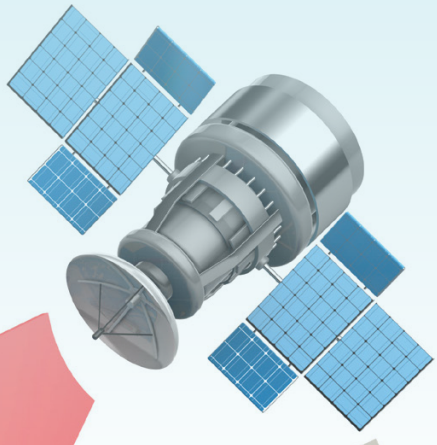
PMPs turn to GPS TECHNOLOGY to reduce fuel costs, enhance customer service and streamline vehicle routing.

STATE OF THE

FLEET MANAGEMENT MARKET



INSIDE:

- GPS Technology Trends
- Tips for Managing Your Vehicle Fleet
- Ensuring Employees Are "On Board" With GPS Tracking Systems
- Key Vehicle-Related Business Challenges
- Exclusive Market Research

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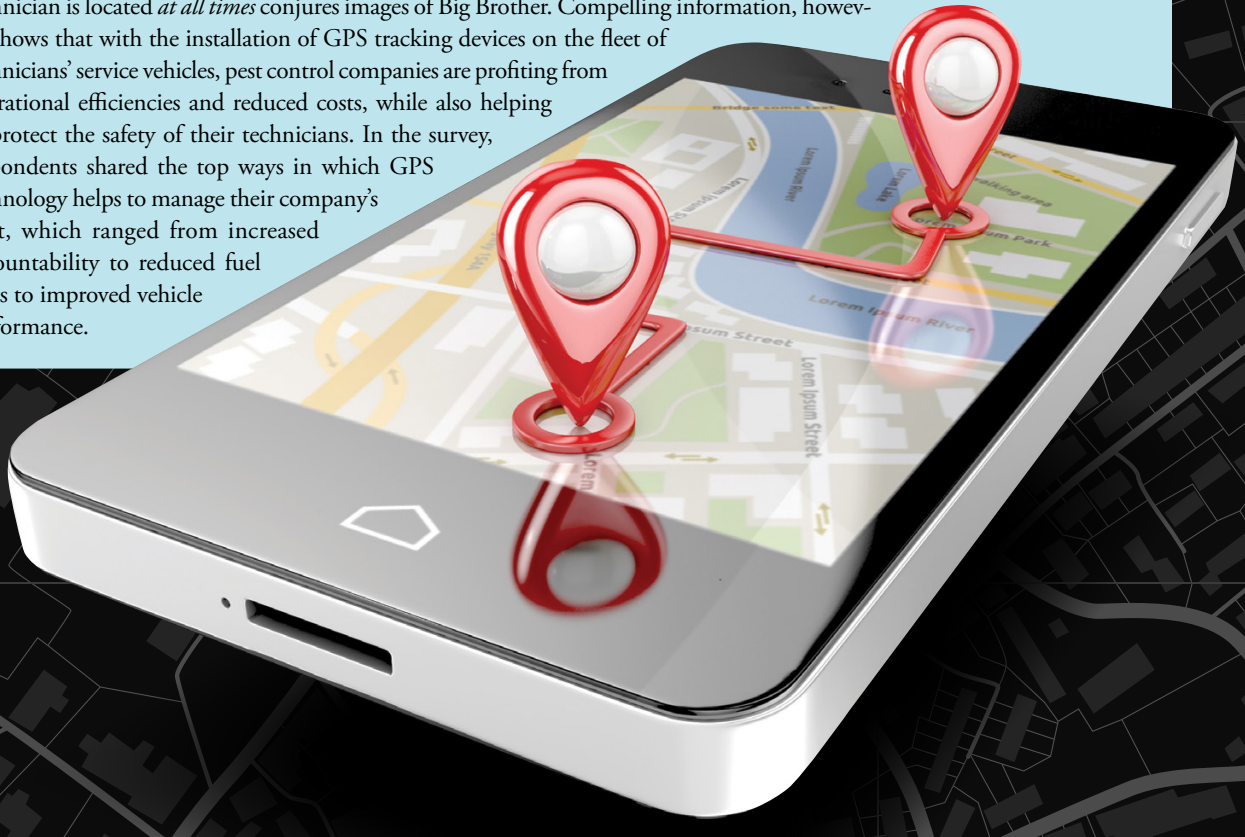
GPS INSIGHT

STATE OF THE MARKET REPORT: GPS TRACKING

How tracking technicians' locations, movements and vehicle status can provide **improved efficiencies**, **safety** and **profitability** for pest control companies.

