

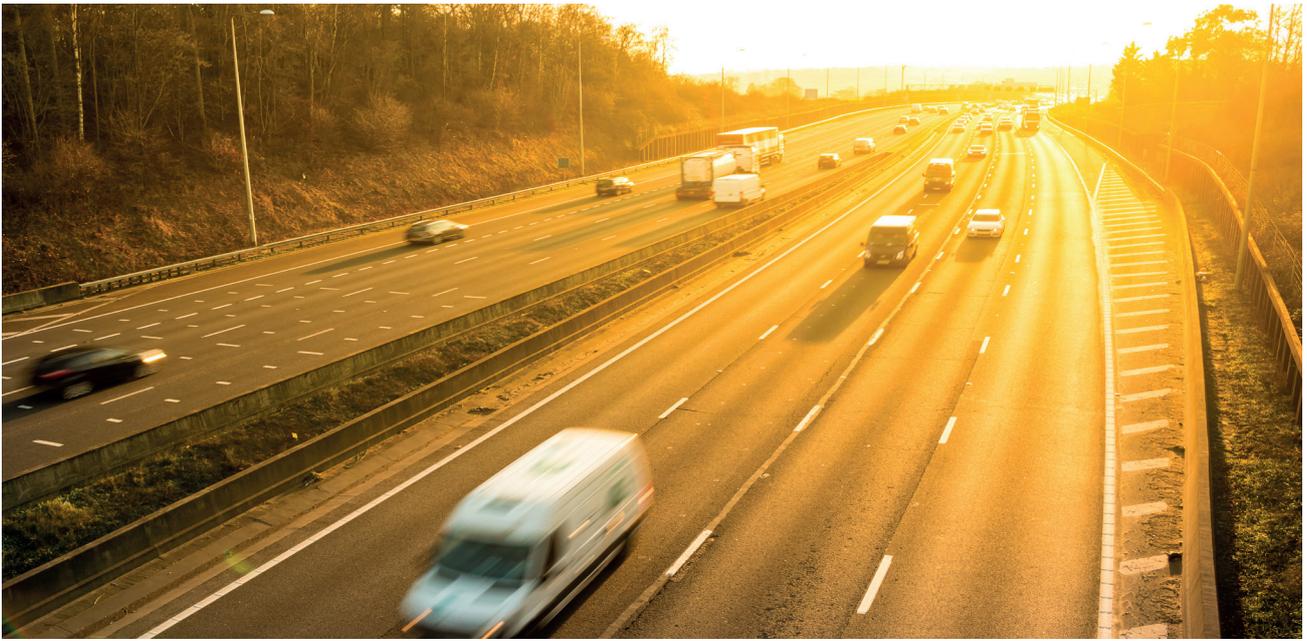
Whitepaper:

The effect of driver coaching on the bottom line



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Overview

Getting serious engagement at senior or board level can be challenging if there are no clear financial benefits and no realistic and significant return on investment (ROI), from undertaking a particular course of action.

The challenge is particularly acute if companies assume they are purchasing an intangible product. To make it tangible, so that the financial benefits in particular can be explained with confidence, the outcome of training, and the financial savings accrued, must be quantified.

This paper demonstrates that cost savings can be achieved through high quality and innovative driver coaching programme based on a holistic approach to fleet risk and driver safety management.

It uses real-life data to show that real ROI can be achieved by monitoring, measuring and managing your occupational road risk programme.

The impact of coaching on high risk drivers

Linking coaching interventions to collision rates directly is generally difficult to perform. However, DriveTech sees this as increasingly common amongst companies focused on measuring outcomes and on justifying their investment.

In a recent study, DriveTech analysed the 'real-life' impact of its on-road coaching approach in a fleet which included around 100 drivers identified as being 'high risk' (using DriveTech's proprietary interactive driver risk assessment tool). Collision numbers and costs for these drivers were tracked both pre- and post-coaching.



In this real-life case study, in the six months before coaching, there were, on average, 1.09 collisions per driver, whereas in the first 6 months after coaching, the number of collisions dropped to only 0.16 collisions per driver and 0.25 collisions in the following 6 months; in effect, a reduction of 0.93 fewer collisions per driver in the first six-month period after training - **a drop of 85% in number of collisions** - and a statistically significant reduction.

Number of collisions before and after driver training





The impact of on-road driver coaching on the cost of collisions

Taking the same high risk driver community as above, the cost of collisions experienced was also analysed.

In the six months before coaching, the cost of each collision averaged £385 whereas post-coaching, it was £41, a reduction of 89%. This means the type of collisions – and the cost of fixing them – changed significantly as a result of DriveTech’s on-road driver coaching.

Combining the reduced frequency and cost per collision observed in this study, this fleet saw a total **cost reduction of over 90%** in the first 6 months post-training by working in partnership with DriveTech.

Cost of collisions before and after training



What return on investment (ROI) can be achieved?

Using the real-life observed behaviours and cost outcomes identified previously, the following payback can be predicted for a 100 vehicle fleet for a standard programme of DriveTech risk management and on-road coaching.

