An analysis of “bent metal” amongst company fleets

Driver risk management

Minimising vehicle damage within your fleet can significantly reduce costs and safeguard residual values

If you're reading this, perhaps we don't have to tell you that if you run a fleet of vehicles, it is a big responsibility. And a big cost to any business; the fleet is usually the second biggest cost after wages. Today, quite rightly much is made of choosing the right vehicles for your business; factors such as fuel economy and emissions (and the resulting Benefit In Kind % (BIK)) are at the forefront when it comes to important criteria to consider.

Also essential is to consider the residual value of the vehicle - those with a better residual value at the end of the lease period (e.g. strong car brands) can sometimes afford better lease rates, making some cars with a higher on-the-road price an attractive option to company drivers. But residual values also rely on the vehicle being driven well and looked after well. Bumps, scuffs, dents and crashes all significantly and adversely affect the residual value of individual vehicles.

And being driven well is nothing to do with the vehicle's capabilities. It's all about the driver.

The skills and behaviours of company drivers can be the difference between a fleet's costs being managed or getting out of control. Increasing numbers of on-road incidents and subsequent "bent metal" costs can quickly add up, especially as the cost of repairs can easily be over a thousand pounds per vehicle, as we will find out in this white paper.

In autumn 2014, we commissioned a survey to investigate what experiences businesses were having with regards to bent metal; in this case, damage caused whilst driving or using the vehicle for work purposes. All respondents were responsible for managing fleets and provided us with an essential insight into their own experience in this regard. The results show the financial impact on a company's bottom line of incidents and repeat incidents is potentially huge, causing a large dent in finances.

Some of the headline figures include:

- Only 14% of fleets confirmed they hadn't had any vehicle incidents in their fleet in the last 12 months. That's 86% who had!
- Every fleet suffered on-road incidents that were caused by their driver (i.e. "at-fault")
- Nearly half of all fleets had incidents involving repeat offenders.
- Over 20% of fleets said the average cost of repair per vehicle was over £1,000.
- Nearly 30% of respondents said incidents happened whilst parking or parked.
- Only 33% of fleets said at-fault drivers faced some sort of punitive measure (e.g. fine, excess payments, etc.).
- 80% said they had post-incident policies and procedures in place to assist the aftermath.
- But over half said they didn't offer any post-incident driver training as a means of reducing the risk of repeat incidents.

The results show that the number of incidents, the culpability and the risk of repeat incidents are issues that could affect UK fleets. But few, despite having a policy in place for post-incident procedures, provide any driver training as a way of reducing the chance of the driver having another incident. Is this a good situation for company, fleet, vehicle or driver?

“Bent Metal” Survey

IAM RoadSmart surveyed fleet professionals within 100 businesses on their approach to and experience of incidents involving their fleet, something that is referred to here as “bent metal”. The research shows that many companies are not addressing correctly this significant and avoidable overhead by putting in place sufficient measures to reduce the risk of incidents happening or (more worryingly) happening again to the same drivers.

The survey asked:

1. How many vehicles are in your fleet?
2. What is your role in this decision making process?
3. How many incidents did your fleet have in the last 12 months?
4. What is the most common type of incidents within your fleet?
5. What percentage of incidents were “at-fault” i.e. caused by one of your drivers?
6. Of the incidents in the last 12 months, were any caused by repeat offenders?
7. What is your average cost of repair?
8. Do you penalise drivers for “at-fault” incidents (e.g. fines, salary deductions, excess payments, etc.)?
9. Are there post-incident policies and procedures in place for your drivers to follow?
10. Do you offer any post-incident driver training?

1. How many vehicles are in your fleet?

By law, any employer with more than five employees has to abide by existing health and safety legislation.

By making the rational assumption that all respondents will have at least as many employees as vehicles, asking the question concerning fleet size allows us to identify that all respondents in this survey fall under health & safety law (and of course, ascertain the fleet size).

The results show that all survey respondents should be adhering to all applicable health and safety legislation, including that relating to employees driving for work. The results showed a good range of small to medium fleet sizes with the highest individual percentage actually reserved for the largest fleets of 100 vehicles or more.

How many vehicles are in your fleet?

