

INTRODUCTION

SmartDrive recently released its popular eBook, <u>Highly Effective</u>

Secrets to Building a Successful Data-Driven Driver Incentive Program.

Featuring valuable information on getting started creating a driver incentive program, this eBook included an overview of driver incentive and reward programs, how to design an effective program, selecting the right metrics and targets, incentivizing and rewarding drivers, and sample incentive programs.

Hundreds of fleets downloaded this eBook and we hope that it helps start a wave of new data-driven driver incentive programs across the country. For those fleets that are still unsure, or need more proof of the benefits of a safety performance driven incentive program, we present these case studies, the results achieved and the lessons learned. As you'll read, fleets find paying for safety a win for the company and a win for the driver.

CYPRESS TRUCK LINES

Cypress Truck Lines is a family-owned and operated flatbed trucking company with approximately 500 drivers.

The fleet maintains a strong safety culture and belief in technology, as evidenced by its early adoption of video safety for exoneration and coaching. Core to the fleet's corporate culture is a focus on constructive coaching and incentivizing safe drivers.

Prior to the adoption of the SmartDrive video-based safety program, Cypress had an annual bonus program based on lagging indicators, such as mileage and no accidents; it did not take into account current performance. Realizing they could improve results, Cypress dove into the data provided by SmartDrive SmartIQ. The result is a datadriven quarterly safety performance bonus based on leading indicators versus lagging indicators. Drivers became immediately invested in the program because they now controlled their bonus. And as drivers began to take responsibility for their actions, the fleet became safer and drivers started to earn more money, more often.



Q1 2018 Results

 55% of drivers qualified for Q1 safety performance bonus

LEVEL ONE (0-5 safety score): 163 drivers earned 1½ CPM

LEVEL TWO (6-10 safety score): 64 drivers earned 1 CPM

LEVEL THREE (11-15 safety score): 35 drivers earned ½ CPM

• Highest Bonus: \$606.32

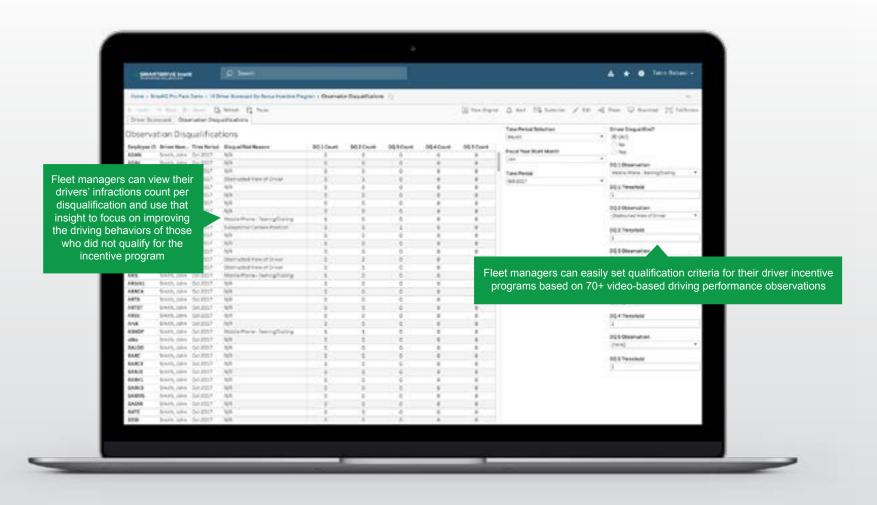
• Average Bonus: \$301.39

- 71% of drivers hit the Safety Score* qualification; however, 16% were disqualified based on other factors
- Only 5 drivers who qualified via their Safety Score were disqualified for mobile phone use – a testament to the fleet's focus on eliminating distracted driving



^{*} The proprietary SmartDrive Safety Score is unique to each fleet and measures the observed rate of risk. The lower the score the better.