The following illustration demonstrates the benefits in the first six months alone:



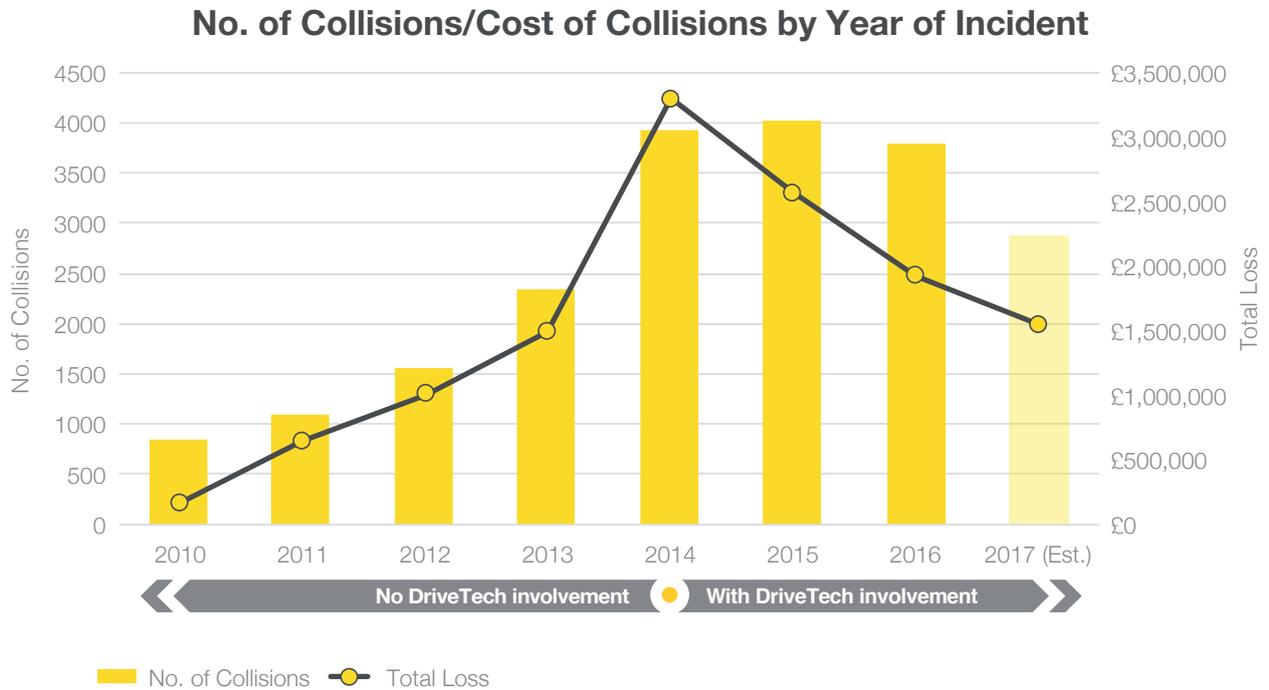
* assumes 25% drivers requiring 2 checks (3-6pts)
& 5% requiring 4 checks (6+pts)

In summary, the reduction in collision numbers, costs of collisions can result in a significant saving even with a relatively small fleet. Factoring in fuel and SMR savings too can double or triple the benefits, this ensuring a strong return on the initial investment.

- On a 100-vehicle fleet, the cost of a driver risk programme is around £7k
- Collision savings over double the initial investment
- Fuel & SMR savings increase this 2-3x

What financial savings can a large sized fleet achieve?

This real-life chart from a DriveTech customer shows the impact of driver coaching over a four-year period and shows that a strategic approach can both reduce incident rates but also the costs of running a fleet significantly, even in the short term.



In this example, the DriveTech customer grew their home delivery fleet up to 2014, showing the rapid increase in collisions/cost. The fleet size has then been more stable, but shows our training has driven collisions down.

What financial savings benefits can a medium-sized fleet achieve?

In this example from another DriveTech customer, this chart shows the benefits of driver within the first three years of coaching introduction as it shows a sharp decline in both incident numbers and also total costs of a running a fleet.



Conclusion

This paper shows that driver training and coaching delivers financial benefits to the bottom line.

By analysing fleet running and collision costs and the introduction of on-road driver coaching, we've shown that the reduction in collisions can result in significant savings.

Factoring in fuel and service repair savings too can double or even triple the benefits, ensuring a strong return on the initial investment. This demonstrates that driver coaching not only reduces the number of crashes that drivers have but also lowers the average cost of crashes too.

This information can be useful to 'sell upwards' within an organisation and to gain serious engagement at board level, where financial benefits are always of interest.

Driver training works – and it can save the business money.

About DriveTech

DriveTech is the world leader in fleet risk and safety management, and driver training. It is also the UK's largest provider of driver offender retraining courses.

With a track record built over the last 25 years, DriveTech now delivers fleet consultancy, driver assessment and training services in over 95 countries, in 35 languages through over 40 partners.

Our fleet solutions improve driver safety, reduce fleet running costs and ensure compliance with legal and duty of care responsibilities.

Our customers range from companies with small fleets through to large corporate customers where driver training is a core activity, an understanding of their sector required and a clear return on investment is demanded.

DriveTech is part of the Automobile Association and has operations in Basingstoke, UK.

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