



9 WAYS

to reduce **FLEET COSTS & DOWNTIME**

Discovering cost savings and increasing productivity might be easier than you think. For many fleet operations (maybe even yours), quick, simple adjustments can have a major impact. Here are nine easy ways to boost fleet management efficiencies, right now.



#1

Make the most of your parts inventory.

As much as
30%
of your parts in
stock are likely
obsolete or
unnecessary.



Conducting a thorough inventory count and re-organization of your parts room might not be your idea of a fun day, but it can really pay off. If you haven't done it in the last year, it's likely that as much as 30% of parts in stock are either obsolete or unnecessary.

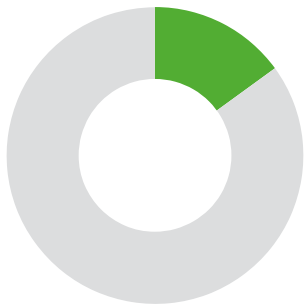
Let's look at the math: A fleet of 100 class 6, 7, and 8 vehicles can easily have an inventory of standard parts and consumables worth more than \$100,000. If you exchange 30% of that value for cash or more usable parts, **you'll bring in \$30,000 – or more.** That's a nice boost to the bottom line.

A side benefit to a parts inventory overhaul? You're likely to come across usable parts you didn't know you had, which can shrink the size of your next order.

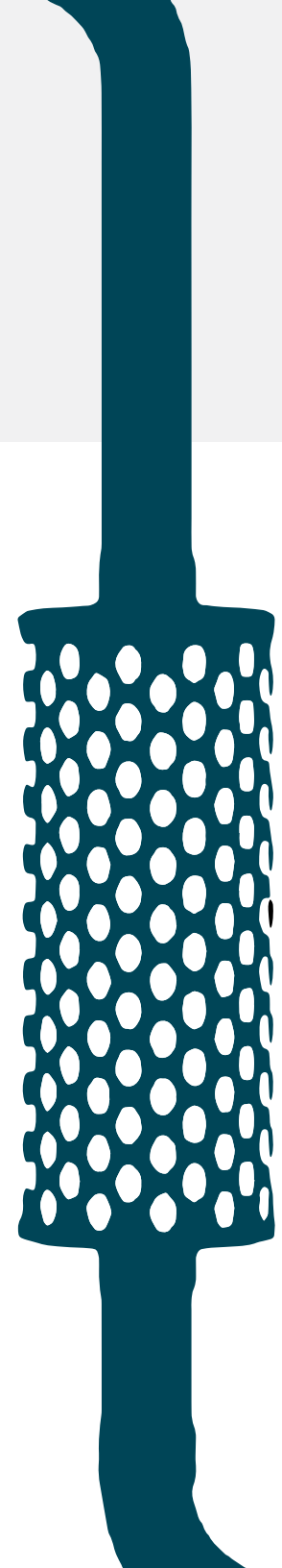
#2

Pump up your purchasing power, and save.

You may be
paying
as much as
15%
more than
you need to.



If you haven't renegotiated pricing structures with your parts and lubricant suppliers, you're likely paying as much as 15% more than you need to. Simply calling suppliers and having a conversation can lead to significant discounts. Before the discussion, take a look at alternate suppliers' costs for the parts you need most frequently. Depending on your purchase volume and payment habits, your supplier may be willing to beat those prices, and may even throw in some additional services or benefits.



#3

Go for big savings with a fleet maintenance software solution.

Staying on top of equipment status, maintenance history, PM schedules, warranties, and other resources is more complex than ever before. It's also essential to making the most of your budget.

Good fleet maintenance software delivers:

Up to
10%
decrease in
maintenance
and fuel
costs

Up to
15%
increase in fleet
administration
and tire
efficiencies

Up to
20%
increase
in labor
productivity

Up to
30%
decrease
in parts/
inventory
costs

If you're not using a fleet maintenance software solution, you're working too hard, spending too much, and falling behind the competition.



#4

Shrink costs with the “10% Solution.”

To be effective, cost control must be measured on an asset-by-asset basis. If you can identify the top 10% worst operating assets, you can make business decisions that reduce your overall fleet cost by as much as 20%, downtime by 40%, and aggravation by 80%.

