
2019
TELEMATICS
BENCHMARK
REPORT
CONSTRUCTION
EDITION
TELETRAC NAVMAN
TeletracNavman.com

FOREWARD

The Teletrac Navman Telematics Benchmark survey was conducted online between April 8 and May 7, 2019.

A variety of fleet management and fleet operations professionals participated in the survey, brining expertise from the construction, mining and oil and gas industries. The report examines best practices, trends and current issues influencing fleet management around the world.

METHODOLOGY AND SAMPLE

The 2019 Teletrac Navman Benchmark Survey includes responses from more than 2,100 fleet operations and fleet management professionals from around the world. Of the total survey respondents, 549 indicated that their primary industry was construction, mining or oil, and gas. Respondents span operations in for-hire and private fleets, government agencies and other fleet operations. This report provides an understanding of best practices and fleet management trends in business, general telematics, emerging technology, transportation, external factors and talent. Results may not amount to 100 percent due to questions with multiple selections. For reporting purposes, all statistical values have been rounded to the nearest whole number.

EXECUTIVE SUMMARY

NEW FLEET, UPGRADES

Companies' top investment focus area is new fleets / fleet upgrades to drive profits and reduce operational costs. Majority of companies are planning such increases in the next year.

TRAFFIC CONGESTION

Traffic congestion is cited as the biggest external industry threat. Route planning telematics can help drivers navigate alternate routes.

INVESTING IN PEOPLE

Investments in people also rank high, as companies seek to retain, grow and attract talent to meet business demands.

MATERIAL & LABOR COSTS

Increasing material and labor costs are a top concern and are threatening companies' cost management efforts and bottom lines, making it difficult to realize top business goals of increasing profits and reducing operational costs.


BUSINESS GOALS
AND CHALLENGES

CONSTRUCTION CONCERNS AND OPPORTUNITIES

Increasing material and labor costs remain the top concern, and commercial construction the biggest opportunity.

Downward Trends

Worries about fuel prices, aging equipment, and environmental regulations have decreased considerably since 2018.

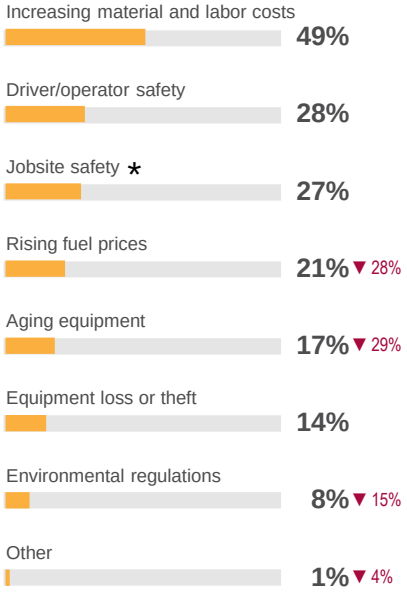
Opportunities in residential construction, while similar to levels in 2018, have declined markedly since 2017.

Heavy construction opportunities are significantly sparser compared to 2018.

On average, **9%** of equipment fails each year.

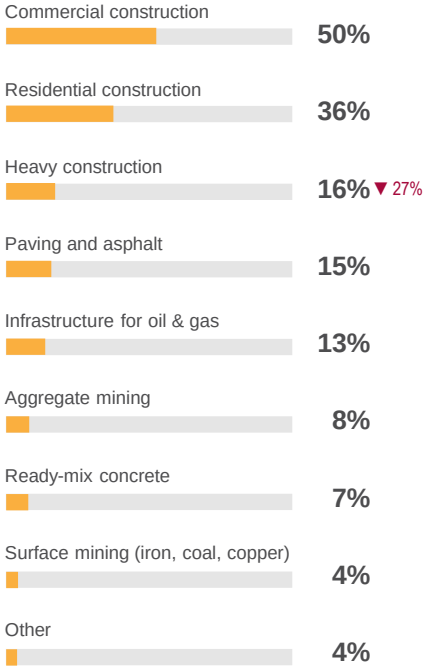
BIGGEST CONSTRUCTION CONCERNS FOR 2019

Select up to 2



BIGGEST CONSTRUCTION SEGMENT GROWTH OPPORTUNITIES

Select up to 2



* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

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BUSINESS CHALLENGES AND EXPENSES

Managing costs (down vs. 2018) remains the top business challenge, and payroll the biggest expense.

Significantly fewer report talent, business expansion, risk management, customer retention, and regulatory change challenges vs. 2018.

New equipment/vehicle purchase expenses are less pervasive than they were in 2018.