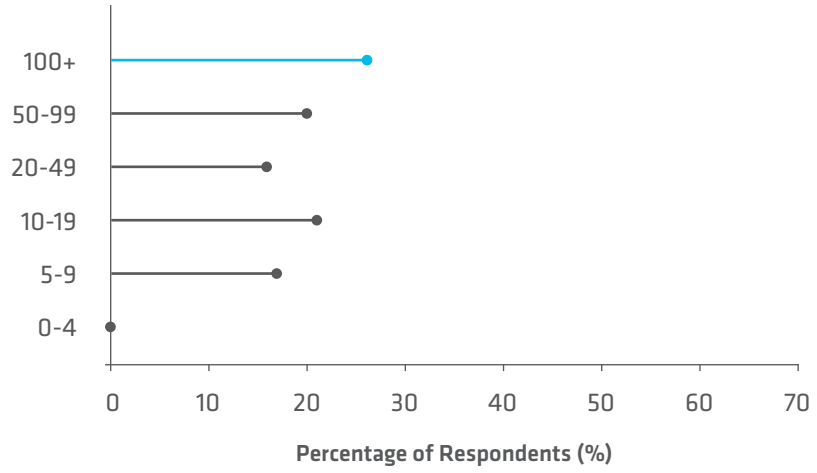

Table 1

How many vehicles are in your fleet?	Percentage of Respondents (%)
0-4	0
5-9	17
10-19	21
20-49	16
50-99	20
100+	26

2. What is your role in this decision making process?

We asked what involvement the respondent had with respect to the company fleet and its drivers. It was important to understand if those answering had direct involvement and what level of influence they had. In answering, we would also be able to judge (to some extent) the level of knowledge and expertise the respondents had in the subject of fleet management, useful for being able to answer the survey questions accurately.

Encouragingly, nobody taking part in the survey had no influence on their fleet and/or the running of it.
Over half of the respondents were responsible for at least identifying solutions for their fleet, with 27% having authority to put measures in place. This shows a significant proportion of respondents are fleet key decision makers.

What is your role in this decision making process?

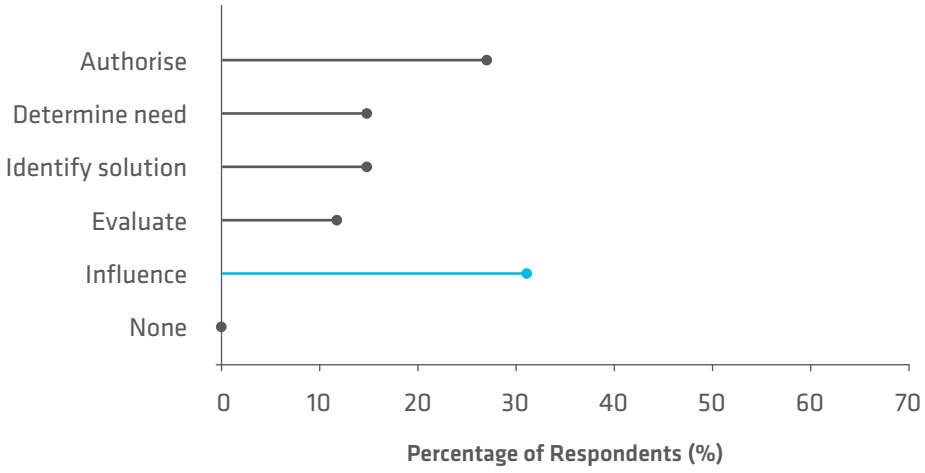

Table 2

What is your role in this decision making process?	Percentage of Respondents (%)
Authorise	27
Determine need	15
Identify solution	15
Evaluate	12
Influence	31
None	0

3. How many incidents did your fleet have in the last 12 months?

In asking this question, we are able to see just how relevant the issue of "bent metal" to this audience and by extrapolating, to fleets in general.

Only 14% said they hadn't had any incidents in their fleet in the last 12 months, with over 78% saying they had had at least one incident causing damage. There was evidence of much higher numbers of incidents in some fleets, with 17% of fleets having over 20 in the last 12 months.

We also allowed respondents to answer if they didn't know or couldn't give this information due, for example, to its sensitive nature but only 8% selected this option.

How many incidents did your fleet have in the last 12 months?

