

Telematics Trendline

Following the Growth of Automotive Telematics

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Telematics Trendline is a series of monthly articles by Derek Kaufman, C3 Network, Inc., designed to inform AAIA members about the trends in telematics applications for both the retail automotive and commercial trucking industries. For the full August article, or for more of the series, visit <http://www.aftermarket.org/Publications/Telematics-Trendline.aspx>.

This month:

- **Geotab**
- **Smith System**

It is good to see new companies developing telematics solutions that provide pragmatic, actionable vehicle data. It is even better to see a 60-year old company use those solutions to enhance and strengthen its well-proven brands. That's the story we have this month with Geotab and Smith System.

Geotab

Geotab is an Oakville, Ontario based telematics solutions developer that formed North American operations in 2000.



The company has developed GPS tracking and accelerometer hardware providing simple installation using an OBD-II plug in module. It has differentiated itself by developing patented algorithms that increase the quality of the telematics data relative to other suppliers of similar devices.

Geotab's business model shows a very pragmatic grasp of how technology can be made truly meaningful. It has concentrated on fleet applications where the volume of transactions increases the value of the service. UPS, for example, is collecting over 200 data points from its package delivery trucks using Geotab technology. Data such as speed, RPMs, oil pressure, seatbelt use, time spent idling, and the number of times a driver places a UPS delivery truck in reverse is collected on each day's run. The data is then analyzed to drive a wide range of management actions ranging from fuel savings to route efficiency to preventative maintenance schedules. The power of the data can be understood in knowing that a 15 minute reduction in engine idle time per day can save UPS 25 gallons of fuel per driver per year. With over 100,000 delivery vans in use, that gets to be real money.

Geotab has built an impressive set of telematics-based solutions aimed at driver productivity, risk management, fuel savings and route planning and has established very convenient web-based access to the data generated. But the most interesting aspect of their business model, in our opinion, is their flexible use of resellers who can apply Geotab's solutions in very specific applications that will greatly multiply the reach of Geotab over time. Smith System is a great example of that reseller power.

www.geotab.com

Smith System

Smith System, based in Arlington, Texas, was founded in 1952 as the United States' first driver safety training organization offering on-road, hands-on safety education for experienced fleet drivers. For nearly 60 years, its training methods have reduced the costs of both injuries and vehicle repair for its customers. Today the company trains over 35,000 drivers each year operating in 83 countries and 21 languages. Over half of Fortune 500 companies have used Smith Systems' "Smith5Keys" training program.



So how does a 60-year-old company join the telematics world? By understanding that real-time vehicle data provides all-new ways to better understand and prove the effectiveness of your products and services today, and expands the connections of your brand with more aspects of your customer's operations tomorrow.

In Smith System's case, that understanding comes in the form of their new product called Smith360 – Full Circle Fleet Management. Smith360 uses Geotab's telematics data to track the effectiveness of driver training programs. By understanding speed, acceleration and other vehicle dynamics data, driver trainers can clearly see the "before and after" effects of their training and continually improve their training techniques to lower costs. The data can also pinpoint specific drivers who require additional training. The "Full Circle" (360 – get it?) aspect of the product is its ability to close the management loop on Monitoring, Analysis, Reporting, Intervention and Training.



But the bigger picture is the partnership's ability to expand Smith System's reach within its customers' operations. In the past, Smith System's focus was on fleet managers and driver trainers. Using Geotab data, the company can now connect with CFOs and CEOs to show how Smith360 can be tied to all kinds of management initiatives. It could be route planning to lower travel times and costs. It might be showing how training methodologies can improve the implementation of fuel savings programs. Maybe the use of geo-fencing can lower the tax impact of state border crossings.

The key here is that telematics data opens all kinds of planning and optimization opportunities for management teams. But if drivers are not properly trained in the details of the planning, no amount of data collection will change results. Every successful management team understands that detailed execution is the key to bottom line results.

Smith360 is a great example of telematics data turbocharging that effort.

www.smith-system.com

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