otonomo OBI+

Conquering the Challenges of a

Sustainable Fleet Management Strategy

INTRODUCTION
Defining Sustainability in Fleet Management

Sustainability and green driving are front of mind for businesses and consumers alike. Growing awareness campaigns on climate change have encouraged many consumers to turn away from brands with poor environmental reputations, and adjust their strategies and vehicle usage to a greener reality. In certain industries, a clear direction towards sustainable fleet management may lead to improved reputation and a strong competitive advantage.

Some European countries and local municipalities have already begun to require both local suppliers of goods and services and drivers themselves to adhere to environmental policies. Those are the first steps towards a future where the focus is to lower the total CO2 and NOx emissions.

A sustainable fleet strategy is a win/win. The company benefits by improving operational efficiencies, reducing costs, and gaining a competitive advantage by documenting its positive development. Society wins by increased road safety, reduced environmental impact, and an ecosystem of vendors and service providers who support sustainability objectives.

It's no wonder that companies with vehicle fleets are working on defining and implementing their sustainable fleet management strategies.

- The difference between traditional fleet management and sustainable fleet management
- How vehicle data is helping in executing the sustainable fleet management strategy
- Business wins when executing a sustainable fleet management strategy
- The challenges to overcome when creating your own sustainable fleet

The Difference Between Traditional Fleet Management and Sustainable Fleet Management

Sustainable fleet management is the continuous measuring and monitoring of fleet performance with clearly defined objectives and data parameters.

While traditional fleet management focuses on physical vehicle procurement, internal policies around utilization and driving, maintenance and repair, and de-fleeting where necessary, sustainable fleet management uses data and intelligence to go further.

In contrast, a sustainable fleet management strategy aims to reduce a fleet's impact on the environment through three main goals:

1. Adoption of cleaner vehicles and fuel
2. Fuel-efficient operations and driving
3. Reducing the generation of road traffic

Examples of sustainable fleet management goals include:

FLEET EXPANSION

Data-driven guidelines for vehicle procurement against pre-defined sustainability criteria, for example quota of electric vehicles.

SUSTAINABLE PARTNERSHIPS

Sharing access with service partners to technical data to receive proactive assistance and support.

ROUTE MANAGEMENT

Objective-driven internal policies with a specific focus on regional/individual performance, reducing idling, and smart routing.

FLEET MANAGEMENT

Usage of vehicle-specific data profiles to decide whether to retain vehicles for a longer period of time due to reduced mileage.

SMART UTILIZATION

Measuring and monitoring utilization metrics, tracking progress, and actively supporting drivers in reaching common goals.