TOP BUSINESS CHALLENGES

Select up to 2

Managing costs	41% ▼ 49%
Growing revenue	23%
Finding, retaining and developing talent	21% ▼ 35%
Minimizing vehicle/driver incidents	19%
Business expansion	15% ▼ 24%
Risk management	11% ▼ 21%
Technology adoption/use *	10%
Customer retention	7% ▼ 14%
Regulatory changes	5% ▼ 17%
Driver fatigue management	4%
Other	2%

LARGEST EXPENSE AREAS

Select up to 2

Payroll	47%
Equipment/vehicle maintenance	31%
Fuel	27%
Raw materials *	22%
Purchasing new equipment/vehicles	21% ▼ 32%
Insurance	13%
Business software	3%
Other	1% ▼ 4%

* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

INFRASTRUCTURE CHALLENGES

Traffic congestion reigns as the biggest infrastructure challenge while the number of respondents not experiencing any infrastructure challenges dwindles.

MOST CHALLENGING INFRASTRUCTURE ISSUES

Select up to 2

Traffic congestion	51%
Aging roads & bridges	25%
Construction projects	25%
Roadway design	12%
Access to fuel	5%
Inadequate signage & signals (traffic lights)	3%
Truck stops/service stations	2%
Underpasses/tunnels	2%
Other	3%
None - not experiencing challenges	14% ▼ 20%

▲▼= significant change vs 2018 (% = 2018 value)

BUSINESS GOALS AND INVESTMENTS

Not surprisingly, increasing profits and reducing operational costs are top goals for construction. Fleet upgrades are a top investment area for meeting these goals.

A FOCUS ON PEOPLE

Talent attainment, retention, and development (though lesser priority vs. 2017 and 2018) and customer experience are other key focus areas.

TECHNOLOGY TURNDOWN

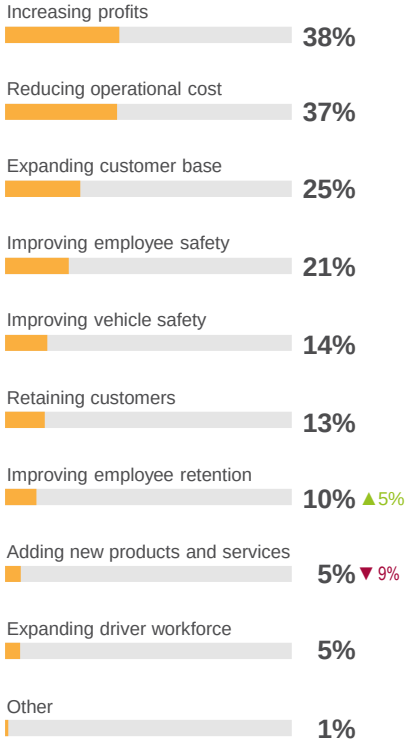
More efficient GPS tracking and regulatory compliant technology (presumably because compliance mandates have passed) are also lower priority.

BRAND AWARENESS

Levels are similar to 2018 levels but have declined significantly since 2017.

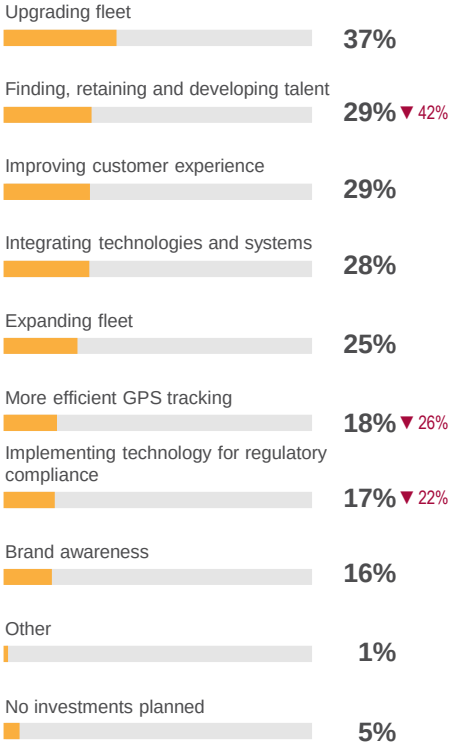
TOP BUSINESS GOALS FOR 2019

Select up to 2



INVESTMENTS PLANNED FOR 2019

Select all that apply



▲▼= significant change vs 2018 (% = 2018 value)

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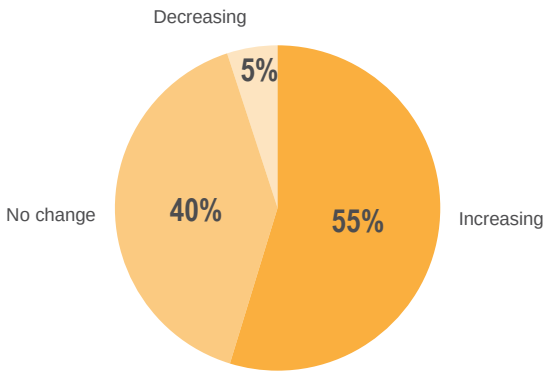
ECONOMIC GROWTH INCREASING FLEET

Majority of respondents have plans to increase equipment / fleet size over the next year, primarily by making new outright purchases to replace aging vehicles/equipment.