CYPRESS TRUCK LINES



As important as it is to know who qualifies for an award, it's just as important to know who is disqualified and why. In addition to customizing award qualifications, the <u>SmartDrive SmartIQ Driver Scorecard</u> allows you to select criteria to disqualify drivers, such as accidents, mobile phone use, obstructing camera, etc.

CYPRESS TRUCK LINES

Lessons Learned From Rolling Out a Data-Driven Driver Incentive Program

Start with an objective level of measurement

Video safety as the foundation

Identify and benchmark KPIs

- Safety speeding, distraction, seat belts, etc.
- Operational metrics fuel efficiency, idling, etc.
- · Set realistic goals and make them achievable

Plan out how you want to reward your drivers

- Monetarily
- Event recognition company meetings, barbecues, prizes

Plan out frequency

- Too frequent can be hard to maintain
- Too infrequent can decrease motivation
- In-the-moment recognition

Communicate the program to drivers (and families)

- Instill a sense of excitement, pride and friendly competition
- Work with your drivers to refine program as needed

Watch the webinar to learn more!

Best Practices for Running a Data-Driven Driver Incentive Program





Using data to create a program that incentivizes our drivers gives me confidence in knowing that we're reinforcing safe driving and protecting the motoring public. As a result, I'm happy to pay out for safety. In fact, I hope 100% of our drivers qualify for our quarterly safety performance bonus!



FRALEY & SCHILLING

Founded in 1955 and headquartered in Indiana, Fraley & Schilling operates a fleet of 500 trucks – regional flatbed and dry van – in the eastern third of the United States.

With safety at the forefront, the company's core values are Safety, Innovation, Integrity, Partnership, and Continuous Improvement.

With a variety of safety technologies – SmartDrive video safety, Omintracs, Vigillo and Vertical Alliance – Fraley & Schilling believes that drivers are still the most advanced technology in the truck. To that end, the company empowers drivers to always choose to do the right and safe thing everyday, with accountability and compliance promoted throughout the company. Every member of the Fraley & Schilling team is expected to make safety a daily practice that starts with promoting advocacy and ends with rewarding compliance.



Results of an Integrated Data-Driven Incentive Program

- 55% reduction in accident frequency rate
- 50% reduction in DOT Recordable Accidents
- 10% reduction in self-insured retention costs
- \$2 million added to bottom line since implementing SmartDrive
- Equals more money in the drivers' pockets

FRALEY & SCHILLING

Individual Fraley & Schilling driver scorecards provide weekly updates concerning each driver's production, SmartDrive Safety Score, CSA Score and paperwork completion. Top 5 Driving Observations are also included and inform interactive coaching sessions. Each of these components affects a driver's weekly pay.



Carrent Flast, Fag. Par. Terror Money Anna Colombia To Flori Manager Care Fatter John Doe 2.600 / 9 1,001/2 28011 52/0 2340142 5319 2039 73 STEP 100 SIG 426 - SC 506/04 - Mary 136 736 - Prost 1629 SMARTDRIVE \$1,980 Trace Related Prenium - \$1.365 Bonce (Safety-1Mac) MACHINE.

Driver scorecards inform drivers where they are exceeding expectations and where they can improve. Scorecards are included with each week's pay settlement so drivers understand the impact of safety on their weekly earnings and annual safety bonus.

FRALEY & SCHILLING

Pulling data from a variety of sources, Fraley & Schilling created customized driver scorecards so drivers could track their performance and see where they excel, along with where they need to improve.

With a driver scorecard in place, Fraley & Schilling was able to create a performance-based bonus program, annual safety bonuses and recognition rewards.

Watch the video to learn more!

Incenting Driver Safety



The in-depth reporting and key performance indicators give us the data we need to better coach our drivers and make them even safer each time they're on the road. The SmartDrive program also allows us to recognize drivers for their professionalism in ways we haven't been able to do previously.



BOYLE TRANSPORTATION

Boyle Transportation is a specialized trucking firm that provides exceptional quality, safety and security to select clients in the life science, defense and government sectors.

