



This should not be just the cost of doing business

By Simon Turner, Campaign Manager for the Driving for Better Business programme

Running vans can be an expensive business. While poor driving can obviously put your drivers and other road users at risk, it can also cost your organisation huge amounts of money, but often in ways you may not realise.

The most obvious costs are fleet insurance and repairs arising from unnecessary vehicle damage, whether that be serious collisions or just avoidable parking scrapes. A firm with a poor claims history can easily pay three, four, even five times the amount for fleet insurance as a well-managed fleet with a good track record.

Even if you haven't claimed on your insurance, you might be paying for the damage in other ways such as end-of-term penalty chargebacks from your leasing company that can prove very expensive.

Simple repairs such as replacing a broken mirror can cost hundreds of pounds each because many now have remote control adjustment, blind spot monitors and side repeater indicators built in.

If you buy your vehicles outright, then the reduced resale value of a poorly cared for vehicle means more money is needed for a replacement.

However, there are many hidden costs that are also involved such as the increase in admin and management time sorting out claims and repairs, right up to staff absence and vehicle off road time if the incident was more serious.

Operational costs such as fuel, tyres, routine service and maintenance, insurance and damage repairs are often simply seen as the cost of doing business, yet they can be significantly higher than they need to be when drivers and vehicles aren't being managed properly.

Poorly managed drivers will often be prone to poor standards of driving which means they'll often accelerate or brake more harshly, speeding and driving too close to the vehicle in front in order to keep up with their schedule. This naturally results in greater wear and tear on the vehicle and a higher chance of a collision.

Higher than average fuel use, tyre spend, maintenance costs and damage repair costs are therefore all reasonably good indicators of poor management, but they highlight an excellent opportunity for improvement. Unnecessarily high fuel use can also have a detrimental effect on your environmental impact.

Measuring and monitoring data is the key to improving the performance of your fleet and ensuring that costs are controlled effectively. Analysing the detail behind the data will highlight the areas to focus on where behaviour is impacting costs and acting promptly on the results will start to deliver improvements.

The performance and efficiency benefits of doing it well include:

- Reduced insurance and repair costs
- Reduced maintenance and operational costs
- Reduced fuel use and environmental impact
- Less drain on management and admin time
- Less business disruption from vehicles being off the road

If you aren't measuring and you aren't monitoring, then you aren't managing – it's as simple as that.

If you'd like to learn more about what you and your organisation should be doing and whether you have any gaps in your driver risk management, join our free programme at www.drivingforbetterbusiness.com. We have a wealth of free online tools and resources to help you understand where your priorities should be to reduce risk, control costs and improve efficiency.