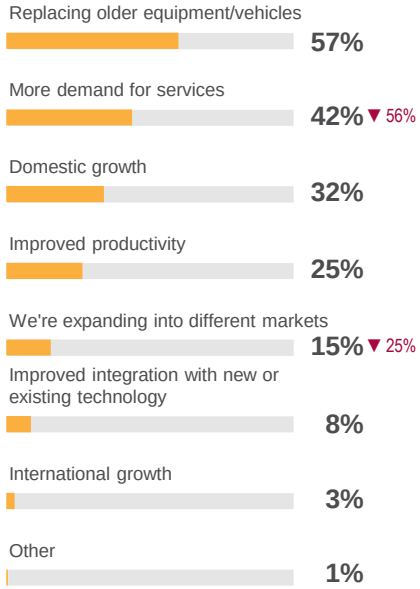
Service demands and market expansion are significantly less influential to fleet size increases than they were in 2018.

FLEET SIZE



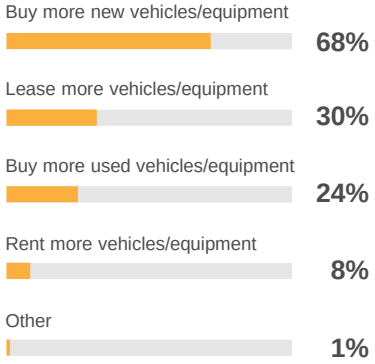
REASONS FOR INCREASING FLEET SIZE

Select all that apply



HOW FLEET SIZE WILL INCREASE

Select all that apply



* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)


TELEMATICS

TELEMATICS USAGE

Telematics usage has risen 11% since 2018 and continues to be used primarily to track vehicles and equipment, with monitoring of most other behaviors and practices on the decline.

Telematics functionality is, however, grossly underutilized, with companies using 3 (of 12 tested) features, on average.

Average Fuel Reduction

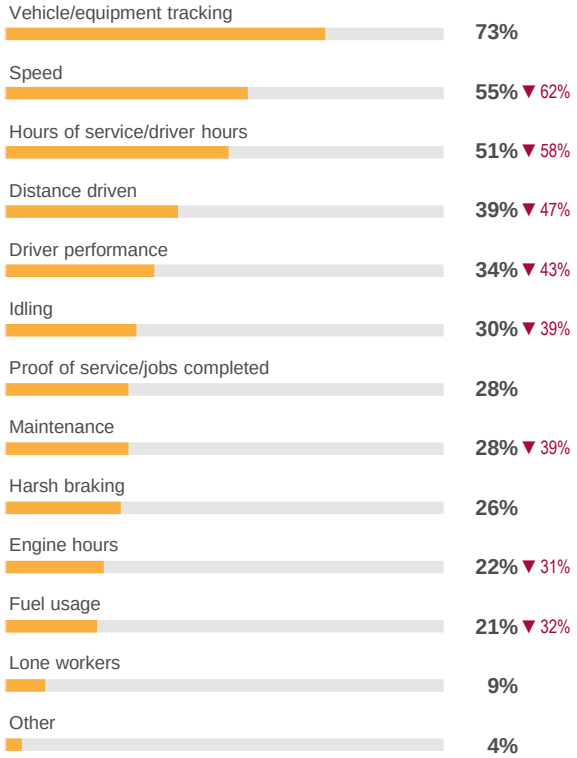
Average **13.3**

5%-10%	35%
11%-20%	16%
21%-30%	8%
31%-40%	1%
More than 40%	2%
None	38%

Of the 3 in 5 respondents who monitor fuel usage, the average fuel reduction is **13%**

WHAT IS MONITORED WITH TELEMATICS

Select all that apply



▲▼= significant change vs 2018 (% = 2018 value)

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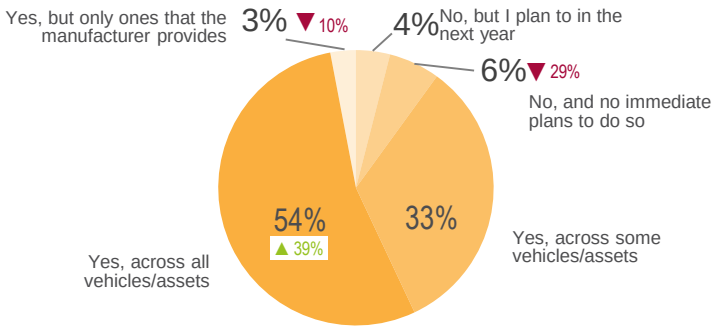
TELEMATICS NON-ADOPTION

Few continue to resist telematics adoption; proportions of rejecters have declined 20% (29% vs. 10%) since benchmark tracking began in 2017. There has also been a sharp decline since 2018 in those unable to acknowledge the benefits of implementation.