In a recent survey conducted by Readex Research on behalf of PCT magazine, more than one-third of respondents (37%) said they use GPS tracking technology to help manage their companies' vehicles and technicians. Perhaps initially, thoughts of knowing exactly where each technician is located *at all times* conjures images of Big Brother. Compelling information, however, shows that with the installation of GPS tracking devices on the fleet of technicians' service vehicles, pest control companies are profiting from operational efficiencies and reduced costs, while also helping to protect the safety of their technicians. In the survey, respondents shared the top ways in which GPS technology helps to manage their company's fleet, which ranged from increased accountability to reduced fuel costs to improved vehicle performance.



ACCOUNTABILITY & EFFICIENCY

By knowing exactly where your staff's vehicles are located at all times throughout the day via GPS tracking technology, two interrelated benefits emerge: improved tracking and routing accountability, along with improved efficiency in routing technicians based on known locations.

Sage Garvey, director of technical operations at Burns Pest Elimination in Phoenix, Ariz., explains that when implementing a GPS tracking program at his company more than 12 years ago, "We wanted to (understand whether) our employee was arriving on time, servicing the correct house and (precisely) when he arrived." Managing approximately 214 vehicles, Garvey says the firm has such a large fleet that "we don't see [the technicians] every day. This was a way to remotely see what was going on."

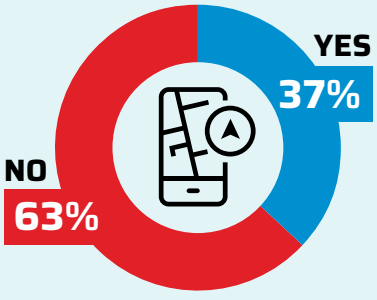
With seven vans in his pest control company's fleet, Pat Wyman, vice president of Epcon Lane, Akron, Ohio, started using GPS technology four years ago to help manage required quick response times related to bed bug calls at area hospitals. Knowing where all vehicles are located "helps to locate the closest person [to] pull over and put on that job."

Similarly, Ken Drummond, owner of Comfort Pest Control in Dunkirk, N.Y., appreciates the efficiency and "simplicity of scheduling" his 25 technicians using GPS technology to map "the closest technician to the closest job." Plus, the company is able to ensure that technicians are following the correct routes to help increase efficiency even further.

On the flip side, having GPS devices installed on company vehicles greatly reduces unauthorized use, particularly during off-hours. Drummond explains that his company does not want after-hour use of the vehicles, and that his current technology provides him with "an email alert every day to tell [technician] activity from the day before." Wyman, too, shares that non-approved usage of vehicles is a concern. His company allows technicians to take service vehicles home at night and has

GPS TRACKING TECHNOLOGY: PMP USAGE RATES

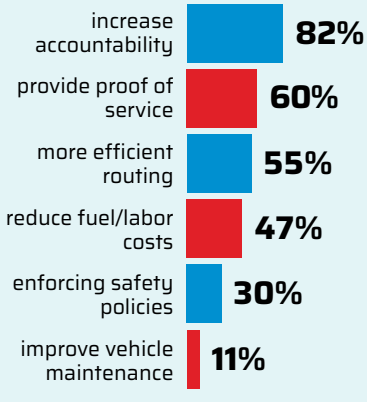
Does your business currently use GPS tracking technology to help manage its vehicles and technicians?



Source: Readex Research
Number of respondents: 309

TOP WAYS GPS TRACKING HELPS MANAGE YOUR FLEET

What are the top 3 ways GPS tracking helps your company manage its fleet?



Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

THREE-QUARTERS OF COMPANIES HAVE PURCHASED A GPS SYSTEM

Has your company purchased a GPS tracking system in the past 5 years?

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

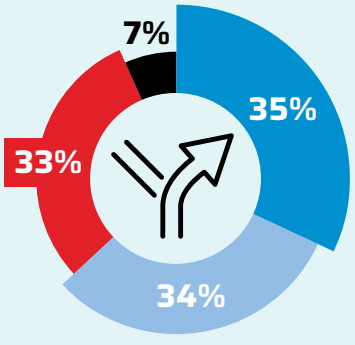
PMPs SUPPORTIVE OF GPS TECHNOLOGY

How likely are you to recommend using GPS tracking technology for fleet management to others?

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

MOST POPULAR TRANSITION STRATEGIES

What did your firm do to prepare its technicians for the transition?

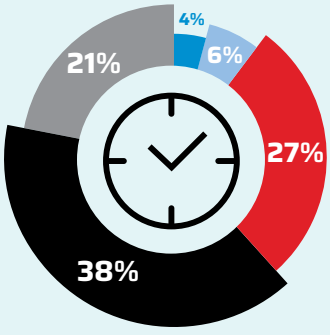


- provided internal training about the benefits of GPS tracking
- didn't do any preparation; just had the tracking units installed
- had one-on-one conversations with technicians after units were installed to secure feedback
- had the GPS tracking firm speak to our technicians

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

ESTIMATED TIME TO RECOUP COST

How long did it take (or do you think it will take) your company to recoup the cost of its GPS tracking system?



- 5 years or more
- 3 - 4 years
- 1 - 2 years
- 6 months up to 1 year
- less than 6 months

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

SATISFACTION LEVEL WITH PURCHASE

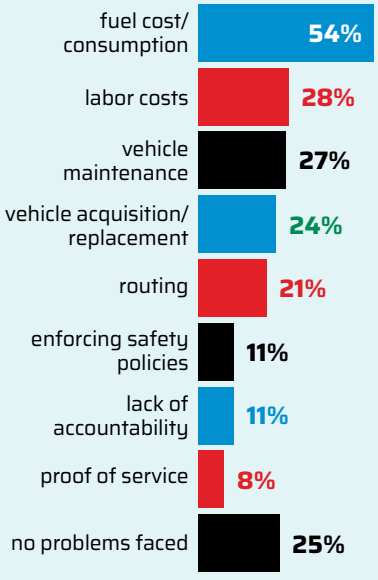
How satisfied have you been with the purchase of your company's GPS tracking system?

- **62%** very satisfied
- **25%** somewhat satisfied
- **6%** neither satisfied nor dissatisfied
- **2%** somewhat dissatisfied
- **0%** very dissatisfied
- **5%** no answer

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

VEHICLE/TECHNICIAN CHALLENGES

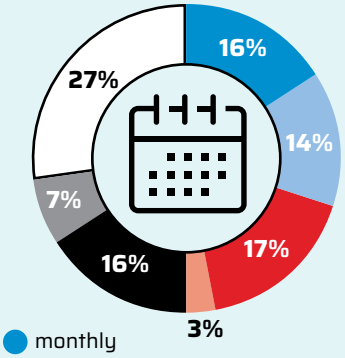
What are the top 3 challenges your business faces today, relative to its vehicles and technicians?



Source: Readex Research Number of respondents: 309

FREQUENCY OF SAFE DRIVING CLASSES

About how often does your business host educational/training sessions promoting good driving practices for its technicians?



- monthly
- quarterly
- annually
- less frequently than annually
- on an as-needed basis
- only for new hires
- never

Source: Readex Research Number of respondents: 309

their GPS system programmed to send an alert outside of the 7:00 a.m. to 6:00 p.m. window when "the trucks are on the move."

A positive to tracking vehicles in this manner is the potential to eliminate the need for time tracking. Drummond's company uses GPS technology for its time card system; when the technicians leave and return home is known and recorded within the system.