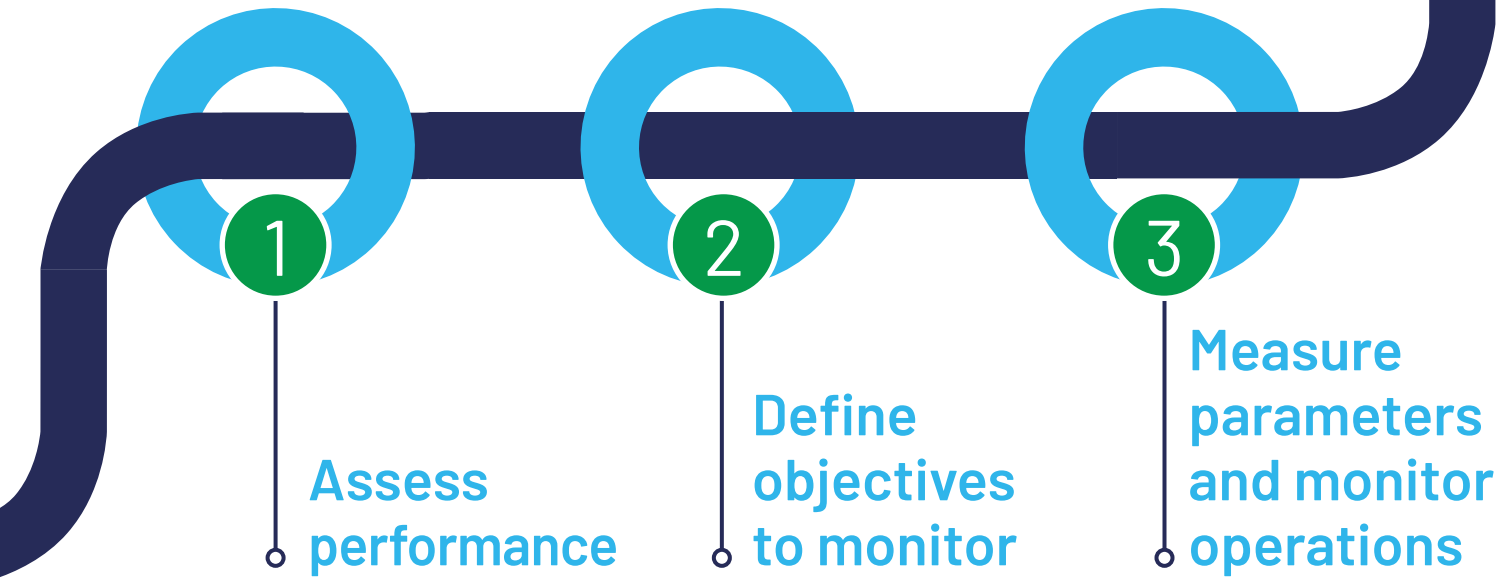
FORECASTING AND ANALYTICS

Analysis and estimation of the correct fleet size for the company's operations, including opportunities for car sharing.

SO, WHAT'S STANDING IN YOUR WAY?

To meet these goals, companies need to start taking advantage of the wealth of connected vehicle data that is available to them, using technology to drive sustainability projects across the fleet.

3 Challenges Facing Today's Sustainably-driven Fleets



1 Assessing the current performance

Expectation A business should have a thorough understanding of current fleet performance, business policies, and operational demands.

This assessment is important to avoid serious mistakes. For instance, it might sound like a great idea in theory to purchase electrical vehicles, but this procurement could be premature.

Imagine the case of a delivery company procuring 100 new electrical vehicles without first implementing a plan for how to utilize those properly. Without charging infrastructure and policies in place for reimbursements as just two examples, this decision could lead to reduced operational capacity, driver dissatisfaction, and angry customers.

A better option would be to look into the best way to improve existing operations before moving to radical steps like immediate procurement of a new type of vehicle. For instance, evaluating routes to reduce mileage, measuring current driving performance, and monitoring overall vehicle utilization.

Without a detailed assessment of current fleet performance, business policies, and operational demands, it's risky to define objectives and parameters to measure and monitor.

7 Questions Fleet managers need to ask themselves?

1. **What** existing fleet-related policies have your company implemented?
2. **What** monitoring do you undertake today?
3. **Who** is in charge of the fleet operations?
4. **What** measures do you undertake to minimise vehicle mileage?
5. **What** do you do to encourage fuel efficient vehicle use?
6. **Who** is responsible for inspecting the vehicles, handling issues and keeping the drivers accountable?
7. **What** else does your company expect of its fleet?

2 Defining which objectives and parameters to measure and monitor

Expectation A business must clearly understand and articulate what data and indicators need to be tracked to evaluate sustainable performance.

One element to consider to help ensure better internal and external communication is the company's sustainability priorities. These will help you to set what needs to be tracked. Sustainability priorities should be set by considering a list of topics relevant to the internal fleet's operation, as well as taking into account any external factors.

Think about issues such as:

- Any upcoming legislation and regulations
- Any clear opportunities to reduce costs
- Identifying opportunities for improvement
- Long-term strategic directions set by the management
- Reducing environmental footprint
- Adopting new technologies and vehicles
- Increasing road safety
- Pushing service partners to join forces

Once you have your priorities, you'll have a detailed action plan, and be able to choose the objectives for your sustainability strategy. These objectives will naturally link to specific data parameters.

For example, route optimization will dictate the need to track start and stop times, and access idling data.

