



Managing the impact of rising fuel costs on profitability

Improve fuel efficiency and increase productivity using the Xlerate fleet productivity solution

With crude oil prices expected to remain high for the foreseeable future, the average fuel prices have which are now over \$1.3 per litre are likely continue in the same range for a significant period of time. Competitive pressures have kept many business owners from passing on the cost increase to end customers. The average-sized business with a fleet of 10 vehicles is now consuming up to 1,400 litres of fuel per month, incurring a cost of about \$1,800 a month.

In the absence of an effective strategy for managing the effect of rising fuel costs, most business owners will see their profitability seriously impacted. The Xlerate fleet productivity solution provides users with a set of strategies and tools to manage the impact of rising fuel costs. Our key strategies are detailed below.

Strategy #1

Monitor and control fuel cost by setting up and implementing a driving policy.

Control driving speeds

It is an accepted fact that fuel consumption increases proportionately with vehicle speed. Engine, tyre and vehicle wear are also much higher at higher speeds. Hard breaking and acceleration drastically reduce fuel economy. By having a clearly articulated driving policy you can expect to obtain substantial fuel savings

The Xlerate solution allows you to set up speed limits by vehicle, indicate thresholds such as time driven above speed limit and kms driven above speed limit, monitor harsh breaking and acceleration. The system then allows you to observe adherence to the driving policy in real time, generate alerts, and produce analysis reports.

Driving at slower speeds lowers the probability of accidents and improves safety.

Control vehicle usage

For fleets where employees take home the vehicle, use after hours for personal purposes is an increased risk as well as a non-productive fuel expense. Organisations may deal with this issue by initiating a policy of 'no use after hours'. Alternatively, employees may be given the freedom to use the vehicle after hours, but at their own expense for fuel. Issues related to FBT for after hours personal use of the company vehicle are also an added complication faced by those managing employee fleets.

The Xlerate solution allows you to setup work timings or shifts for a vehicle. Once captured, this information enables the organisation to monitor and report all afterhours activity for a vehicle. It also provides reports to facilitate FBT reporting.

Control vehicle idling

One hour of idling roughly consumes about 4 litres of fuel. Ideally, vehicle engines should be turned off if they remain idle for more than a few minutes.

The Xlerate solution reports engine idling time for the vehicle along with the location of the stop. The stop is flagged if it's a customer location or user marked go-no-go zone. The user can set up thresholds for idling time and then receive alerts and reports whenever any vehicle is idling more than allowable times. You can examine idling times per stop or by vehicle across the fleet in order to identify areas for improvement or training.

Effective routing to save time and fuel

GIS maps can be used to plan out efficient routes that save driving time and provide driving directions to enable to staff to service customer within the promised time windows regardless of whether the customer is in a known or obscure location.

Use of automated GIS enabled scheduling enables the most optimum use of vehicle and increase combining of jobs and identification of back haul opportunities.

The Xlerate solution is shipped with a current and accurate digital street map of your region of operation. It provides automatic routing for the best or shortest path for one or multiple destinations. It also provides full driving directions. Users can set up routes to be followed and then audit adherence to route through reports, history playback and real time alerts. The system allows users to upload their own customer points and other land marks to enable better planning of routes. This ensures that the staff take the most direct and efficient route to the location - and not the most scenic route!!

The scheduling module (release 2.0) allows optimum scheduling of jobs for larger fleets and takes into consideration a number of variables including traffic times and areas related to planning of the schedule.

Strategy #2**Effectively manage fuel purchasing through contracts and fuel cards**

Trying to operate a fleet within a budget, without control of fuel purchasing, is almost impossible. With fuel prices fluctuating every day, only tight day-to-day controls with complete and accurate record keeping will provide savings. Cash reimbursement is the least effective and least controllable method of handling fuel purchases, while also being the most costly.

Monitoring the vehicle's fuel economy is a good way to watch for any indication that the vehicle is not performing as it should.

The Xlerate solution provides multiple features to implement this strategy:

Keeps a log of daily kms travelled and provides user reports. The system correlates this information with the fuel log to produce fuel efficiency values for the vehicle.

Allows you to enter your fuel bills if you operate on a pay and reimburse basis, it directly imports files from fuel card providers into the system with no retyping and associated input errors.

Runs checks to detect fraudulent fuel bill claims e.g:

Reported vehicle position at time of fill up does not match location of fuel fill up; vehicle is out of normal operating area (out of town) during the time of fuel fill (This can then be charged back to employee).

Too many fuel fills for vehicle and mileage is not in average band indicates fuel has been filled up in another, possibly non-company, vehicle.

Maintains a history of fuel purchased from a supplier which can be useful to negotiate better rates and deals with fuel card vendors.

Alerts if vehicle has been fuelled with wrong fuel type e.g: 91 Octane in a diesel vehicle or fuel fill that exceed the vehicle tank capacity.

Strategy #3

Improve vehicle performance through proper preventative maintenance

Regular vehicle tuning and maintenance at the manufacturers recommended schedule can provide increased fuel economy. Xlerate's maintenance module allows users to enter service items and group them into schedules for a specific vehicle it then provides the user with reminders prior to required service dates as well as reports

Regular tyre maintenance and ensuring tyres are inflated to recommended pressures helps fuel efficiency. In fact, under-inflated tyres can decrease fuel economy by about 0.5km./litre. Visual checks on tyres are often misleading since it is not possible to detect an under-inflated tyre visually. Xlerate's maintenance module reminds users to check and record tyre state and tyre pressures on a regular schedule. The system also tracks the tyre inventory, the position it was mounted on to the vehicle, and then provides reminders for tyre rotation based on kms driven.

Strategy #4

Generate savings and improved productivity in other fleet operational areas

Controlling overtime

By better managing the time spent during work hours, employees can be more productive thus requiring less overtime to complete jobs

In addition, **lower insurance premiums** could be negotiated based on intrinsic security provided by the system in terms ability to track the vehicle, and control of after-hours vehicle use.

Customer service and response times can be improved by getting the closest vehicle to respond to ad hoc jobs, providing customers with reliable time windows and meeting then the commitment every time.

Right size your fleet and carefully plan new vehicle purchase

The Xlerate system reports utilisation of each vehicle in the fleet with such data as kms travelled, time used, stop time, idling time, trips or jobs done over the time period. This information helps with understanding the "big picture," it can result in informed decisions about driving down the fleet population, or planning new vehicle purchase.

Unauthorized stops and breaks result in loss of productive time. The system reports all stops along with their locations and stop times and the fleet manager can review unauthorized stops at location where time is above threshold set.

The Xlerate solution empowers users with the right tool set to increase fleet productivity by providing valuable, real-time monitoring, routing, reporting and fleet management tools that improve efficiency and enhance customer service.

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