TELEMATICS USAGE

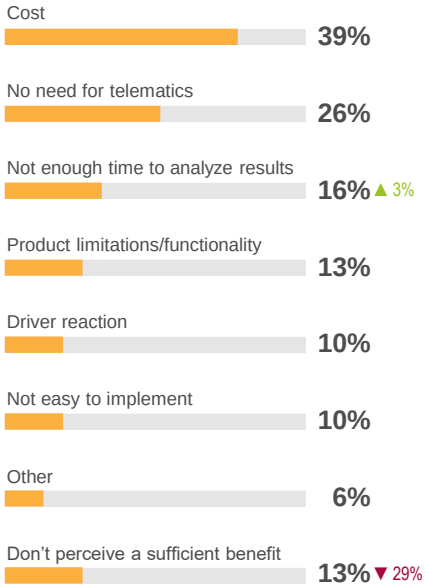


Rejecters have decreased by 20% since 2017.

While resisters continue to cite cost as their biggest barrier, insufficient time to analyze results has climbed significantly since 2018.

REASONS FOR NOT IMPLEMENTING TELEMATICS

Select all that apply



Sample size results in reduced confidence (90% +/- 17.5%) ▲▼= significant change vs 2018 (% = 2018 value)

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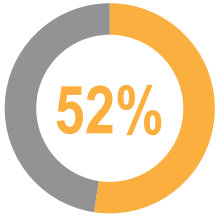
TELEMATICS TOP BENEFITS

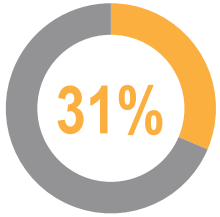
Select up to 3

Peace of mind around equipment and vehicle location is a top benefit and aligns with the primary reason for using telematics. Similar proportions of those who use telematics to monitor driver behavior indicate it is a top benefit, suggesting the technology works well for this purpose.

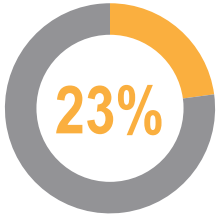
Peace of mind knowing where vehicles/equipment are



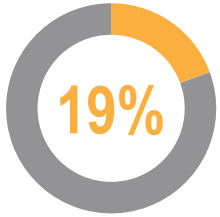
Improved driver/operator behavior



More efficient routing and dispatching



Time/cost savings



Improved driver safety

*go to appendix Chart A to see all response options

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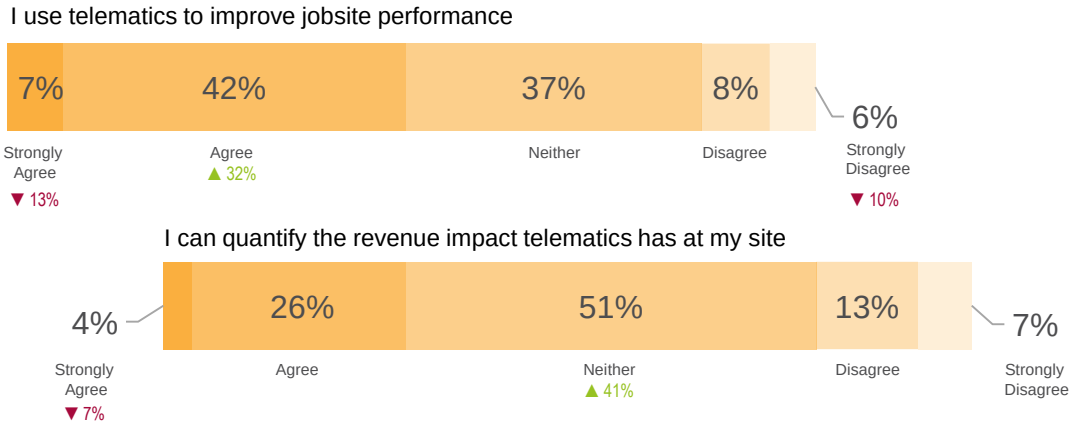
TELEMATICS IMPACT

Uncertainty about quantifying revenue impact has grown. While half of companies agree they use telematics to improve jobsite performance, far fewer are able to quantify its impact. Strongly agree scores for both metrics have declined.



▲▼= significant change vs 2018 (% = 2018 value)

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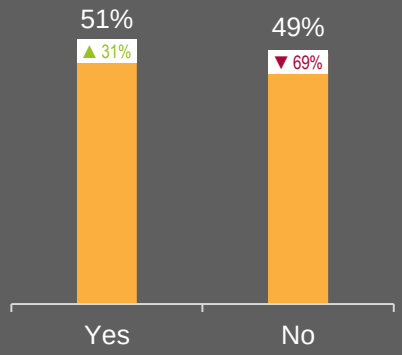
TELEMATICS SAFETY

Telematics' impact on incident reduction has climbed significantly vs. years past, with a notable upward shift in incident insight and details.

More than a quarter cite driver monitoring, speed prevention, and driver productivity as top telematics-related safety benefits.