This process should look something like this:

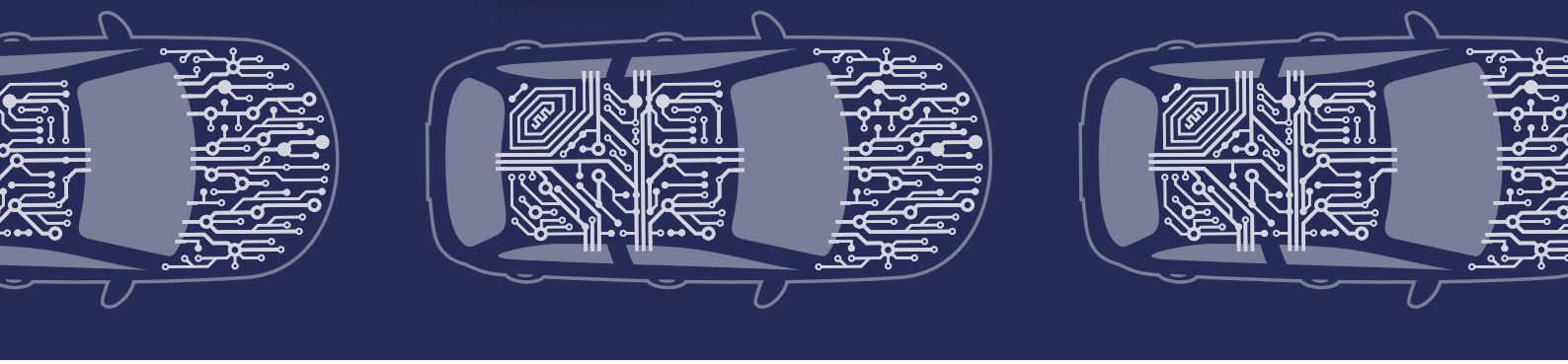
- Define measurable sustainability objectives
- Select data parameters to measure
- Choose tools to help you measure & monitor
- Consider employee/driver education
- Create a schedule for reviewing/evaluating progress

Without defining objectives and highlighting the data parameters that you're going to measure, there is no way to prove the ROI or outcomes of your sustainability strategy.

3 Monitoring operational performance and reviewing the progress

Expectation A business needs to balance the delivery of high operational performance with the implementation of new sustainability practices.

THIS IS A GREAT START.



[1] www.zdnet.com/article/the-car-of-the-future-is-connected-autonomous-shared-and-electric/

On top of additional hardware such as GPS trackers and external data such as weather or traffic information, companies can use connected vehicle data to track, monitor and analyze information including:

- MILEAGE Monitor the utilization of vehicles, keep track of required service and maintenance, and more.
- CAR STATUS See immediately whether a vehicle is moving, parked, or idling. An opportunity to improve operational efficiency.
- FUEL Usage, level, and consumption. A clear indicator of how to reduce both impact and cost.
- BATTERY CHARGE Battery level and energy consumption. This is crucial for businesses when introducing electrical vehicles.
- EMISSIONS Track emissions for baseline information, and then to document the results of a sustainability strategy.
- TIRE PRESSURE Monitor vehicles for under or over inflation, which can impact wear and fuel consumption.
- ENGINE PERFORMANCE AND ERRORS Identify engine-related issues early on to avoid poor performance and even downtime.
- SERVICE INFORMATION Track the next scheduled service, and offer dynamic condition-based servicing to keep vehicles up-to-date.
- WARNINGS Continually checking control lights, oil, and safety systems. Take over responsibility from drivers where necessary.
- LOCATION Important for route and infrastructure planning, comparison of different routes, or finding the closest vehicle for a task.
- DRIVING BEHAVIOR EVENTS Think about unusual behavior such as acceleration, braking and turns.

A smart combination of this data and best-practices can ensure that operational performance is trending upwards, and that sustainability practices can go hand in hand with wider business objectives.

Data-driven Insights as a Route to Enhanced Fleet Performance and Sustainability

Making sustainability part of the larger business conversation is the only route to engagement and buy-in, especially when added tools and data technologies are part of the roadmap.

Here's how to launch those conversations.

