



Holman

Driving What's Right

IDENTIFYING AND CORRECTING POOR DRIVER BEHAVIOR



Identifying And Correcting Poor Driver Behavior

Managing drivers can be as complex as managing your fleet vehicles. Some will immediately follow your rules, while others will require more attention. Can you spot the poor performers before costly collisions tell you who they are? Your organization faces risk every time one of your employees gets behind the wheel to conduct business. Risky or poor driving behavior can lead to an increase in accidents, additional wear and tear on vehicles, and fuel inefficiencies. Furthermore, others can perceive your drivers' actions as representative of your organization's values and brand reputation

Recent developments in real-time data management and analytics can help you better identify at-risk drivers in need of training and remediation.

You can take advantage of easy-to-visualize risk indicators to better monitor MVR infractions, driver risk levels, fuel usage and data points from telematics that identify critical behavior. The benefit: you can quickly pinpoint who needs help and where to apply immediate training actions to prevent drivers from harming themselves or others, or damaging your company's reputation.

The Vehicle Lifecycle

MULTIPLE VARIABLES IN THE VEHICLE LIFECYCLE

Unsafe driving behavior can significantly impact your fleet and your bottom line. It exposes your organization to increased risk, negatively impacts drivers, and intimidates other drivers on the road.

The growing sources of driver distractions in vehicles increase the likelihood of your drivers being ticketed, fined, or involved in a crash that could damage the vehicle, injure your driver and possibly injure others on the road.

When you are looking to manage costs, liability, and risk, it's imperative for you to implement measures and programs designed to correct risky driving behavior, mitigate the hard and soft costs associated with an accident, and improve the overall bottom line. Fortunately, today's technology can provide substantial insight into driver behavior that was not possible just two or three years ago.

Combining MVR reports and corporate fleet policies with the latest safety technology, including telematics data, driver risk scoring, and prescriptive online safety modules, creates definitive outcomes that improve fleet safety .

FLEET SAFETY IS AN INVESTMENT IN YOUR ORGANIZATION'S BOTTOM LINE.



UNSAFE DRIVING INCREASES RISK TO ORGANIZATIONS

THESE RISKS INCLUDE:

- Litigation
- Crash expenses
- Compensation claims
- Brand image

Driver habits affect your fleet's bottom line

According to the Insurance Institute for Highway Safety, there was a 7 percent increase in deaths due to motor vehicle crashes in 2015 compared to 2014, the highest number since 2008.

Costs resulting from vehicle damage, litigation, driver downtime, lost productivity and workers compensation claims can escalate quickly. The instant a crash occurs, that accident can negatively and significantly impact a fleet and a company's bottom line.

The National Highway Traffic Safety Administration (NHTSA) data revealed 94 percent of crashes can be credited to either human error or bad decisions. Additional statistics from the NHTSA state that 10 percent of all drivers at any given moment are distracted by a cell phone. These distractions can turn into millions of dollars in accident losses to companies with fleet operations.

While the driver is the one involved in an accident, the reputation of the company is also at risk. The company's name is on the side of the vehicle, and can instantly become a target of litigation and negative press if the driver is at fault.

THE ACTUAL COSTS OF AN ACCIDENT CAN FAR EXCEED THE DIRECT MONETARY IMPACT.



**TRAFFIC CRASHES COST
EMPLOYERS BILLIONS A YEAR**

\$16,500
per crash

\$74,000
crash with injury

\$500,000
crash with fatality

Accident Costs

A DIRECT IMPACT TO THE BOTTOM LINE

According to an Occupational Safety and Health Administration (OSHA) guide, motor vehicle crashes cost employers \$60 billion annually in:

- Medical care
- Legal expenses
- Property damage
- Lost productivity

In order to cover the expenses of an accident, the costs must come directly out of profit—these are earnings that never had a chance to become profit, and instead are eaten up by the unexpected cost of the accident. If you have an uninsured accident cost of \$5,000 and a profit margin of 5%, you must generate \$100,000 of increased sales to cover that loss.