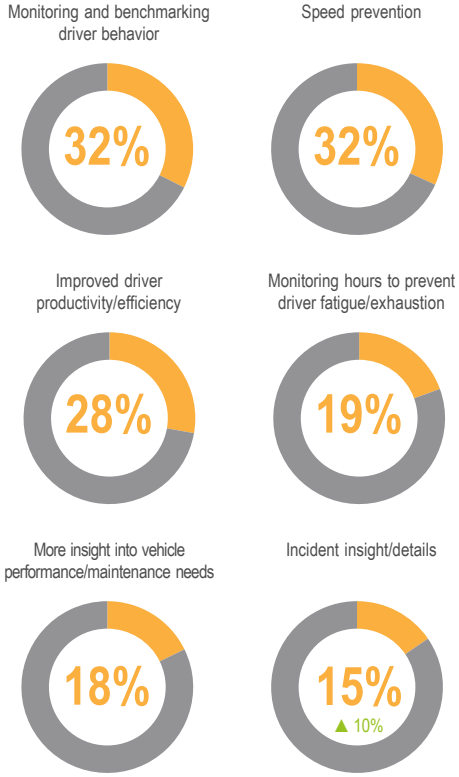
FEWER INCIDENTS SINCE TELEMATICS ADOPTION

Impact on safety has grown significantly, with driver safety ranked 5th overall for telematics benefits.



TOP SAFETY BENEFITS OF USING TELEMATICS

Select up to 2



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TECHNOLOGY
AND SECURITY

TECHNOLOGY IMPLEMENTATION & IMPACT

Driver warning / alerting tops the list of technologies to be implemented, with nearly one-quarter considering it, and is expected to have the greatest operational impact.

Very few plan to implement autonomous driving vehicles and feel the nascent technology won't affect business until about 2028.

9.6

AVERAGE YEARS UNTIL AUTONOMOUS DRIVING EXPECTED TO IMPACT BUSINESS

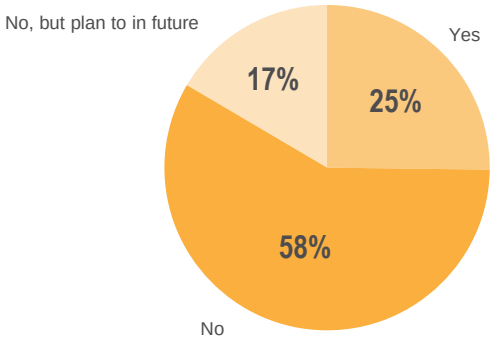
	POTENTIAL 2019 IMPLEMENTATION *Select up to 2*	GREATEST IMPACT ON OPERATIONS
Driver warning/alerting technology	23%	34%
Fatigue monitoring	15%	16%
Big data analytics	10%	12%
Drones	8%	8% ▼ 14%
Artificial intelligence	5%	10%
Machine vision technology	4% ▼ 11%	10%
Platooning	2%	0%
Autonomous/self-driving vehicles/equipment	2%	14%
Smart cities	1%	6%
Other	2%	1%
None	50%	24%

▲▼= significant change vs 2018 (% = 2018 value)

BIG DATA ANALYTICS USAGE

One-quarter are using big data analytics to guide strategic business decision making, up significantly vs. 2017. However, using big data to forecast hiring needs is a distant second to manual processes, but has been climbing. Lack of internal expertise / resources may be to blame.

BIG DATA USED FOR STRATEGY DEVELOPMENT



Forecasting Business Hiring Needs

Select all that apply

Manually pulling records/paper-based processes
42%

Tools for big data analysis
20%

Guessing
12%

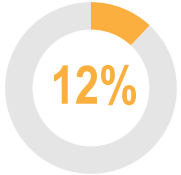
Other
6%

Not currently doing this
29%

Big Data is becoming more common place as companies look for ways to improve efficiencies and increase profits. More businesses see Big Data as an important tool for success.

CONSIDERING IMPLEMENTING BIG DATA ANALYTICS IN 2019

BIG DATA ANALYTICS WILL HAVE GREATEST IMPACT ON BUSINESS OPERATIONS



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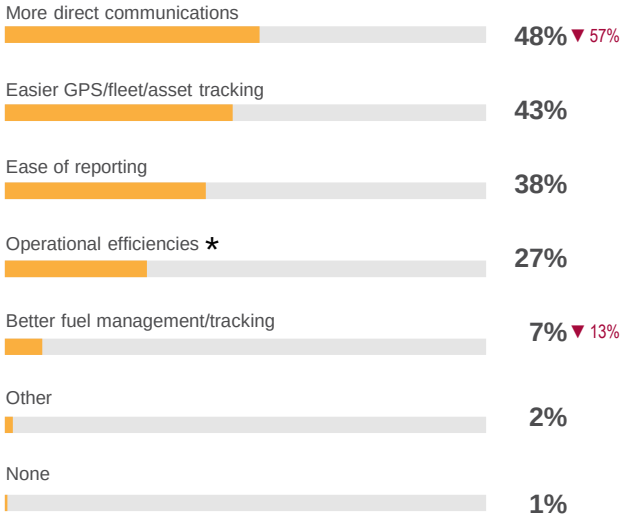
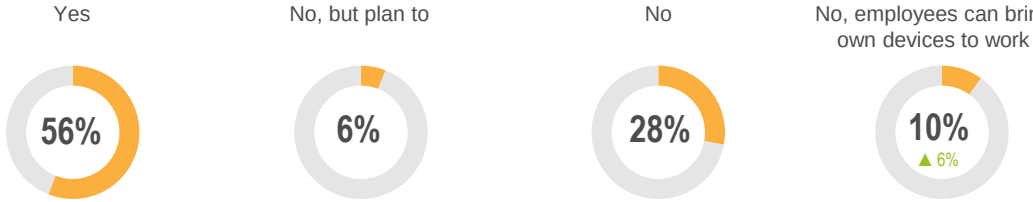
TECHNOLOGY / MOBILE DEVICES