Driver behavior is a key operational performance metric

Drivers play an important, customer-facing role in any fleet, which translates to the optimization of the way that they work to business value as well as sustainability. Getting drivers involved and engaged in sustainability can help to optimize other business issues, such as reducing accidents, lengthening the lifespan of vehicles through reduced wear and tear on tires and brakes, lowering insurance premiums, and slashing the cost of fuel.

Of course, identifying the inefficiencies that cause speeding, harsh driving and unnecessary idling also work against emissions and over-consumption of fuel.

Data attributes that can be used to track, monitor and measure driver behavior for these goals includes:

SERVICE HISTORY automating services when signs point to a problem.

TIRE PRESSURE ensuring drivers can get from A to B with the optimal fuel consumption.

SPEED reducing emissions and also the chance of accidents, wear and tear, and fines.

IDLING monitoring driver behavior to avoid fraud, misuse, or heavy fuel consumption.

CONDITION tracking the vehicle condition and taking maintenance off the driver's hands.

Back-end processes can be made more efficient with data

There may well be a learning curve while companies adapt to new technologies and the use of data-driven intelligence. For example, onboarding a fleet of electric vehicles has infrastructure and set-up costs, but can be a cost-effective and sustainable project when looked at over time.

It can be helpful to emphasize the cost benefits of using vehicle data to optimize processes. Examples could be:

Replacing legacy calenda and spreadsheet reminders

Implement a new service and maintenance scheduling process, dynamically in compliance with expected use of vehicles. Drivers can augment the process with an option to report issues in real-time. Your fleet could even partner with third-party maintenance and service providers, at a reduced cost to the business.

Optimizing driver efficiencies

Implement dynamic route planning and route comparison for use cases where you need to find the nearest available employee in seconds, and navigate them to a specific location. On a high level, route optimization reduces mileage and the impact of congestion and idling, and frees up drivers to get more done with less time.

Improving uptime of vehicles

Issues with vehicles can occur while on the road. Direct data from connected vehicles can alert the driver to issues for health and safety, fix problems at an optimal time when they don't cause business downtime, and share accurate information with the relevant service providers using automation. Repair costs are reduced, and business impact is kept to a minimum.

OBI+ AND OTONOMO
The Power of Connected Vehicle Data

If you're looking to move from traditional fleet management to sustainable fleet management, you will need the tools at your disposal to assess current performance, define your sustainability objectives and parameters in line with business goals, and monitor, measure and analyze operations moving forward. If you can achieve this, it's a clear-cut win for the business, and for society as a whole.

OBI+ uses Otonomo's rich connected vehicle data to quickly and accurately bring solutions to market, allowing businesses to adopt and scale initiatives that range from sustainability to cost optimization to visibility and beyond, with the help of broad, standardized access to clean, regulation-compliant car data from multiple OEMs.

Contact us to have a conversation about how your business can benefit from the combined partnership of OBI+ and Otonomo, and your own dynamic fleet management dashboard for truly sustainable success.

About OBI+

OBI+ is a tech company providing an application platform for connected car services. In its core, OBI+ is driven by a great team of engineers, designers, marketeers with a mission to empower innovation through a suite of services built to enable personalized digital experiences for every car driver, fleet operator, mechanic, and any other service provider who recognizes the potential for safer, better, smarter future powered by data. The company is based in Denmark and operates across Europe.

More information is available at obiplus.com

About Otonomo

Otonomo fuels a data ecosystem of OEMs, fleets and more than 100 service providers. Our platform securely ingests more than 4 billion data points per day from over 40 million global connected vehicles, then reshapes and enriches it, to accelerate time to market for new services that improve the in-and-around the car experience. Privacy by design and neutrality are at the core of our platform, which enables GDPR, CCPA, and other privacy-regulation-compliant solutions using both personal and aggregate data. Use cases include emergency services, mapping, traffic management, EV management, subscription-based services, parking, predictive maintenance, insurance, media, in-vehicle services, and dozens of smart city solutions. Otonomo has an R&D center in Israel, and a presence in the United States, and Europe.

More information is available at otonomo.io

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We hope you found this ebook helpful and look forward to joining you on your vehicle data journey.

Please contact us if Otonomo or OBI+ can be of assistance.

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