THE AMOUNT
OF ADDITIONAL
DOLLAR SALES
NEEDED TO
RECOUP ACCIDENT
COSTS AT VARYING
PROFIT MARGINS

ACCIDENT COSTS	ACCIDENT COSTS		
	1%	3%	5%
\$1,000	\$100,000	\$33,000	\$20,000
\$10,000	\$1000,000	\$333,000	\$200,000
\$25,000	\$2,500,000	\$833,000	\$500,000
\$100,000	\$10,000,000	\$3,333,000	\$2,000,000

Accident Costs

COMPARABLE TO AN ICEBERG

The potential for your employees to get into accidents and sustain injuries is an obvious risk to your organization. But the overall cost may be greater than you think.

Many insurance agencies compare the costs of an accident to an iceberg. The obvious “tip of the iceberg” represents the direct costs usually covered by insurance, such as medical, hospital, and rehabilitation expenses; vehicle repair costs, and insurance premiums. However, insurance only covers a portion of the accident costs. And as accident losses increase, so does the accident premium, which directly and negatively affects your organization’s bottom line.



THE HIDDEN COSTS ASSOCIATED WITH AN ACCIDENT ARE OFTEN HARD TO MEASURE, BUT LEAVE A LASTING IMPACT ON A YOUR ORGANIZATION’S BOTTOM LINE.

ACCIDENT COSTS

- Production loss
- Training costs
- Loss of efficiency
- Administrative time
- Bad publicity
- Loss of morale
- Legal issues
- Medical expenses
- Vehicle value
- Insurance premiums



According to conservative insurance agency estimates:
\$1 of DIRECT ACCIDENT COST = \$3 of INDIRECT COSTS

Some studies show the hidden costs can be as much as:
4x to 10x MORE THAN THE INSURED COSTS

WITHOUT A COMPREHENSIVE RISK AND SAFETY PROGRAM, THE COSTS AND LIABILITY ASSOCIATED WITH ACCIDENTS CAN IMPACT YOUR DAILY OPERATIONS.

Traditional Driver Safety Program

IMPORTANT BUT RETROACTIVE

For years, the standard safety practice was to issue a fleet policy and run annual motor vehicle reports. While these tools are still in use today, without the aid of predictive data, the impact was wholly retroactive.

For example, if an incident occurred in February but your organization runs motor vehicle reports every January, it is too late to make an impactful change. You won't know about that accident until the following January when you run another check.

A fleet policy is another traditional tool which ensures that procedures for all aspects of vehicle use are clearly outlined for every level within your organization. These policies also help maximize efficiency and improve safety.

Many organizations have a fleet vehicle policy, but drivers don't always understand and abide by it. If you handed employees a copy of the fleet policy when they started with your organization, how confident are you that they are still fully aware of their responsibilities or what the repercussions are in the event of an accident?

TO MITIGATE RISK, YOU MUST ESTABLISH A SUCCESSFUL FLEET VEHICLE POLICY, RUN CONSISTENT MVR REPORTS AND COMBINE THIS WITH ENHANCED DRIVER MONITORING TECHNOLOGY.

A well-written fleet vehicle policy is a critical tool for creating an understanding among stakeholder departments, and for outlining expectations of drivers throughout your organization.

Modern Driver Safety Program

USING ANALYTICS TO BE PROACTIVE

Modern technology, telematics, and analytics are changing how companies manage safety and its affiliated risks. You can now access volumes of data on your drivers' behavior, and with the right tools, you can take action before an accident happens.

Does this shift how your organization thinks about safety? You can now put measures in place proactively, rather than reactively. This has a big impact on overall safety and the bottom line.

A modern proactive safety program begins with a skills assessment that establishes a baseline of your drivers' strengths and weaknesses. Typically produced online, skills testing identifies areas of improvement for you to be mindful of and correct. For example, if a new driver's test results show speeding incidents, you can assign training to the driver that includes safe driving practices focused on speeding.