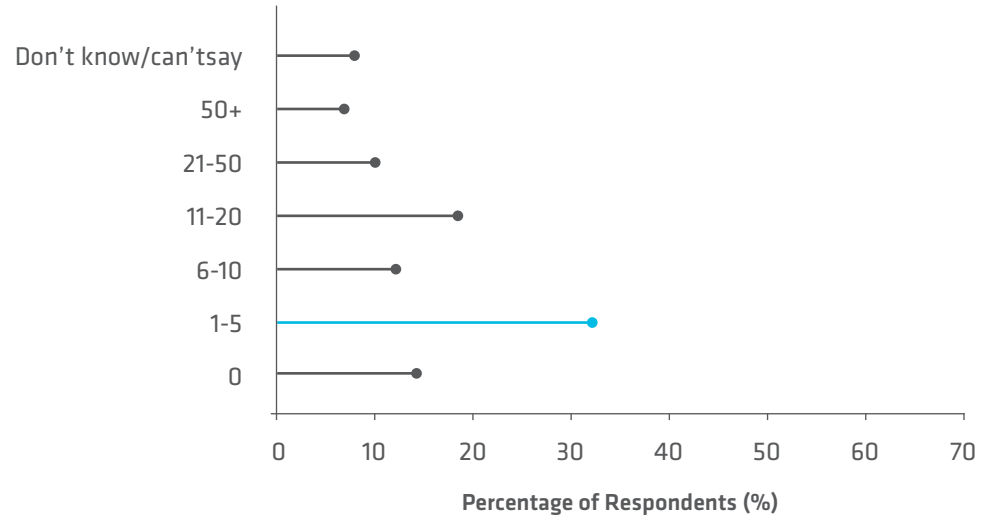

Table 3

How many incidents did your fleet have in the last 12 months?	Percentage of Respondents (%)
0	14
1-5	31
6-10	12
11-20	18
21-50	10
50+	7
Don't know/can't say	8

4. What is the most common type of incident within your fleet?

This question aims at providing further insight into driver behaviour by asking specifically how vehicles are getting damaged. The number of incidents seemingly caused by a third party was double that of those "at-fault" (23% as opposed to 11%), with over 50% of incidents resulting from a general collision or other type of incident.

Of note was the percentage given to "hit whilst parked/unattended", (19%), which was significantly higher than figures for other responses concerning specific incident types (e.g. whilst parking, etc). This is in line with previous evidence that has shown this to be the most common reason given by company employees following vehicle damage.

What is the most common type of incident within your fleet?

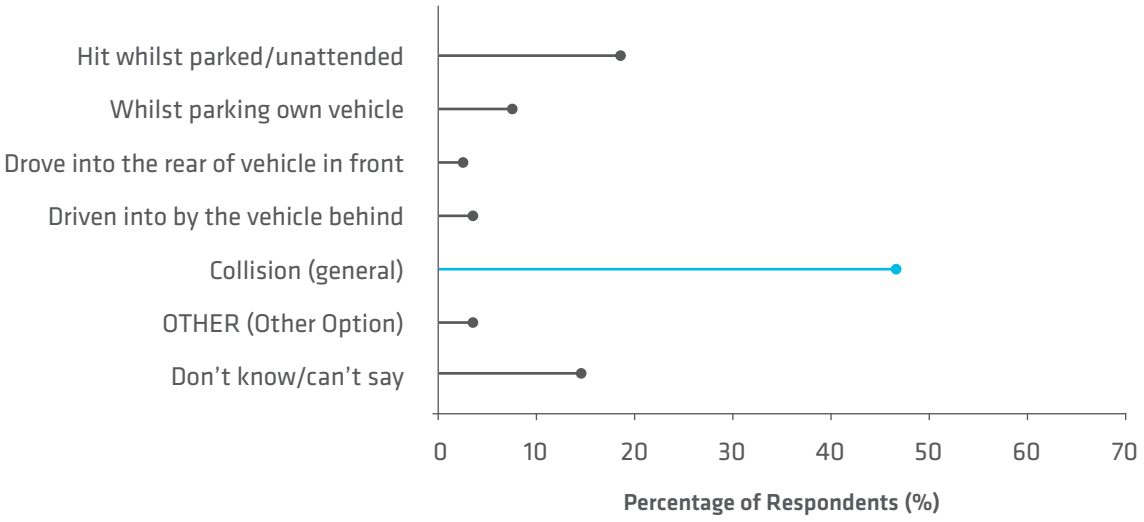

Table 4

What is the most common type of incident within your fleet?	Percentage of Respondents (%)
Hit whilst parked/unattended	19
Whilst parking own vehicle	8
Drove into the rear of vehicle in front	3
Driven into by the vehicle behind	4
Collision (general)	47
OTHER (Other Option)	4
Don't know/can't say	15

5. What percentage of incidents were “at-fault”, i.e. caused by one of your drivers?

By asking this question, we are looking at culpability and therefore we are trying to establish the level of sub-standard driving amongst fleets connected to this survey.