Headquartered in Billerica, Mass., the company's quality management system has been ISO registered since 1998. Boyle was named one of North America's 20 Best Fleets to Drive For in 2015, 2016, 2017 and 2018. A recipient of multiple military Quality Awards, Boyle Transportation also earned the TCA 2017 Grand Prize for National Fleet Safety.

Boyle is a driver-centric company and safety is at the forefront of everything the company does. Business decisions and investments are designed to help drivers be safe, successful and equip them to serve as brand ambassadors. Boyle relies on the SmartDrive SmartIQ transportation intelligence suite for the data that helps continually drive its safety program forward. One area where SmartIQ data impacts Boyle is in its driver incentive program. Based on SmartDrive Safety Scores, the program allows drivers to earn a substantial safety and performance bonus for maintaining a score below a set goal for a set period of time.

Watch the video to learn more!

Improving Your Performance and Bottom Line with Video-Based Safety



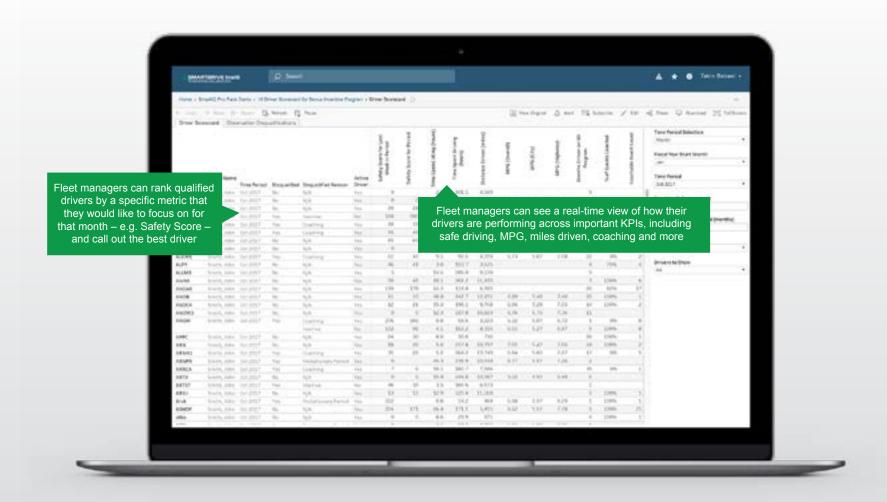
Results

In addition to 98% of Boyle's professional drivers qualifying for the Safety Score bonus each quarter, the fleet achieved:

- Zero DOT Recordable Accidents in 19 months
- Elimination of high-cost catastrophic accidents
- Average cost of accidents is less than \$1.500
- Accidents are now low speed, minor accidents in close quarters
- Exonerations: 4 in last 60 days



BOYLE TRANSPORTATION



A customized driver scorecard provides comprehensive safety and fuel data, including safety score, time spent idling, time spent driving, distance driven, MPG, months driven on program, coachable event count and more – to make informed incentive decisions.

I've seen drivers have initially higher safety scores than we'd like to see. But, through coaching, training, and working in partnership with our professional drivers we are able to drive down the scores and reduce risks that we incur on the road.



Michael Lasko Safety & Quality Manager, Boyle Transportation

OAKLEY TRANSPORT

Oakley Transport is a family-owned and operated over-the-road and transportation services company operating in the United States, Canada, Mexico and the Caribbean Islands.

With more than 500 vehicles, it has established itself as an industry leader in quality and safety, in addition to being the first liquid food grade transportation company in the world to acquire ISO certifications 9001:2015 and 22000:2005. Its adoption of the SmartDrive platform underscores Oakley Transport's commitment to be the best in the industry and align its dynamic safety culture to the requirements of the ISO certifications.

Oakley prides itself on its culture of safety and the relationships it develops with its drivers. This relationship of trust is enhanced through the company's use of the SmartDrive program and the resulting personalized coaching that focuses on areas for improvement, along with great driving.