Telematics technology and an aggressive analytics solution can add another layer to a comprehensive proactive driver safety program.

ANALYZING DATA TO IDENTIFY TRENDS, SPOT RISKY BEHAVIOR, AND UNDERSTAND WHAT'S HAPPENING BEHIND THE WHEEL CAN HELP YOU AVOID INCIDENTS.



Modern Driver Safety Program

USING ANALYTICS TO BE PROACTIVE

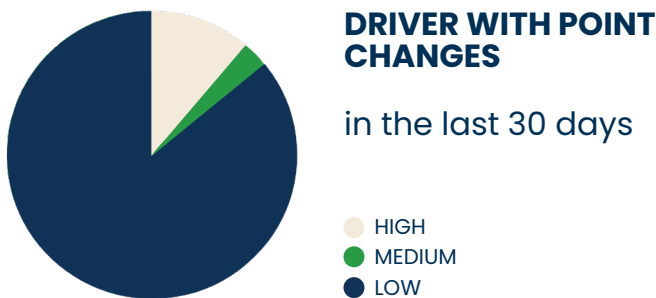
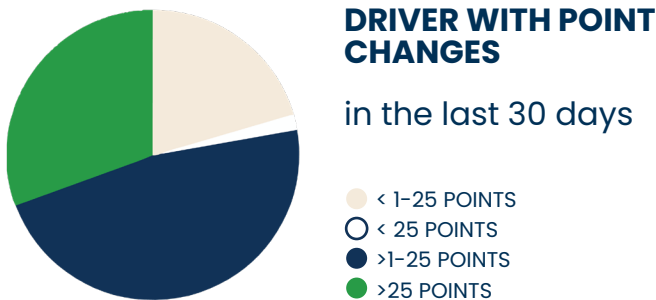
Telematics and sophisticated data analysis have also led to the development of driver scorecards – simple, intuitive tools that process data based on your business priorities and generate a

Scorecards pull data from numerous sources, including telematics devices, accident claims, fuel history, MVR reports, violations, and more, to rank each driver with an overall score. The score is like a batting average, and can be the fairest way to compare one driver's performance to another.

After looking at just one number, you can take immediate action to improve high risk drivers and recognize those showing consistently good, safe driving behavior.

Additionally, once those on the low end of the scale have corrected their behaviors, they can raise the bar and work toward better performance.

DRIVER SCORECARD



SCORECARDS

empower you to improve your team's efficiency and safety, and motivate drivers to improve their performance.

Modern Driver Safety Programs

USING ANALYTICS TO BE PROACTIVE

Technology has improved the delivery of safety training, which is important in today's fast-paced business environment. Drivers no longer need to come in to a central location for routine or assigned training. You can now assign online training to drivers, which they can complete remotely using a computer or a tablet. You can monitor all of this right from your desktop.

Look for a program that offers you a library of resources to improve driver skills and reduce liability. Prescribing training to drivers on the issues that plague fleet safety the most produces positive outcomes.

You can use online training in a multitude of ways:

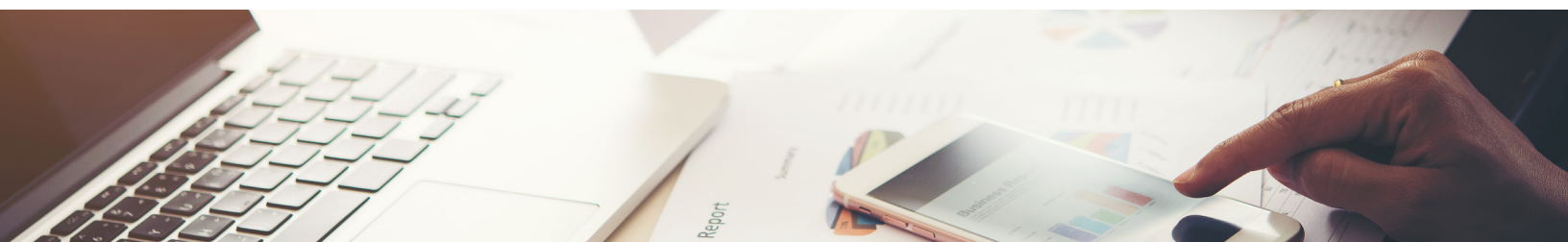
- On-board training for new hires
- Refresher courses for existing drivers
- Prescribed training when an incident occurs