The most popular answer to this question was that 0-5% of incidents were at-fault (46% choosing this option), stating that nearly half of all fleets questioned had a very low number of drivers causing on-road incidents. Only 10% of respondents claimed that, statistically, it was more likely that one of their own drivers was to blame than the 3rd party (50+%).

What percentage of incidents were “at-fault”, i.e. caused by one of your drivers?

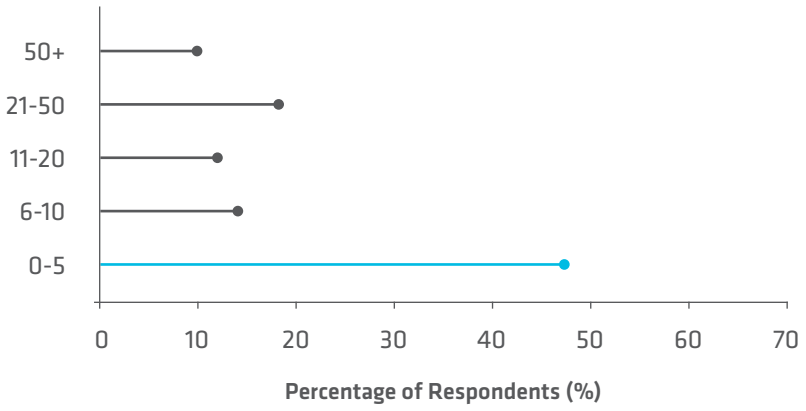

Table 5

What percentage of incidents were “at-fault”, i.e. caused by one of your drivers?	Percentage of Respondents (%)
0-5	46
6-10	14
11-20	12
21-50	18
50+	10

6. Of the incidents in the last 12 months, were any caused by repeat offenders?

Taking the theme of question 5 one stage further, question 6 looks at whether drivers are more or less likely to be involved in another incident (following their first one). This time, we are looking at the proportion of drivers who are prone to causing more than one incident and for this, the numbers who are and are not are fairly evenly split (45% and 40% respectively).

The answers here suggest that despite already having had an incident in a company vehicle, such drivers are at least if not slightly more likely to have a second incident than someone becoming involved in an incident for the first time.

A suggestion here could be that driver behaviour does not improve sufficiently (following an on-road incident) to reduce the risk of further incidents occurring.

Of the incidents in the last 12 months, were any caused by repeat offenders?

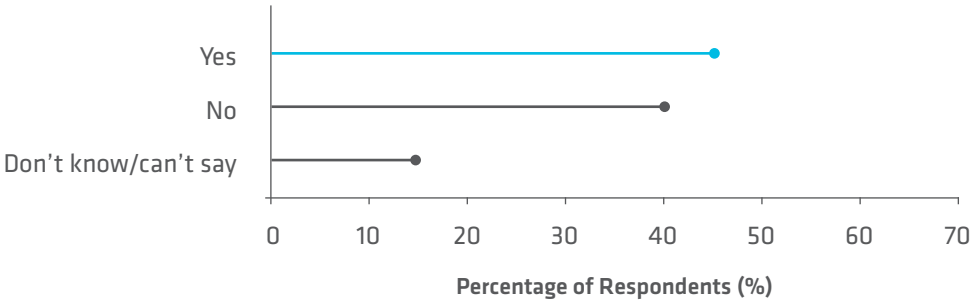

Table 6

Of the incidents in the last 12 months, were any caused by repeat offenders?	Percentage of Respondents (%)
Yes	45
No	40
Don't know/can't say	15

7. What is your average cost of repair?

The issue of "bent metal" is a direct cause of potentially increasing a company's fleet costs. Fleet vehicles are primarily current models, have a relatively high value and have a residual value that needs protecting.

Of course, repair costs can vary greatly according to vehicle type and make and the extent of damage. This survey shows that the average cost of repair per vehicle tends to be quite high or even high, with 53% of average repair bills being over £500 and only 32% being under £500 (the rest did not answer). With the most popular answer in Q4 (re: the most common type of accident) being "general collision", these repair costs here imply an impact sufficient to cause quite considerable damage.

Of note, over 20% of repairs had an average bill of over £1,000 each, meaning a good number of fleets could be facing many thousands of pounds in addition to their usual running costs.

What is your average cost of repair?

