

white paper

INDUSTRY: WATER DELIVERY & TREATMENT



2007 Fleet Intelligence Survey Report

Dealers Speak Out

By John Common

2007 Fleet Intelligence Survey Report

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2007 Fleet Intelligence Survey Summary Report

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OVERVIEW

In early 2007 MobileIQ and Water Technology Magazine collaborated to sponsor the water industry's first annual Fleet Intelligence Survey. The survey taps the knowledge and expertise of water treatment dealers to help determine industry trends and best practices in fleet management for supplies delivery, installation and service routes.

The goal of the survey is to increase the industry's understanding of the needs, opportunities and best practices surrounding routing and fleet management, and "raise the bar" for performance in this critical area. The survey will be performed annually in order to build trend data and identify emerging challenges and opportunities in the area of fleet and route management.

SURVEY METHODOLOGY

The 2007 Fleet Intelligence Survey was open for five weeks from April 16th to May 18th. A survey link was emailed to a national list of bottled water and water treatment dealers generated by Water Technology Magazine. 189 dealers responded by filling out the survey.

SUMMARY REPORT

What follows is a summary of the 2007 Fleet Intelligence Survey, organized by the key themes that emerged from the survey data.

1. Ready For Technology

Dealers are clearly ready and able to adopt more efficient, technology-enabled processes and approaches.

- 54% of dealers rate themselves as very comfortable and knowledgeable about computers/technology
- 44% of dealers rate themselves as having basic skills

Dealers are using technology more and more throughout their operations. Their employees are on the internet and have email access.

- 68% of dealers have internet access in their office
- 42% have employee email accounts
- 36% are notifying their customers via email
- 30% are using route accounting software

- 53% of dealers said email was their preferred method of business communication. (24% said phone, 20% said in person.)

2. Small Fleets, Big Needs, Small Budgets

Most water dealers are running relatively small fleets consisting of 1 to 9 trucks.

- 68% of dealers who deliver water are running delivery fleets of 1 to 9 trucks
- 50% of dealers who deliver water are running delivery fleets of 1 to 3 trucks
- 76% of dealers who do service/installation are running service fleets of 1 to 9 trucks
- 57% of dealers who do service/installation are running service fleets of 1 to 3 trucks

Dealers recognize that they must make improvements in all areas of their business in order to succeed and grow:

- 83% said improving customer service was “Very Important”
- 73% said managing fleet and fuel expenses better was “Very Important”
- 69% said improving their sales and marketing was “Very Important”.

Dealers aren’t afraid to invest in their business, but the value proposition has to be very strong in order to justify the decision.

- 80% of dealers spent less than \$25,000 in the last 24 months on office technology
- 18% spent between \$25,000 and \$50,000
- 57% spent money on outsourced marketing/advertising and promotions
- 40% spent money on outsourced information technology services (*network administration, software upgrades, etc*)

3. Growing The Bottom Line

While managing fleet-related expenses is crucial to growing profits, dealers understand that growing sales is even more important to growing the bottom line. Tools and services that assist dealers in controlling costs, increasing sales, and better serving and retaining customers are desired.

When assessing what improvements would make the biggest impact on their profits,

- 77% of dealers said getting more customers was “Very Significant”
- 70% said retaining more customers was “Very Significant”
- 66% said selling more to existing customers was “Very Significant”
- 79% said reducing fleet mileage was “Very Significant” or “Significant”
- 69% said reducing fleet hours was “Very Significant” or “Significant”
- 59% said getting more accurate and timely management reports was “Very Significant” or “Significant”

4. Better Tools

- 75% of dealers said an online software suite that makes daily routing and fleet management easier was more valuable to them than an annual route optimization or route balancing project
- 42% said mapping software was very useful
- 33% of dealers have never used comprehensive fleet management software.

Over 80% of dealers are using a manual system consisting of wall maps, inexpensive mapping software and office software to manage their fleets and routes.

What they LIKE about this manual system is the following:

- It is easy to use
- It is simple to understand, learn and implement
- It is flexible – it doesn't tell them how to run their business
- It is affordable

What they DON'T LIKE about this manual system is the following:

- It lacks important features such as a quick and accurate way to place new customers into the right route
- It doesn't automate everyday tasks
- It doesn't integrate with their accounting and customer information systems
- Inaccurate maps and driving directions
- It doesn't support better communication between delivery staff, office staff and customers
- No integration with handheld devices and/or in-vehicle navigation systems
- It is inefficient, requiring the user to jump from one system to another to perform a task

5. The Ideal Routing and Fleet Management System

Dealers clearly see a need for better technology and more automation in their operations. They want a system that automatically handles obvious tasks and that assists in helping them make smart management decisions. There is a strong desire for customer service and customer management tools as well.

Dealers said their "ideal" routing and fleet management system would offer the following features:

- Recommend best route day for new customers
- Identify and warn of unnecessary mileage
- Track and classify customer issues

- Recommend best routes for will calls and specials deliveries
- Automatically generate reminder emails to customers
- Allow them to view their customers, routes and route days with online maps
- Quickly and accurately create and print driving directions and maps

6. Periodic Route Optimization

84% of dealers said they should be optimizing the delivery routes once per year or more.

However, only 65% said they actually do so.

Dealers noted the following factors as indicators for optimizing the delivery routes:

- 63% said fuel costs
- 61% said unbalanced route days
- 50% said profitability concerns
- 44% said labor costs

Dealers would like to improve the way that they optimize their routes in the following ways:

- More automation and better use of technology
- Better maps
- More accurate route information
- A way to schedule and notify customers more efficiently
- Better use of staff time

ABOUT MOBILEIQ

MobileIQ is a leading provider of fleet intelligence and customer service solutions for distribution, delivery and service companies. By combining innovative technology with expert professional services, we deliver real world results for our clients. We passionately believe that our customers deserve true solutions that make their jobs easier, their business more profitable, and their customers “beyond-satisfied”.