New technology, combined with the traditional policy and driver reports, empowers organizations to see measurable results that lower the number of accidents. This in turn lowers direct costs and affects other areas of the budget, like insurance premiums. Even the traditional steps taken to

improve safety have benefited from technology. For example, the ability to run continuous MVR checks (rather than just once a year) is now available. That data can be constantly fed into a scorecard tool, which provides a company immediate insight into how a driver is performing.

Modern approaches combined with traditional elements in safety programs have lowered the number of accidents.

WHEN YOU PARTNER WITH A COMPANY THAT INVESTS IN TECHNOLOGY, YOU WILL BE BETTER EQUIPPED TO IMPLEMENT PROACTIVE SAFETY MEASURES.



REACTIVE & PROACTIVE PROGRAMS

TOGETHER CREATE POSITIVE OUTCOMES

- 01.** Running motor vehicle reports on a consistent, on-going basis rather than annually identifies high-risk drivers.
- 02.** Moving the fleet safety policy online and combining it with a program of online training modules enforces comprehension.
- 03.** Establishing a baseline through a driver skills assessment program identifies poor driving habits that can be corrected with training.
- 04.** Monitoring drivers through telematics data identifies risky behavior in real-time.
- 05.** Prescribing online training modules targets specific driver weaknesses to improve driving behavior.

Having tools & technologies that help manage all of the data and training is critical to long-term success.

TRACKING ALL OF THE DIFFERENT ELEMENTS TOGETHER IN ONE PLACE HELPS IDENTIFY LOW, MEDIUM AND HIGH-RISK DRIVERS



— THIS PAVES A CLEAR PATH TO REMEDIATION, WHICH LEADS TO FEWER ACCIDENTS AND LOWER COSTS.

Once you identify the 20 percent of drivers who are creating 80 percent of the costs are, you can address and improve driving habits and decrease your fleet’s overall accident rate and impact to the bottom line.

You can also identify drivers who are following company policy and reward them, enforcing a larger safety message within the organization.