MOST IMPORTANT MOBILE TECHNOLOGY EFFICIENCIES/ BENEFITS

Select up to 2



MOBILE DEVICES/TECHNOLOGY ARE OFFERED TO DRIVERS/EQUIPMENT OPERATORS FOR FLEET ASSET MANAGEMENT



Majority of companies offer mobile technology to drivers and operators facilitating direct communications and improved asset tracking.

* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

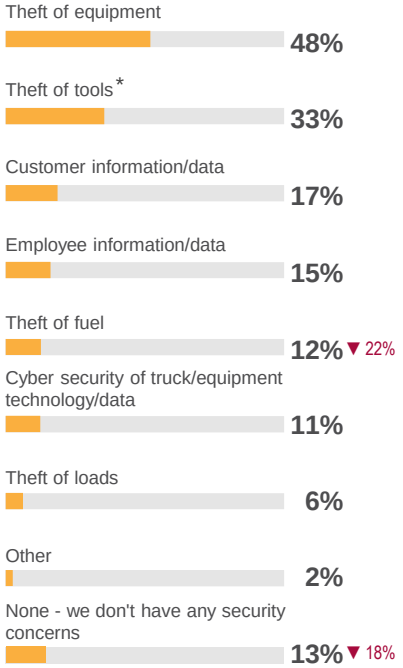
SECURITY CONCERNS

Physical theft of equipment and tools top the list of security concerns.

Fuel theft concerns have declined considerably since 2018.

BIGGEST SECURITY CONCERNS

Select up to 2



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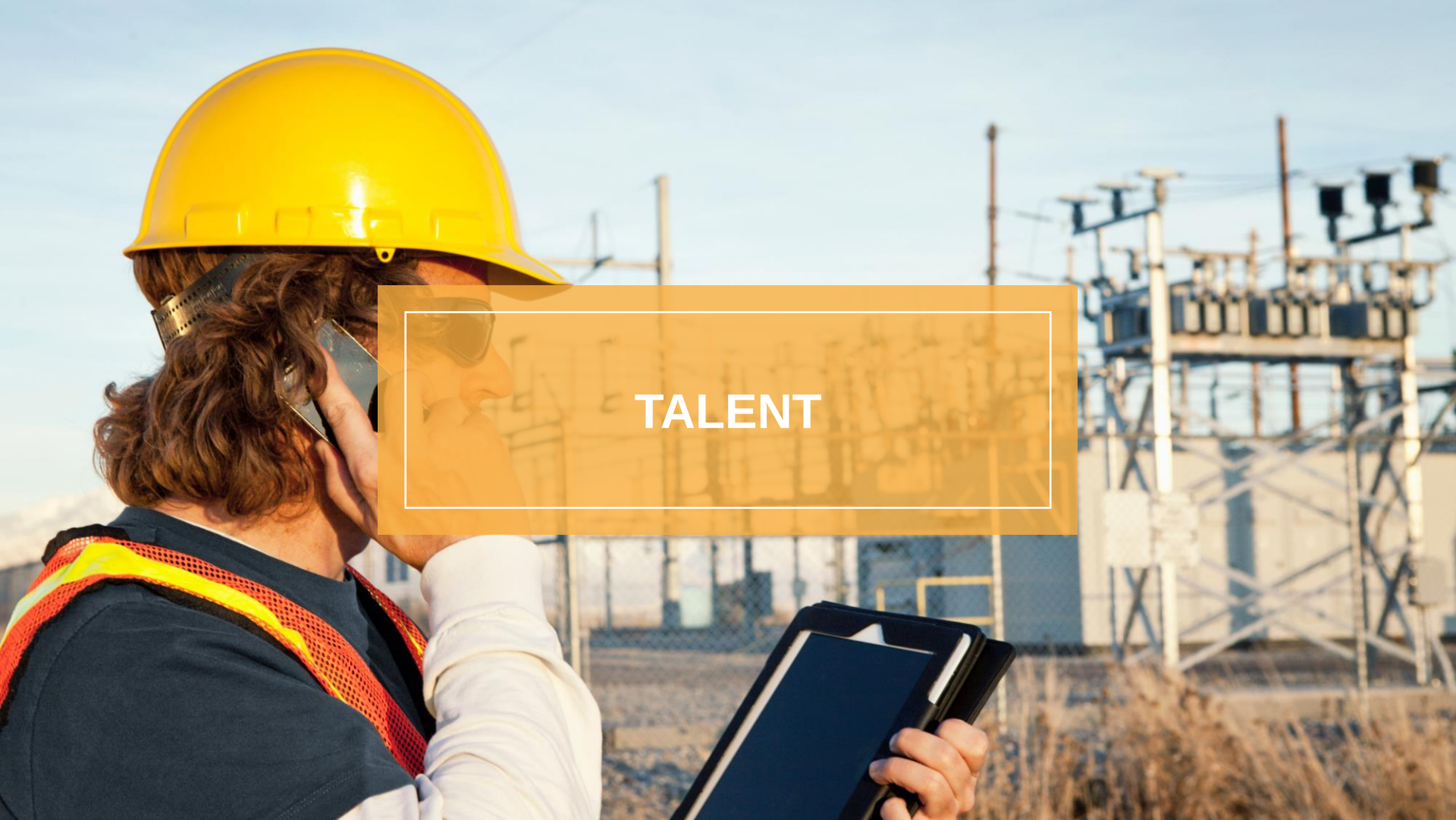

