targets each driver's history and weaknesses can significantly decrease the risk of accidents. A clear and comprehensive driver safety policy that outlines safe driving procedures, consequences after accidents and how driver behavior



ARI's Motor Vehicle Record (MVR) system allows fleet managers to verify licensing and check vehicle history reports before new drivers get behind the wheel.

will be monitored helps ensure drivers understand expectations. Drivers should be required to read the company driver policy and submit an acknowledgement stating that they understand it and agree to abide by it. In addition to educating the drivers, the policy acknowledgement protects the employer from negligence claims.



The ARI Driver Excellence® program offers all of these tools to increase driver performance and reduce risk. This includes online training that tests the employees' knowledge of company policy and also safety training that is customized for a fleet's vehicle types and driving requirements.

Because ARI can proactively

identify high-risk drivers and provide corrective training, clients using the ARI Driver Excellence program are seeing reduced liability premiums, by as much as \$60,000 per year (in one example), as well as avoiding rate increases. In another example, an ARI client experienced fewer incidents and reduced accident severity, with claims reduced an average of \$500 per repair. One more client saw a 50% decrease in a particular type of incident, which presented over \$44,000 in savings.

The Road to Recovery

For some fleet managers, this is the toughest part. You do what you can to prevent accidents, but they happen anyway. Then what? It's important that the plan is finely tuned to the needs of the individual fleet. A sales fleet will not have the same needs as a delivery fleet. There are however, a few things that every accident management plan should include, the first of which is a detailed outline of procedures.

ARI's accident management program helps fleet managers meet these individualized needs and outline appropriate guidelines. Assuming the driver is not seriously injured, the first step he/she should take following an accident is to call 9-1-1 or the local police. After this, ARI provides a number of services that can streamline the accident management process and relieve the burden on drivers and fleet managers.

When drivers call the ARI Call Center after accidents, incidents are immediately documented by an ASE Certified technicians, who then send electronic reports to fleet managers. This provides real-

time information that is critical to the overall success of fleets. ARI technicians then pick up the next step, which is addressing how to get the vehicle back up and running as quickly as possible.

When it comes to accidents, the major headache for most fleet managers is the legwork. Reviewing police reports, filing claims and gathering estimates can be a time consuming process. The ARI accident management program helps eliminate most of these tasks while also mitigating repair costs. Subrogation recovery helps companies recoup some of the loss associated with vehicle damage and liability. ARI will automatically begin the process of collecting reimbursement from the responsible party and provide monthly summary reports to track repairs and subrogation activity.

By taking over the logistics of repairs and compiling all important information through its web-based ARI *insights* system, ARI allows fleet managers to make quick and informed decisions without all of the extra hassle.

It's impossible to prepare for every type of potential accident or emergency. But there are clear benefits to preparing drivers and your fleet for the worst. When accidents happen, it's important to have a partner that can help you through any emergency. ARI offers a number of tools to help fleets establish their own individualized plans that help them meet their needs. Having plans for both before and after accidents can help managers cut costs, minimize risk and improve the overall safety and well being of their fleets. ■



Houston, Texas is the site of ARI's sixth North American Call Center.

PHOTO BY JUJUTACULAR

ARI Opens Houston Call Center for Fleet Management Services

In December, ARI announced the start-up of a new Houston, Texas Call Center. This is ARI's sixth North American Call Center, including Maple Shade, New Jersey; Grapevine, Texas; Mississauga, Ontario; Montreal, Quebec and Mexico City, Mexico.

According to ARI Senior Vice President of Fleet Services, Bob White, call volume for 2011 is on track to hit 3.1 million calls in the U.S. alone because of the company's outstanding growth over the past few years. ARI now manages over 780,000 vehicles. "We are pleased to make this investment to support our growth. ARI has been ranked number one in customer satisfaction since 2003 so delivering the best service for our

clients is our highest priority. Having the most certified technicians in more locations throughout North America, using state-of-the-art call center and web-based technologies, ensures that we can deliver the fastest possible response times and the most value to our clients and their drivers.

"Houston was chosen as the location of our new Call Center based on the availability of qualified technicians. But other considerations included availability of quality facilities, accessibility for local employees and ARI's management team, and the overall quality of life for ARI employees," added White.

The new ARI Call Center has capacity for 185 employees. Calls are

directed by country, allocated to each ARI Call Center, and routed to the most appropriate available technician, regardless of location, to ensure the fastest response times.

Ted Davis, Department Head, Call Center Operations, said that the company began hiring technicians from the Houston area this past August and putting them through an intensive training program in its Grapevine facility. "We temporarily relocated new technicians to Grapevine so they'd not only be capable of taking calls the first day we opened our doors in Houston but they'd also have absorbed the ARI culture. In addition, we relocated experienced technicians from Grapevine and Maple Shade to support the new team."

About ARI

ARI, a part of the Holman Automotive Group, is the second largest vehicle fleet management organization in North America with a workforce numbering more than 2,000 and offices throughout the United States, Canada,

Mexico, Puerto Rico and Europe. As a single-source fleet management leader, ARI customizes innovative solutions that streamline fleet operations, help lower the cost of fleet ownership and create long-term value for customers.

ARI manages over 780,000 cars, trucks and equipment in North America and, combined with its strategic partners, more than 1.8 million fleet vehicles globally. ARI is headquartered in Mount Laurel, New Jersey.