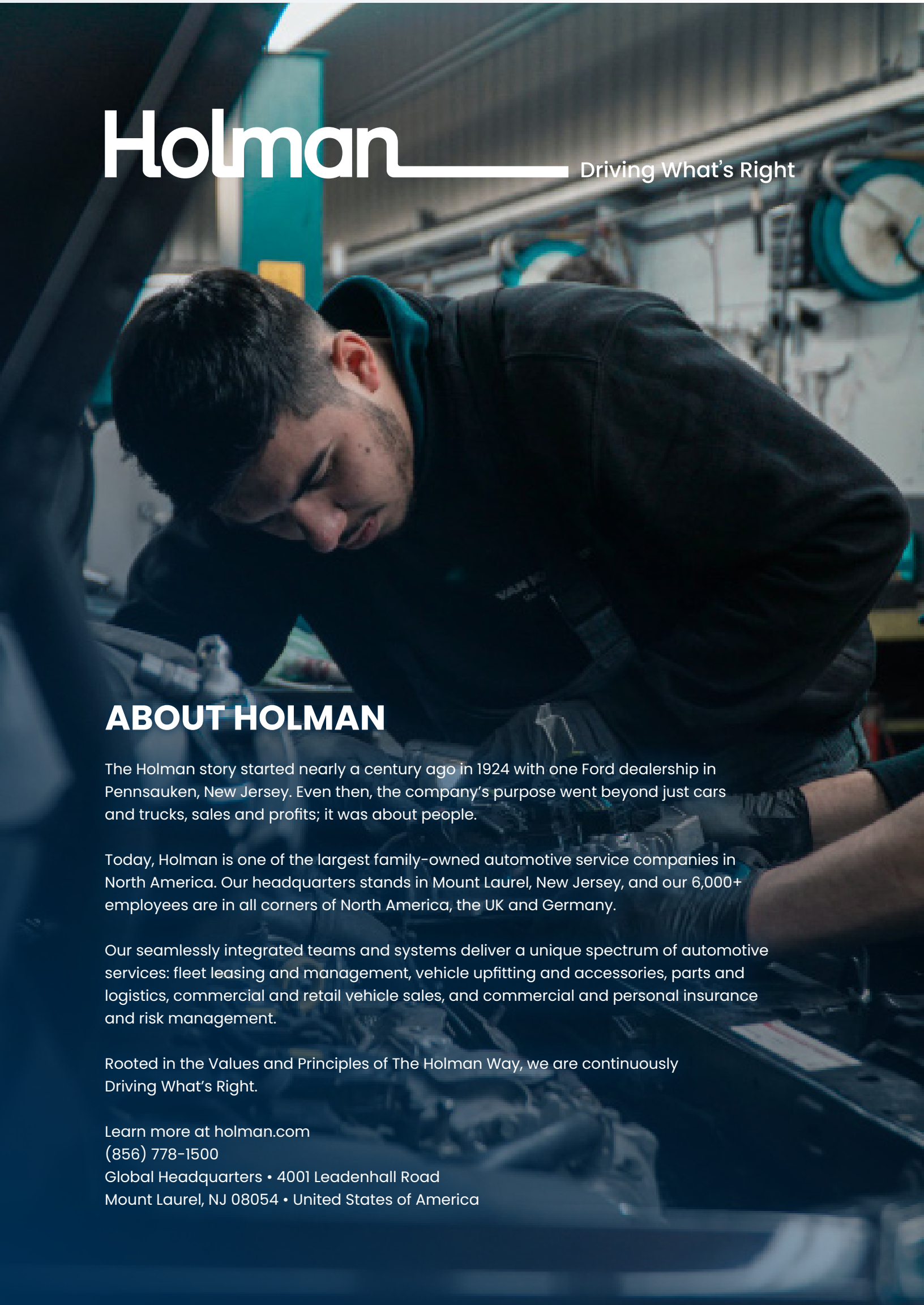


CONCLUSION

Risky driver behavior can lead to excess costs for your fleet, especially if an accident occurs. The traditional retroactive approach to driver safety simply does not do enough.

MAKE SAFETY A TOPIC AT THE FOREFRONT OF DRIVERS' MINDS, INSTEAD OF AN AFTERTHOUGHT. OVER TIME, YOUR ACCIDENT COSTS WILL DECLINE—POSITIVELY IMPACTING YOUR FLEET'S BOTTOM LINE.

WITH THE ACTIONABLE INSIGHTS THAT TECHNOLOGY & DATA ANALYSIS PROVIDE, REAL CHANGE CAN OCCUR.

A background image of a male mechanic with dark hair and a beard, wearing a dark long-sleeved shirt and black gloves, leaning over the open hood of a car. He is focused on working on the engine. The workshop environment is visible in the background with various tools and equipment.

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ABOUT HOLMAN

The Holman story started nearly a century ago in 1924 with one Ford dealership in Pennsauken, New Jersey. Even then, the company's purpose went beyond just cars and trucks, sales and profits; it was about people.

Today, Holman is one of the largest family-owned automotive service companies in North America. Our headquarters stands in Mount Laurel, New Jersey, and our 6,000+ employees are in all corners of North America, the UK and Germany.

Our seamlessly integrated teams and systems deliver a unique spectrum of automotive services: fleet leasing and management, vehicle upfitting and accessories, parts and logistics, commercial and retail vehicle sales, and commercial and personal insurance and risk management.

Rooted in the Values and Principles of The Holman Way, we are continuously Driving What's Right.

Learn more at holman.com

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