



GREENROAD™

Delivering the best drivers on the road

Being Green Can Save You Cash

A GreenRoad White Paper

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The Top Three Metrics in Evaluating Clean Tech for Your Fleet

In an economic climate in which non-essential expenditure is being cut back, investments in green initiatives for your fleet are often among the first on the chopping block. And too often, green initiatives have been an extra expense that companies have not been able to recoup, with millions of dollars having been squandered chasing green technology that is not able to provide significant value.

But choosing the right green investments can provide a ROI in months, not years. They can also provide a powerful differentiating factor in a very competitive market.

After years of working with clients who are committed to making their fleets cleaner and more fuel efficient, we've identified the top three metrics in evaluating clean tech for your fleet. The largest source of CO2 emissions globally, according to the U.S. Environmental Protection Agency, is the combustion of fossil fuels such as coal, oil and gas in power plants, automobiles, industrial facilities and other sources, so tackling your fleet's emissions can have a significant effect on your company's overall environmental impact.

1. Time to ROI.

Most investments in green initiatives that lead to monumental and sustainable changes are expensive and require years to pay back – whether they are solar panels or new hybrid, natural gas or bio diesel fleet vehicles. New hybrid-powered vehicles, for example, cost you large sums up front and require years to pay back.

But going green doesn't have to be an ideological choice – it can be a sound financial one as well. Focus your search on investments that can save you money in the short term, while also improving the environment.

Replacing fleets with hybrid vehicles is one way to improve fuel economy and reduce carbon emissions, but a faster, easier and far less costly alternative is to improve driving behavior. An entirely different approach that is more appropriate to today's economic client, investing in a driver decision system delivers near-immediate, sustainable results with a far faster return on investment and much lower capital investment. Here's how:

A 1,000-vehicle fleet would have to purchase 225 new hybrid cars at a cost of \$2 million to get the same CO2 reduction it can achieve by implementing the GreenRoad driving decision system in all its vehicles. Implementing GreenRoad would net savings to the fleet, after service costs, of about \$2,000 per vehicle per year, or \$2 million for a fleet of 1,000 vehicles. In addition, the fleet would not need to spend an incremental \$9000 per vehicle to purchase a more expensive hybrid. The savings in operating and up-front capital costs to the fleet are enormous and begin immediately in the first month.

For PHS Datashred, a leading supplier of secure collection and confidential shredding services across the UK, savings with GreenRoad were immediate. PHS realized a full return on investment in 7.5 months, all the while cutting emissions and reducing its fuel consumption by 10% for an estimated fuel savings in excess of \$130,000.

2. Effectiveness in reducing emissions.

How effective is your green initiative in reducing your fleet's emissions? It's important to select a green initiative for your fleet that allows you to reach your emissions goals, whether it is by exploring alternative fuels or tackling your drivers' behavior head-on.

When First UK Bus, Britain's largest bus operator, kicked off its DriveGreen initiative, it wanted to improve environmental efficiency in a measurable way. As the UK's largest bus operator with 9,000 vehicles, First believes it has a responsibility to lead the market in making its fleet the most fuel-efficient and the safest in the UK. By using the GreenRoad Service, First anticipates meeting its goal of reducing its CO2 emissions by 130,000 ton over three years. First drivers are empowered to change their own behavior behind the wheel based on a combination of automated feedback from the GreenRoad Service and constructive coaching.

Safer driving goes hand-in-hand with improved fuel economy since safer drivers read the road more effectively, are smoother in acceleration and braking, and exhibit fewer sudden or aggressive driving actions that waste fuel. In fact, in one recent GreenRoad study of drivers exhibiting low- to high-risk driving behavior, the high-risk drivers were filled their tanks three times more per year and burned seven percent more fuel per mile driven than safer drivers. Reducing crashes also reduces the 24,000 vehicles going into landfills every day in the U.S. alone.

Using a comprehensive driver decision system to improve your drivers' on-road behavior has been shown to reduce fuel and crash costs immediately while cutting your CO2 emissions. The U.S. Department of Energy recommends that drivers take steps to reduce aggressive driving in order to improve fuel economy and reduce greenhouse gas emissions. Driving behavior is a factor in more than 90% of all crashes and contributes to as much as 33 percent of fuel consumption and more than 600 teragrams of U.S./EU CO2 equivalent vehicle emissions.

A secondary benefit of improving driving behavior relates to vehicle maintenance. Safe drivers typically avoid behaviors such as slamming on the brakes and accelerating suddenly, which are particularly hard on vehicles; thereby reducing unnecessary wear and tear on the vehicle and prolonging the life, or sustainability, of vehicles.

3. Ability to serve as a competitive differentiator.

The best green investments also provide a way for you to set your business apart, enabling you to gain more revenue from new customers and retain existing ones.

First UK Bus, Britain's largest bus operator has been recognized for innovation surrounding its DriveGreen initiative. The DriveGreen initiative, powered by GreenRoad, has helped the operator improve environmental efficiency and passenger comfort. The program is a public affirmation of

First's commitment to providing tools to help drivers achieve environmental goals and ultimately reduce FirstGroup's CO2 emissions. Ryder and New York student bus company Atlantic Express also publicize their use of GreenRoad as a competitive differentiator.

When you make your fleet's operations greener, your customers will feel secure that they too are making a difference for the environment through their choice of doing business with you rather than with less environmentally friendly competitors.

References

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