



GPS fleet management

Impartial Advice from Scotland's Only truly Independent Vehicle Tracking and Fleet Management Solutions Experts

Buyer beware: a guide to investing in vehicle tracking

Fleet managers and commercial vehicle operators are increasingly forced to comply with an overwhelming array of regulations, yet they face being hoodwinked by telematics providers operating in one of the least regulated of all UK industry sectors.

Vehicle tracking technologies have heralded a revolution in fleet management processes and their widespread introduction continues apace.

To avoid becoming the latest victim of unscrupulous providers however, you should do your homework before investing large sums of money.

Businesses are signing up to five year lease rental agreements for vehicle tracking systems from operations that rapidly go into liquidation or administration.

According to the latest startup business research by Barclays, 18% of all new businesses fail within their first year, while 50% fail within three years. Industry experts meanwhile suggest that failure rates within the telematics sector are likely to be even higher.

Many businesses, SMEs in particular, wrongly assume that if a vehicle tracking company is no longer able to provide their service, they will stop paying for it.

In reality, because most suppliers use the services of a third party leasing company to provide finance, customers are tied into payment for the full length of their finance agreement.

Investing in the right system from the right provider can boost efficiency, increase security, ensure legislative compliance and save companies thousands of pounds a year, but it can also mean making a serious financial commitment.

Consequently, the need to carry out due diligence before signing on the dotted line is essential.

First, make certain that the company you're considering choosing as their provider is on a sound financial footing and has been trading for a reasonable period of time – three years or more.

Equally important is the need to research the trading history and reputation of their preferred telematics provider.

The problem with the rapid growth of any industry sector, or technology, is that it will attract unscrupulous business start-ups looking to make quick, easy money at the expense of unsuspecting and badly advised customers.

It can be relatively straight forward to set up a tracking system, however unreliable that system may be – unprincipled individuals however, will have enough to sit themselves in front of customers and offer telematics solutions.



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You should ensure that you're selecting a provider that takes responsibility for every aspect of the system's operation and who will offer that system for one fixed cost.

Request testimonials and if in doubt, ask to be put in touch with customers who have been using the technology for a while. Speak with them directly about their experiences.

In addition, there is no reason why you shouldn't be given an opportunity to have first hand access to a working telematics system and see how the software operates before investing in it.

If a company has any faith in its product, it will have no objections to offering this level of access to potential customers.

The critical message for those investing in vehicle tracking and fleet management is 'buyer beware'. Buy from a reputable company and you will be purchasing technology that could revolutionise your business, choose the wrong supplier and you could be counting the cost of your mistake for years to come.

Top Ten Tips for finding the right vehicle tracking

- 1.** Consider whether a preferred provider is reputable – ensure it is financially secure, has a healthy set of accounts, and a trading history of three years or more
- 2.** Thoroughly research the available technologies and their possible applications
- 3.** Ask to see working systems when investigating potential suppliers and test out the software. If a company has any faith in its product, it should have no objections to leaving customers with live access to its System
- 4.** Ask for customer references – and speak to the references
- 5.** Ensure a preferred provider is up front about any installation charges – installation is usually free!
- 6.** Find out if, in addition to the fixed costs, there are additional monthly charges.
- 7.** Ensure the provider has a dedicated R&D resource, rather than this being outsourced to a third party, and find out if the system you opt for can be upgraded during the contract period
- 8.** Ensure a preferred provider offers free software and mapping updates
- 9.** Select a provider that takes technical responsibility for every aspect of the system's operation
- 10** Select a provider that offers a system warranty that lasts the length of the contract