

BENEFITS OF USING GEOTAB AFRICA'S FLEET MANAGEMENT SYSTEM

- Generator and Plant Hire Case Study



For more than 27 years Generator and Plant Hire has been in the business of providing backup diesel generators to various sectors in the economy. In 2015, the business went through a change in ownership from the founding family that started off with two generators in the back of a shed. A private equity investor, led by a new management team, took on the task of managing the business in light of increased lead shedding and the demands on industry to transform. Subsequently, Generator and Plant Hire (GPH) has been responsible for the reliable supply of power to many businesses, ensuring that they function effectively and profitably during power outages. With more than 15 branches nationwide, a rental fleet of almost 1000 generators, 70 vehicles and 150 staff, the company covers the entire country 24/7 – hiring, selling, installing, monitoring, refuelling, repairing and maintaining diesel generators of varying sizes. In a typical month, the company handles 15 000 unique calls and services a total of 98 000 individual customer sites for a customer base of 710 clients. One of the key market sectors is the cellular market, where backup generators support network towers around the country and every minute without power translates to millions of Rands in revenue lost.

To fulfil its mission as South Africa's leader in the game, GPH depends heavily on an efficient and reliable fleet to meet the needs of its diverse customer base. As a result, the company turned to Geotab Africa to find a bespoke fleet management solution that would effectively enable them to execute field operations efficiently. The brief from the GPH management team to Geotab was directed at ensuring that GPH remains at the forefront of the industry and keeps its promise to supply rental power within 2hrs to any customer, anywhere in the country 24/7.

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Geotab Africa's Evaluation

Geotab Africa has a wide range of products and services to help fleets to utilize telematics. When developing a solution for GPH, we took into account the company's key business drivers. By definition, business drivers are activities that have a direct influence on the organization's operations and financial performance. With that said, GPH's business drivers are to hire, sell, install, monitor, refuel, repair and maintain diesel generators. In addition, the company has a service level agreement (SLA) with each customer. In complying with SLA's, it is critical for GPH to determine and manage the estimated delivery time depending on the location of the customer from their depots. For example, a customer who is within a distance of 0-50 km from one of their depots can have a maximum delivery time of 30 minutes to 2 hours, depending on the client's needs.





The Solution: Trip Builder

After reviewing GPH's business drivers and SLA conditions with their clients, we initiated the use of Trip Builder. Originally built for the petroleum industry, Trip Builder is a MyGeotab Add-in designed to help fleets effectively manage all orders, as well as trips from depots to clients. Given that the Add-in was created specifically for petroleum companies, a few improvements and enhancements were made to allow GPH to manage its entire generator sale process through MyGeotab. This includes introducing Smart Trip, a feature on Trip Builder that automatically selects and dispatches the nearest vehicle for the job, and an integration with Device Magic, a data collecting mobile app that allows drivers to complete the paperwork and collect data while on the road.



How does the solution work?

1 Users are able to:

- Calculate the ETA and best route for multiple deliveries of generators where one delivery vehicle is involved and provide real-time feedback to customers.
- Add/Remove/View documents attached to orders for generators including images.
- Log Service Calls for preventative maintenance, assign jobs to technicians and monitor status in real time.
- Proactively log calls for refuelling on sets in the field and ensure no set ever runs dry.
- Trigger a collection ticket as soon as a rental is terminated and optimise the turnaround time of the rental fleet.
- Run automated reports by call type, customer, shift, vehicle and generator to get a 360-degree view of each task done and manage business KPI's.

2 Call Management

Each of the field operations vehicles are fitted with a Geotab routing device, that is integrated with Google traffic information and maps. Through this device, each unique vehicle and driver are allocated calls by a central Customer Service Centre related to collections including where and how to deliver. A priority is assigned for multiple calls and best routing for optimal delivery intelligently calculated by the system.

In the Customer Service Centre, each agent has access to a portal where client information is prepopulated and ready to handle calls for each unique task. For example, site co-ordinates, access details (Truck or 4x4) and generator size are prepopulated in the

customer set up. When a call is received, the system automatically searches for the vehicle, location and driver best suited to meet the client parameters and assigns the calls and confirms acceptance once the driver has acknowledged the call. Most importantly, the portal is web based and can be operated from any location with internet access, including a mobile device, making this ideal for business continuity where social distancing needs to be observed or remote working has to be implemented.

At the end of each shift, supervisors have visibility of mileage covered, calls handled and hours worked by call and client. Any pending calls are escalated and prioritised for handover to incoming shifts. This way no call is missed and client satisfaction is always achieved.

3 Return on Investment

The design, testing and implementation of the system was done in a phased approach over a period of approximately one year, with a lot of end-user engagement and acceptance testing. Initially, field staff were concerned that the system would result in job losses but when they realised that the system gave unbiased performance stats on productivity which led to better incentives for them, staff were very supportive.

Overall, the following operational efficiencies have been achieved by GPH in the last 18 months:

- A 35% increase in turnover for the same volume of calls through improving the SLA and delivery times from 60% 18 months ago to 95% now.
- A R27m saving in vehicle operating costs from a better utilisation of vehicles leading to a reduction in number of vehicles from 150 down to 70.
- A reduction in overtime and staff costs by R59m due to more proactive field operations, better route planning and allocation of calls between teams. The work is balanced out systematically across the workforce.
- Rental fleet utilisation has increased from 45% up to 75% due to quicker collection and deployment of sets in the field. It used to take up to two weeks to collect generators from customers after a hire was terminated but this has been reduced to a maximum of 2 days. Capex has resultantly reduced by 50% from better fleet management.
- Total operating costs have reduced R144m leading to an increase in EBITDA of 648% in just 18 months.

Summary

The adoption of this customised solution and partnership with Geotab has transformed GPH from a "family business run off the back of a match box" into a professional asset of value creating positive returns and free cash flows for its shareholders. GPH has increased value for its clients by offering superior service at reduced rates through better efficiencies in the business, in turn allowing the business to grow its footprint and retain clients in a market that is very uncertain and competitive. The GPH teams are more focused and performance driven and at the end of the day, they deliver on our promise to their clients.

Tony Sipho Sibanda – MD, Generator and Plant Hire

All data is disclosed with the permission of GPH