Within its first year of use, Oakley reduced collisions by 62% while also achieving a 6% fuel savings (equating to \$84/per vehicle per month fuel savings). The company also experienced many exonerations and reduced claims costs.

EOAKLEYE

Results

Oakley sees its Rewards Program as a win-win for both the company and its drivers.

- Deepens driver acceptance while rewarding safety performance
- Drivers benefit (increased pay); company benefits (immediate improvement to bottom line)
- Incentive based on customizable scoring metrics using SmartIQ Driver Scorecard
- · Monthly vs annual pay outs



OAKLEY TRANSPORTATION



Strengthening Oakley's relationship with its drivers is its use of the SmartDrive safety score and other scorecard metrics as a basis for Oakley's Safe Driving Performance Program. This program, which compliments all of Oakley's existing incentive programs, enables its drivers to

receive up to an additional .05 cents per mile. As one driver commented, "Thank you – it's great to reward us good guys for doing the right thing for the company."

Watch the video to learn more!

Driver Rewards Program: A Win-Win for Drivers and Fleets



We believe 75% of drivers will receive a bonus – that payout for safe driving is well worth it.



DRIVER SCORECARD: BUILDING YOUR PROGRAM FOUNDATION

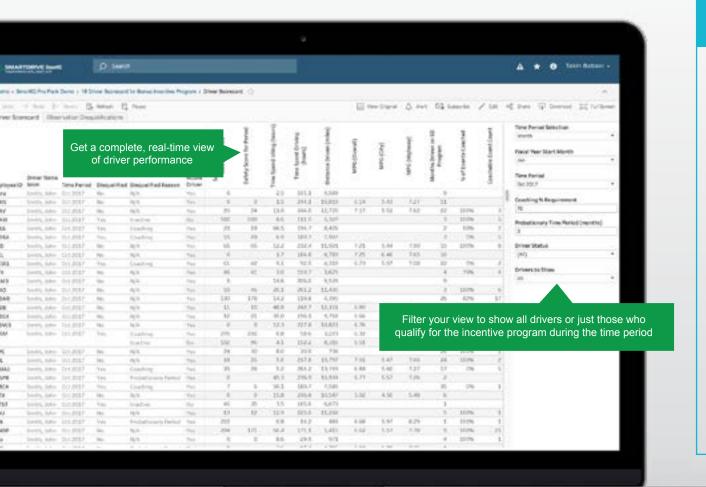
Drivers are the foundation of your fleet's safety culture.

As these four fleets have shown, one way to retain, and attract, the best drivers is with a data-focused driver incentive program. A data-driven performance program provides you with an unbiased view of your safest, most improved and overall best drivers. The result is a win for your fleet (safer drivers) and a win for your drivers (more money).

Vital to many fleets' rewards program is the SmartDrive® Driver Scorecard, which allows you to monitor the performance of your drivers in real time. In addition, it allows you to set specific parameters and thresholds for bonus program disqualifications, while quickly recognizing and rewarding top-performing drivers.



DRIVER SCORECARD: BUILDING YOUR PROGRAM FOUNDATION





The Driver Scorecard

- Provides a complete, unbiased view of driver performance data compiled across many types of activities, including safe driving, MPG, miles driven, coaching and more
- Built to improve driver retention
 Purpose-built scorecard enables
 managers to quickly recognize and reward top-performing drivers
- Customizable
 SmartDrive team of analytics experts
 can tailor a solution to meet each fleet
 manager's specific needs and goals

Understand your fleet like never before!



THE SMARTDRIVE PROMISE

- ✓ We put our customers first.
- ✓ We deliver video in minutes, not days.
- We safeguard your drivers and business in every collision.
- ☑ We protect your investment with a solution you won't outgrow.
- We will save you the most money in the shortest time.

SMARTDRIVE

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SmartDrive Systems is an industry innovator, delivering driving performance solutions and transportation intelligence that transform fleet safety and operational efficiency. Our video analysis, predictive analytics and personalized performance program improves driving skills, lowers costs and provides immediate ROI.

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