Note that your oldest assets *aren't always the costliest*. Good fleet maintenance software saves you from searching through mountains of work orders and maintenance records for the necessary data. In addition to maintenance cost analysis, your software should be able to show – separately – non-controllable fixed cost items like depreciation and insurance premiums. And, it should present that information in a format that's in sync with your finance system.

Focusing on the bottom 10% of your business can save you



20%
in fleet costs

40%
in downtime





#5

Stop repeating mistakes with the “History 101” rule.

Let's say you have a truck that won't start. The dispatcher is demanding that it be back on the road – now. So, your technician quickly replaces the batteries, and plans a more thorough look later (which doesn't happen). Off it goes. Only to break down an hour later. More batteries. More breakdowns.

Finally, you pull the truck off the road and give it a real inspection, you find the problem was actually a \$10 ground cable. Your “quick fix” cost you a lot more in downtime, batteries, and frustration.

There's an easy way to stop the cycle: Establish a firm limit on downtime and/or costs that, when reached, will trigger a mandatory review of a asset's work order history before performing any further maintenance or repairs. Good fleet maintenance solutions make this information available easily as part of the work order process.

Bonus: The History 101 Rule can also significantly increase your warranty claims and recovery as technicians identify parts and services that are still covered. More savings!

#6

Make improvements to boost motivation.



Improving your work environment and culture can go a long way toward increasing productivity, work quality, and employee retention. Every day brings new challenges (and disasters) that need immediate attention. So how does a fleet manager create a work environment that fuels productivity? Make it in everyone's interest.

Before employees consider the benefits of committing to an organization's overall success, they'll assess if their own needs are being met. According to a survey by Gartner, **82% of employees feel it's important for their organization to see them as a person, not just an employee, but only 45% believe their organization actually sees them this way.**

Ensuring employees feel management cares about their personal needs begins with ensuring their physical environment is clean and safe. A dirty, neglected restroom, locker area, or break room is a clear sign that management doesn't prioritize employees.

Recognition – both group and individual – is a powerful motivating force. Consider providing incentives that produce lasting results without breaking the bank. Provide attainable targets in easy-to-measure areas, like PM service performance or brake inspections. Establish rewards for improvements to metrics, like completion time or work quality. Rewards can be as simple as a recognition certificate or a complimentary lunch.

#7

At every stage of their career, members value associations for:⁷

TRAINING

50% early-career



CERTIFICATIONS

50% mid-career



NEWS & INFO

51% late-career



Learn from others.

Too many fleet managers miss out on learning from their peers' experiences by not joining trade associations. Finding the funds for an association membership and event attendance can be difficult. But the cost is often more than justified by the access to training and information, and the opportunity to learn from others facing similar issues.

The American Trucking Association's Technology and Maintenance Council (TMC), for example, holds an annual event featuring the latest industry innovations, plus as many as 50 focus groups covering topics ranging from on-board computers to human resources, to government regulations, alternate fuels, electric vehicles, and more.

Trade associations often have sub-groups dedicated to specific issues. They're typically inexpensive to join, and offer information and insight as well as the opportunity to connect with others focused on similar issues.

If your fleet maintenance software vendor has a user conference, be sure to attend. You'll learn how to get more value from the solution, and may even have the opportunity to provide product input. And, most importantly, you'll connect with other users, and come away with knowledge that could take years to learn on your own. Get involved now, and give your fleet a more educated, informed, and well-rounded fleet manager.

#8

Pay more attention to tires.



Few things are more important to a well-functioning fleet than proper tire maintenance and management. Tires represent significant cost for a fleet, and proper inflation has a big impact on tire life and fuel performance.

According to the National Private Truck Council and the American Trucking Research Institute, tires account for about 1% of the total cost-per-mile of operating a truck. That's about 4-5 cents per mile, ranking tires as the third or fourth highest line item in terms of cost per mile.¹

Falling behind on tire maintenance can lead to unnecessary (and potentially dangerous) blowouts. Factoring in driver and vehicle downtime, tire change cost, and everything else, a single blowout costs \$433. Fleet maintenance

software can alert you when tires have reached a pre-set milestone, so they can be inspected, and then recapped or replaced if necessary—before a blowout could occur.²

Proper inflation is also crucial. Ensuring that vehicles have properly inflated tires can improve fuel efficiency by an average of 0.6%, and as high as 3%, because vehicles lose 0.2% in fuel efficiency for every 1 psi below the recommended tire pressure.³ Worse, according to the Technology & Maintenance Council (TMC) of the American Trucking Association, a constant 20% **under-inflation in a commercial vehicle tire increases tread wear by 25% and reduces tire life by 30%.**



#9

Ramp up your fuel management.