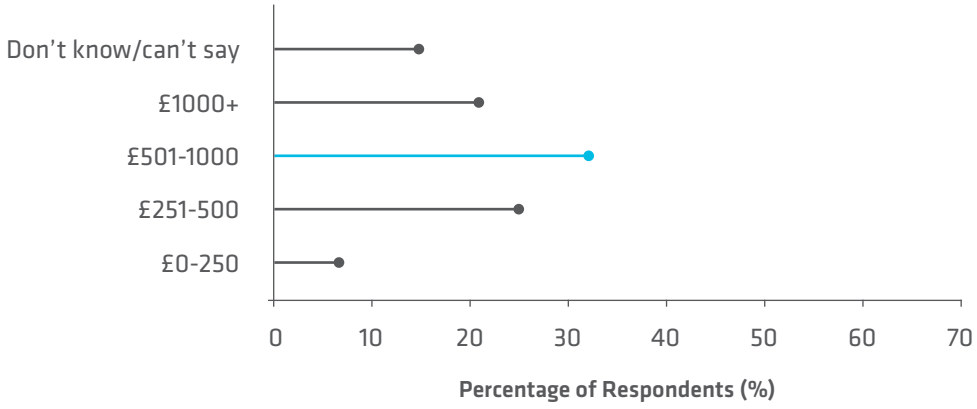

Table 7

What is your average cost of repair?	Percentage of Respondents (%)
£0-250	7
£251-500	25
£501-1000	32
£1000+	21
Don't know/can't say	15

8. Do you penalise drivers for "at-fault" incidents (e.g. fines, salary deductions, excess payments, etc)?

The policies, procedures and interventions put in place by companies to protect themselves, their fleet and their drivers are often referred to collectively as Driver Risk Management (DRM). A DRM programme details everything that a company expects of its employees while driving for work and to be truly effective this should also include post-incident policies and procedures.

This question looks to ascertain whether existing DRM polices contain clauses and content relating to incidents and in particular, if drivers are in any way penalised for being responsible for vehicle damage.

It is clear from the responses that a clear majority (61%) of companies do not penalise "at-fault" drivers. With this statistic in mind, it is interesting to reflect on the relatively equal number of first time and repeat incidents given in answer to question 6 (p10). Would an increased number of companies implementing post-incident fines, etc, reduce the number of repeat incidents further?

Do you penalise drivers for "at-fault" incidents (e.g. fines, salary deductions, excess payments, etc)?

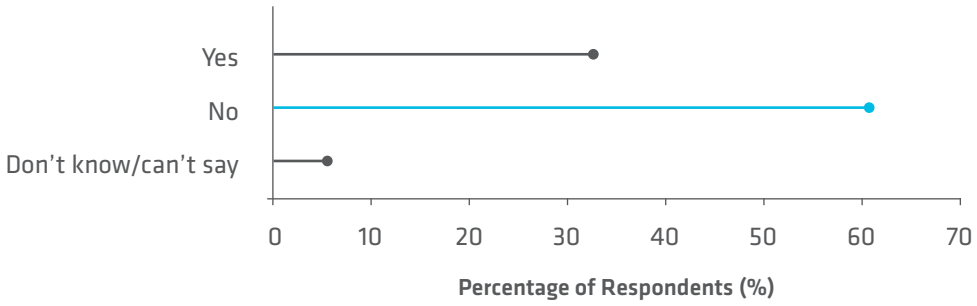

Table 8

Do you penalise drivers for "at-fault" incidents (e.g. fines, salary deductions, excess payments, etc)?	Percentage of Respondents (%)
Yes	33
No	61
Don't know/can't say	6

9. Are there post-incident policies and procedures in place for your drivers to follow?

If the majority of drivers here are not penalised for being "at-fault" in an incident (question 8), does this omission in a company's DRM policy extend to not having post-incident policies and procedures in the first place?

The answer to this question is "no" as 80% of respondents answered that they did have post-incident policies and procedures in place. This suggests a relatively good level of understanding of driver risk management as post-incident content usually forms part of a more holistic approach to managing driver risk.

However, it is concerning that up to 20% of respondents still don't have a formal procedure in place for dealing with the aftermath of an on-road incident.

Are there post-incident policies and procedures in place for your drivers to follow?

