

Are you ready to invest in safety?

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No one will disagree that safety is a key issue in corporate policy, but is it possible to create a cost-efficient safety management programme while also meeting the needs of employees? We examine the building blocks of a comprehensive approach that covers all the bases.

Why safety matters

It's tempting to see safety as a rather abstract topic – one that gets taken for granted in corporate strategy, even in the world of fleet management.

And yet a quick glance at numbers of fatalities and accidents reveals that the cost of accidents is staggering. While Europe has seen a 21% decrease in road fatalities between 2010 and 2019, over 22,000 people still died on EU road in 2019, this represents about 44 per million Europeans. Between these alarming figures and the fact that globally, over one million people are killed on roadways each year and that fatal and non-fatal road casualties are expected to cost the global economy over 1 trillion Euro between now and 2030, it's clear that setting up and implementing safety programmes represents a vital investment rather than a cost.

Elements of a safety programme

In creating any safety programme, a number of elements need to be taken into consideration. Should the focus be on compliance, such as licence checks and safe driving training sessions, or on risk targeting, which focuses in detail on accident statistics and then draws conclusions? Should indicative data such as fuel consumption, fines, mileage, visit reports be prioritised? Or rather true data based on telematics, such as harsh accelerations, harsh braking and high speeds?

We suggest a four-pronged approach to creating a safety strategy, which looks in turn at advanced driver-assistance systems (ADAS), driver behaviour, insurance risk and management, and fuel policy, all of which can have a significant impact on TCO/TCM.

- **Advanced Driver-Assistance Systems (ADAS)**

First, we focus on the vehicle itself. Advanced driver-assistance systems can help in a variety of ways, from speed control to providing the right information wherever you want it via a head-up display (HUD), while smart cameras and detectors monitor blind spots and sensors or warn about forward collisions.

The benefits of effective ADAS include reductions in claim rates, especially with regard to collisions, property damage or bodily injury. The risk of driver distraction – the no. 1 factor in accidents- is significantly reduced.

- **Driver Behaviour**

Our second focus is on driver behaviour. Rather than relying on the car itself, telematics, in-cabin alerts and training can all combine to increase safety. This element also has the highest benefit-cost ratio.

- **Insurance and risk management**

The third pillar of our approach involves the use of insurance policy and risk management. Preventive policy considerations such as damage waivers, additional drivers, imposing age limits, alcohol abuse prevention, third party usage and usage abroad all help lower indirect costs.

- **Fuel/energy policy**

The fourth and final focus involves fuel policy, where fuel monitoring and ultimately fuel capping play an important role. The correlation between (bad) driver behaviour and fuel consumption has a direct impact on the fuel cost and is a hot topic today with the emergence of alternative powertrains. Therefore, a well-balanced fuel policy of both preventive (driver profiling, fuel/energy monitoring) and repressive (fuel capping) measures could generate substantial savings with the fuel/energy component representing up to 30% of the TCO.

Rolling out the programme

Any safety programme needs to be carefully managed with stakeholders and employees. It must be based on insights gleaned not only by analysing data but by asking the right questions to all stakeholders involved. Goals then need to be set around each of the four elements. These should be ambitious but realistic, with a focus on achievable short and mid-term milestones. The implementation that follows will involve policies, recommendations, training and transparent communication. And finally, the programme must be monitored and improved, with data presented to a body tasked with overseeing safety.

Please contact us if you have any questions about this approach!

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