Rising fuel costs have fleet managers searching for ways to reduce consumption. A few straightforward changes can help.

Minimize idling: According to the U.S. Department of Energy, idling a heavy-duty truck consumes about 0.8 gallon of fuel per hour. Typically, a long-haul truck idles about 1,800 hours per year, using about 1,500 gallons of diesel. Encourage drivers to turn off engines during breaks.⁴

Tame aggressive driving: According to a study by the University of Michigan Transportation Research Institute (UMTRI), aggressive driving from your team can reduce your fleet's fuel economy by 20% to 30%.⁵

Maintain oxygen sensors: These small but vital devices analyze the oxygen concentration in exhaust gas, and send the data to the engine's computer to calculate the amount of fuel required for every combustion cycle. Like any other part, oxygen sensors tend to break down over time, and must be replaced. According to the U.S. Department of Energy, replacing a defective oxygen sensor can improve fuel efficiency by up to 40%.⁶

Avoid traffic jams: According to UMTI's study from, gridlock can reduce a vehicle's fuel economy by 20% to 40%. A GPS system with route suggestions that help avoid traffic is invaluable.⁵





COST

**SAVINGS BY THE
NUMBERS**

How can you justify investment in fleet management software?


Reduce Maintenance Costs

- Make 80% of all work performed scheduled repairs
- Take vehicles from PM service to PM service without a breakdown
- Provide clear instructions/checklists to technicians for each asset
- Identify and reduce rework by technicians and vendors by 85%
- Increase warranty recovery by 50%
- Identify high cost assets and why they are high
- Make 100% of your maintenance decisions based on facts
- Easily identify and track problem drivers

Reduce Parts & Inventory Costs

- Reduce on-hand quantities by up to 30%
- Identify non-used/excess and obsolete parts to save 10%
- Reduce vehicle downtime due to out-of-stock problems
- Comparison shop for cost reduction by 3-5%
- Make physical inventory count easier
- Stop duplicate orders by knowing where to find existing parts
- Stop excess stock on-hand with parts cross referencing
- Track and control fuel, oil and other fluids as inventory items

How can you justify investment in fleet management software?



EFFICIENCY
and
PRODUCTIVITY
INCREASES

Increase Productivity

- Identify actual hours worked (direct and indirect) versus hours paid
- Identify individual technician productivity
- Track work tickets requested/deferred & follow-up
- Measure technicians against shop averages/standard repair times
- Go paperless; using mobile devices saves time and reduces errors
- Increase reporting accuracy and accountability
- Identify and stop poor driving habits

Increase Fuel, Tire, and Admin Efficiency

- Specify or automatically develop custom benchmarks for costs and operations
- Identify poor fuel performance assets against fleet averages
- Track and measure downtime to identify problem units
- Decide on new vehicles based on performance comparisons
- Use total fleet, region, site, line of business, etc. for self-service fleet reporting
- Stay within D.O.T. documentation compliance
- Avoid fines for out-of-date licenses and permits
- Identify cost trends to make informed operating budget projections

We can help you reduce fleet costs and downtime even more.

The AMCS Fleet Maintenance platform improves productivity and compliance while lowering costs and time at every level. Find out more at www.amcsgroup.com

40+

years of
experience

4000+

global
customers

700,000+

assets under
management

SOURCES

1. <https://www.truckinginfo.com/>
2. <https://www.moderntiredealer.com/industry-news/commercial-business/article/11542357/fleet-managers-report-the-real-cost-of-a-flat-tire>
3. <https://www.fueleconomy.gov/feg/maintain.jsp>
4. <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/98892/karldw.pdf>
5. https://afdc.energy.gov/files/u/publication/hdv_idling_2015.pdf
6. <https://www.businessnewsdaily.com/16101-reduce-fuel-costs.html>
7. <https://www.ymcareers.com/blog/association-trends/>



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