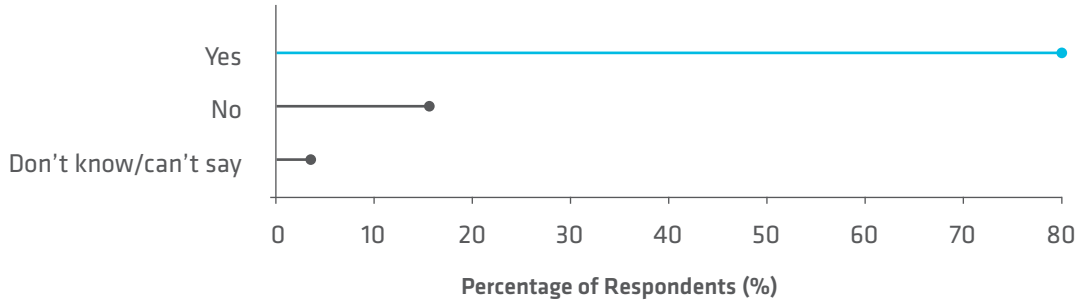

Table 9

Are there post-incident policies and procedures in place for your drivers to follow?	Percentage of Respondents (%)
Yes	80
No	16
Don't know/can't say	4

10. Do you offer any post-incident driver training?

Some written policies and procedures for on-road incidents only go as far as helping to manage the administrative burden that comes with a vehicle crash. Therefore, for a DRM policy to be most effective, it is essential that the drivers involved in incidents are assessed and if necessary offered appropriate on-road training as a means of mitigating the risks of being involved in further incidents.

The responses show that companies are split quite evenly over the benefits of driver training, with 47% offering training to their drivers.

Do you offer any post-incident driver training?

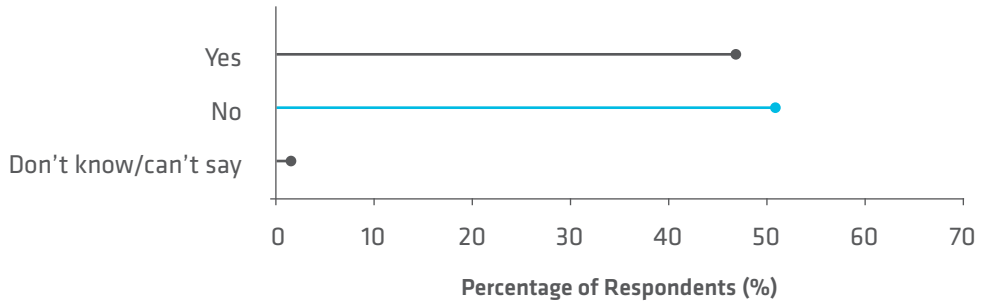

Table 10

Do you offer any post-incident driver training?	Percentage of Respondents (%)
Yes	47
No	51
Don't know/can't say	2

IAM RoadSmart – Products and Services

Managing a fleet and the risks any driver faces is not cost-free. It's primarily about preventing "bent metal" happening in the first place and there are significant benefits in doing so, such as saving money and having a happier, safer workforce.

Evidence shows employees who spend a significant amount of time driving for work get fined and crash more often than other drivers due to a higher risk driving style. Poorly trained drivers cost money, so sending out safer, more confident and fuel-efficient drivers is well worth the investment.

Fortunately, many companies are starting to see the link between improving the driving skills of their employees and squeezing every gramme of efficiency and safety from their fleet. Skilled and trained drivers have a better attitude and look after their vehicles more carefully. With less damage and wear and tear to the engine, tyres and brakes, the vehicles have a greater residual value too.

Learn more at a free DRM seminar

Interventions such as a robust DRM programme are beneficial and relatively easy to implement. To assist those with responsibility for fleets and drivers in gaining a full understanding of DRM and how it can help them, IAM RoadSmart regularly holds free workshops around the UK. Led by expert speakers from the IAM RoadSmart team, these two hour events provide delegates with a firm understanding of their company's risk exposure and the next steps needed to create a robust DRM programme.

Contact us for further details.

The IAM RoadSmart holistic approach to DRM allows an employer to:

- Risk-assess its entire driver workforce using our cost-effective online system
- Easily identify those drivers most at-risk and prioritise any necessary actions, including e-learning and on-road training
- Minimise vehicle damage through fewer on-road incidents
- Reduce vehicle-related costs
- Improve overall driver safety and encourage a culture of road safety at the workplace

In addition, IAM RoadSmart has one of the most comprehensive ranges of occupational driver training and driver risk management products in the UK and by working with IAM RoadSmart, companies can ensure their drivers have the appropriate skills required to meet legal obligations and be better, safer drivers.

For further details and to find out how IAM RoadSmart can assist you and your fleet, contact us:

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v1.0 April16