TALENT

TALENT RECRUITMENT

Half plan to increase drivers and equipment operators. Fleet and equipment operations additions, which have been steadily climbing, are up significantly compared to the past two years.

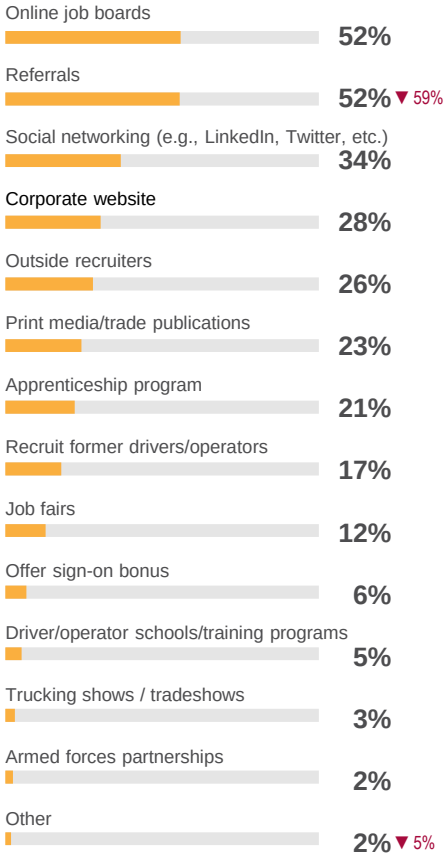
Primary recruitment methods are online job boards and referrals.

Planned Staff Increases

Select all that apply

Drivers/Equipment operators	51%
Fleet/Equipment operations	20% ▲ 13%
Maintenance managers/professionals	18%
Safety/Compliance professionals*	11%
Telematics professionals	6%
Dispatchers	6%
Technology experts	6%
Other	1%
None	30%

RECRUITMENT METHODS *Select all that apply*



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TALENT RETENTION

Although not a top business goal, improving employee retention is up vs. 2018. Primary retention tool is pay increases. Four of the top five tactics are monetarily-linked.

RETENTION METHODS *Select all that apply*

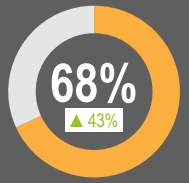
Increasing pay	37%
Upgrading equipment	25%
Improving benefits	20%
Performance-based bonuses	19%
Guaranteed weekly rate	19%
Driver appreciation programs (BBQs, lunches, etc.)	16%
Recognition/rewards programs	15%
Profit-sharing plans	10%
Promote drivers to lead peer training program *	4%
Pay from per-mile to salaried	2%
Owner programs-convert to independent contractors	2%
Other	1%
Not doing anything from this perspective	22%

* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

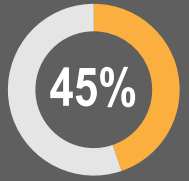
DRIVING BEHAVIOR

Majority of companies are monitoring driving, with nearly half rewarding drivers, a practice that has been steadily gaining momentum since tracking began in 2017. Such rewards have resulted in improved safety and retention.

MONITORING DRIVER BEHAVIOR

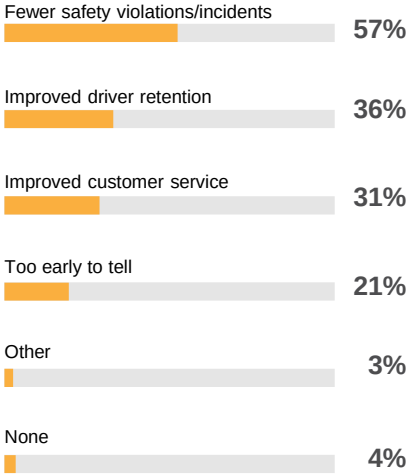


REWARDING SAFE DRIVING



RESULTS OF SAFE DRIVER REWARDS

Select all that apply



▲▼= significant change vs 2018 (% = 2018 value)

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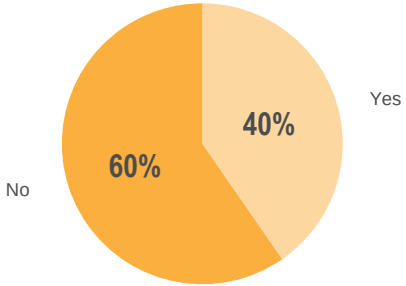
DRIVER SHORTAGES

While less than half are currently experiencing operator shortages, pay increase is a top talent lure in times of need. Increased demand, if addressed at all, is solved by outsourcing both workers and equipment.

