



Largest U.S. Roto-Rooter Franchisee Increases Profits by \$200,000 with Networkfleet

When Hoffman Southwest, the largest Roto Rooter franchisee in the country, decided it was time to find a new Automatic Vehicle Location (AVL) vendor, they selected Networkfleet (www.networkfleet.com), a leader in remote diagnostics and wireless fleet management.

With more than 400 field technicians on the road, serving hundreds of residences, businesses and municipalities daily, Hoffman needed a solution that would revolutionize its fleet operations. The company sought out a fleet management solution with vehicle location and diagnostics to improve:

1. Dispatching/routing of its vehicles
2. Reconciliation of time sheets with actual hours worked
3. Maintenance/procurement

Before awarding the contract to an AVL vendor, Hoffman required the vehicle location and diagnostic system to have:

1. Low startup costs and monthly fees without sacrificing product quality
2. Be easy to install in order to keep installation labor costs down
3. A wide range of features that would provide data to assist multiple departments
4. Be backed by a stable vendor that offers strong customer support
5. Provide a dedicated account manager responsible for ensuring a successful deployment

“I can’t say enough about the fantastic customer support we have received from Networkfleet,” says Monte Yoder, Chief Financial Officer of Hoffman. “Unlike our last AVL provider, with Networkfleet you don’t lose support after you sign the contract - Networkfleet takes the time to focus on the needs of its customers every step of the way. I feel like they’re part of my business - trying to make me successful, not some external organization.”

Offer the best solution at lowest price

The Networkfleet wireless vehicle location and diagnostics system, consists of an in-vehicle hardware unit and a web-based software package/service. Networkfleet’s monthly service fees are almost half of other vendors.

Keep deployment costs at a minimum

With its plug and play design, Networkfleet requires no wire splicing or drilling of holes in the vehicle. Unlike other systems, installation time is less than 30 minutes of installation time per vehicle.

Provide a simple and robust set of features

Because the Networkfleet software is completely hosted by Networkfleet, Hoffman did not have to worry about downloading the application. Hoffman could easily have all branch managers using the software simultaneously from various locations since the Networkfleet application is accessible online 24/7.

Even though the Networkfleet system is very user-friendly and easy to navigate its robust functionality provides a comprehensive set of vehicle diagnostics data in addition to location data. With this special functionality, Hoffman could receive alerts whenever a vehicle had a diagnostic trouble code or was due for scheduled maintenance. It would also allow fleet managers to get valuable idle-time, mileage and fuel efficiency data for each vehicle. In addition, Networkfleet was able to provide actual speed data which aided in improving driver safety.

Summary

Return on Investment: 150%

Hoffman began deploying the Networkfleet system as a small pilot in late 2004 to evaluate the Networkfleet service and its benefits. After successful completion of the one month pilot, Hoffman initiated a company-wide rollout on 333 light, medium and heavy trucks and vans. After only eight months, Hoffman has realized over 150% return on investment in the form of reduced labor costs, increased revenue, and improved vehicle maintenance.

More Jobs

Networkfleet's routing capabilities have enabled Hoffman's 403 field technicians to make over 10% more sales/service calls per week, diminishing the need to add additional staff, vehicles and the associated costs. Hoffman's dispatching team has been able to streamline their driver routing by directing the closest vehicles to the next job using the Networkfleet mapping and landmarking features. This helps their drivers get to the customer quicker which translates into better customer service and the ability to take on more jobs. "Drivers really like the system because it helps them to spend less time getting to jobs and more time actually doing jobs!" said Yoder. Hoffman estimates that they will have increased their profit by \$200,000 on an annual basis from these additional service calls, improved routing capabilities and overall improved efficiency of their workforce.

Safer Driving

Networkfleet has also enabled Hoffman to encourage safe driving behavior. Hoffman is able to monitor the speeds of drivers with Networkfleet and can run reports to identify drivers that exceed pre-set speed thresholds. Networkfleet recorded speeds of over 80 mph on Hoffman vehicles when the system was first deployed, but since then speeding infractions have dropped. According to Yoder, "Our drivers are safer – we reduced speeding by 10% company-wide."

Reduced Labor Costs

Using Networkfleet's reporting capabilities, Hoffman was able to accurately track the hours worked at each job to ensure that they matched the hours reported on service technician timesheets, reducing overtime costs significantly. Previously, Hoffman was unable to accurately verify hours, leading to higher labor costs. "We saved over \$400,000 this year in labor costs with Networkfleet" estimates Yoder. According to Hoffman, these savings are a direct result of improved workflow efficiency and scheduling of technicians based on actual job time.

Better Maintenance

Hoffman was also able to improve its fleet vehicle maintenance and purchasing by analyzing the frequency of diagnostic trouble codes on various makes/models using Networkfleet's diagnostics capabilities. Networkfleet instantly alerts Hoffman fleet managers if there is a diagnostic problem with a vehicle. This allows Hoffman to proactively address problem vehicles. Prior to implementing Networkfleet, the company experienced high repair bills associated with blown engines and other vehicle problems where earlier recognition and maintenance of the vehicle could have reduced or even eliminated the resulting repair cost. Per Yoder, "Over 30% of our vehicles had diagnostic problem code alerts at some point during the last 8 months." Hoffman now tracks this problem code data which allows them to proactively repair vehicles and helps them make better decisions on future vehicle purchases.

Conclusion

Networkfleet has helped Hoffman to achieve their goals of an overall reduction in operations costs, from labor to vehicle maintenance. The return on investment has lead Hoffman to require the system on all new vehicles, including those of management. Per Yoder, "I don't know of a single manager in any department in our organization that does not think this system is great. It helps us bring in more jobs and decreases our labor costs. What more could you want?"