



Networkfleet® Helps ServiceMaster Weather Rough Economic Times

Summary

The Networkfleet wireless fleet management system has more than paid for itself during the first 12 months of operation at ServiceMaster Restoration and Construction in Springfield, Missouri. It has reduced fuel and labor costs by thousands of dollars and enabled the company to increase revenue by \$156,000 per year by improving efficiency and controlling the cost of each job.

Problem

As owner of ServiceMaster Restoration and Construction in Springfield, Missouri, Ken Hedgpeth is well acquainted with the frightening consequences of disasters. The company regularly deals with wild fires, hurricanes, floods and broken pipes, but now faces the challenges of a tough economy.

To survive the weakening economy, ServiceMaster needed a more efficient way to track drivers and costs, improve vehicle efficiencies, and increase revenue without adding staff resources. At the same time, since most disaster restoration jobs require a minimum of three employees, labor cost control was a must in order for ServiceMaster to remain competitive.

Solution

ServiceMaster addressed these challenges by installing Networkfleet on four of the most often used vehicles in its fleet. In addition to vehicle location information, Networkfleet's wireless fleet management system monitors and reports speed, odd-hours use, fuel usage, run-time, idle time, mileage, and engine problems, among many other critical diagnostics.

Hedgpeth selected Networkfleet based on his previous experience with GPS. "We used lessons learned from a sister company in Kansas City. They had cellular phone GPS technology, but it didn't meet all their requirements, which were similar to ours. Also, during Hurricane Ike in 2008 two of their vehicles, valued at a total of \$100,000, were stolen from a parking lot and were not recovered because the drivers left their cell phones at the job site that day."

In contrast, Networkfleet hardware connects directly to the vehicle's on board diagnostics computer (OBD-II). Data is uploaded every two minutes to a remote database that Hedgpeth and his staff can access online, 24/7. Networkfleet also sends pertinent scheduled reports via email to designated users. When there is an engine problem, Hedgpeth receives an alert with the information needed to immediately troubleshoot the problem.

"We recently received a fault code from a vehicle that had broken down 60 miles away," said Hedgpeth. "Our mechanic narrowed the problem to two possible parts, which he took with him to fix the problem on the spot. This was a huge savings because we didn't have to tow the vehicle or send out a replacement truck."

Results

Networkfleet reports made the company aware of excessive idling, a problem Hedgpeth didn't know he had. At the same time, by receiving Networkfleet alerts when drivers exceeded speed thresholds, ServiceMaster has also been able to reduce the average speed of vehicles.

"Our trucks travel about 750 miles each week," said Hedgpeth. "An improvement from 10 mpg to 12 mpg means a fuel savings of \$1,300 per vehicle annually."

The Networkfleet vehicle log usage report has helped Hedgpeth reduce unnecessary stops, schedule jobs more efficiently, and thus lower labor costs. Regular and overtime hours have been reduced by 30 hours per week. Using Networkfleet, he can also validate timecard reports if a customer has a complaint or if there is a discrepancy in labor charges.

"I can't wait to install Networkfleet on the rest of our fleet," said Hedgpeth. "It has not only reduced our labor and fuel costs, it has allowed us to handle one extra job per week with the same number of vehicles and employees. At an average of \$3,000 per job, or \$156,000 per year, that will more than help us weather the economic storm."

For more information on Networkfleet call (559) 432-2424.

Results

- *Increased sales revenue during the first year by \$156,000.*
- *Lowered total operating costs by approximately \$31,000 per year.*
- *Increased miles per gallon from 10 to 12 mpg, a savings of \$5,200 per year (assuming an average cost of \$2 per gallon).*
- *Lowered labor costs by verifying timesheets and scheduling jobs more efficiently*
- *Reduced regular and overtime hours by 30 hours per week saving \$25,740.*