DRIVER / EQUIPMENT OPERATOR SHORTAGE



HOW DRIVER/OPERATOR SHORTAGE IS ADDRESSED

Select all that apply

Increasing pay	50%
Offering better benefits	35%
Providing flexible work arrangements	22%
Developing educational/training programs	21%
Hiring freelance/contingent drivers/ equipment operators	20%
Investing in wellness programs	15%
Other	3%
Not doing anything	13%

METHODS FOR MANAGING INCREASED DEMAND FLUCTUATIONS

Select all that apply

Outsource drivers/equipment operators	34%
Outsource trucks/equipment	28%
More efficient routes for drivers	19%
More reliance on technology/telematics	13%
Other	4%
We don't do anything different when demand increases	25%

▲▼= significant change vs 2018 (% = 2018 value)

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RESPONDENT PROFILE

DRIVER & EQUIPMENT OPERATOR WORKFORCE MAKE-UP

Full-Time	85% ▲ 74%
Part-Time	2%
Majority Contractors (FT or PT)*	12%
Other	1% ▼ 4%

COUNTRY

UK 40% ▲ 26%

USA 36% ▼ 49%

Australia 10%

New Zealand 10%

Mexico 3% ▲ 2%

*1% Other

ROLE*

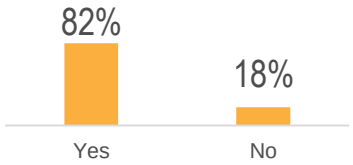
Administrative (back office functions)	19% ▲ 14%
Owner	16%
Fleet/equipment manager	12%
Operations manager	10%
General/regional manager	9%

*See appendix Chart B for all response options

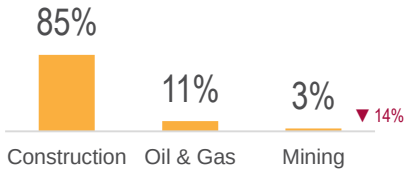
VEHICLES IN FLEET

1-9	28%
10-24	27%
25-50	17%
51-100	10%
101-500	11%
500+	6%
Average	83

MIXED FLEET

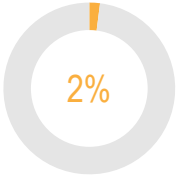


INDUSTRIES

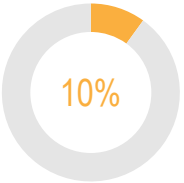


FLEET OPERATIONS

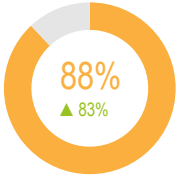
Government Agency & (Other ▼ 4%)



For Hire



Private



* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

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APPENDIX

Chart A

Top Telematics Solutions Benefits *Select up to 3*	
Peace of mind knowing where vehicles/equipment are	52%
Improved driver behavior	31%
More efficient routing and dispatching	23%
Time/cost savings	19%
Improved driver safety	19%
Improved customer service	17%
Meeting compliance requirements	16%
Reduced incidents/theft	9%
Fewer incidents	8% ▲ 3%
Reduced insurance premiums	7%
Reduced maintenance costs	7%
Improved fuel efficiency	6% ▼ 11%
Preventing fuel loss	5%
Fewer unexpected equipment failures	3%
Other	2% ▼ 8%
None*	4%

Chart B

Role	
Administrative (back office functions)	19% ▲14%
Owner	16%
Fleet/equipment manager	12%
Operations manager	10%
General/regional manager	9%
Executive/vice president/managing director	6% ▼10%
Dispatcher/dispatch manager	6%
Safety manager	5%
Compliance manager	3%
Site manager	3%
Maintenance manager	2% ▼6%
Service technician/fleet maintenance	2%
Service manager	1%
Mine/quarry manager	<1% ▼2%
Production manager	<1% ▼2%
Other	6%

* New response option for 2019 ▲▼= significant change vs 2018 (% = 2018 value)

TELETRAC NAVMAN

Teletrac Navman is a leading software-as-a-service (SaaS) provider leveraging location-based technology and services for managing mobile assets. With specialized solutions that deliver greater visibility into real-time insights and analytics, Teletrac Navman helps companies make better business decisions that enhance productivity and profitability. Its fleet and asset management technology uncovers information that would otherwise go unseen, helping customers reduce risk and confidently move their business forward with certainty. It tracks and manages more than 550,000 vehicles and assets for more than 40,000 companies around the world. The company is headquartered in Glenview, IL, with additional offices in the United States, United Kingdom, Australia, New Zealand and Mexico.

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