Garvey shares that his company also uses programs within the GPS software to help with overall fleet efficiency. "Knowing where your fleet is [located] and how many employees you truly need to run your company" helps to prevent overestimation in the number of technicians needed to perform service, as well as to potentially tighten each technician's route to allow for another stop or two during the day. "There are a lot of things on the back end [of the GPS software] that we use to make our routes more efficient, which means that we don't [need to] hire another employee or buy another asset," he says.

INCREASING REVENUE; DECREASING COSTS

With the ability to prove that a technician completed service, lost revenue can be eliminated. During the time of implementation of GPS technology more than a decade ago, Garvey shares that, "We had a lot of clients at the time contacting us" to say that the technician had not arrived on-site. "We would use the software to actually go back and mitigate the issue," by being able to verify that the technician was on-site and for what length of time. "Just prior to [using GPS technology], we lost $11,000 worth of revenue a year because of not being able to verify that the technician was there," Garvey says. As a result, "We were able to collect our revenue."

Also, Garvey says, "We make about $16,000 a month in efficiencies" with GPS. His firm looks at fuel efficiency by ensuring technicians are only using the vans during work hours and staying on daily routes, and vehicle efficiency by "being able to communicate with the vehicle,

making sure it is running properly."

"Reduced costs come from [the technicians] actually following their routes," as well as reduced idle time, says Wyman. By receiving an alert when the technician idles over a certain set length of time, he raises awareness with the technicians to help reduce fuel costs, especially, "in the summer, leaving the [vans] run with the air conditioning on." Per Wyman, monitoring idle time "is a big thing" for fuel cost reduction.

OTHER BENEFITS

GPS tracking technology offers a plethora of capabilities and benefits for pest control companies' fleet programs. One additional benefit is technician safety. As Drummond explains, if a technician is on a job location longer than expected, "We'll call or text to see if they're having an issue, [especially] when working in a crawlspace or in an area by themselves." The location of the vehicle and the technician are known if help is needed on-site.

In addition, alerts within the GPS program can be established to identify when technician speeding occurs, to help enhance technician driving safety.

As part of vehicle maintenance efficiency, GPS technology provides service-related information and notifications for company monitoring. Garvey's company receives alerts "when the tires need to be rotated, [for] 30,000 mile brake jobs and transmission flushes," as well as low battery issues. "If you blow up a motor because you weren't paying attention, it costs a lot of down time to put a new motor in or [having] to buy a new $30,000 vehicle." Drummond's company uses GPS diagnostic alerts for gas mileage and mechanical issues. This "works really well," he says.

Having GPS tracking helps with customer service, too. If a customer is expecting a technician at a certain time and calls the office to inquire, explains Wyman, "rather than calling the tech and bothering them," the office workers are able to determine exactly where the technician is located and how close they are to arriving at the account.

RECOMMENDING GPS

When asked the likelihood of recommending GPS tracking technology for fleet management to others, the majority of respondents (83%) stated that they were very likely to recommend. Wyman shared that he was "very likely" to recommend, and Garvey says that he recommends GPS tracking "about once a week." Per Drummond, "It's well worth it for safety reasons alone. [GPS technology is] a great feature to know that everybody got home [and there are] no issues." •

ABOUT THIS SURVEY

The State of the Fleet Management Market was conducted by Readex Research from July 26-Aug. 6, 2018, and closed with 311 total responses — a 4.8% response rate. The margin of error for percentages based on all 311 respondents is ±5.4 percentage points at the 95% confidence level. Results may not add up to 100% due to rounding.

GPS TRACKING IMPLEMENTATION:

What Is the Best Approach for Pest Control Companies?

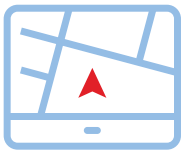
Increasingly becoming a necessity in managing fleet operations, GPS tracking technology is largely regarded as a recommended means to increasing route and fuel efficiencies, while also decreasing safety risks and labor, fuel, and maintenance costs. While GPS technology helps to improve efficiency, provide proof of service, and increase accountability, the tracking mechanism might not always be viewed favorably by those being monitored. A strategically planned implementation, therefore, is recommended.

PROS & CONS: THE TECHNICIAN PERSPECTIVE

In terms of benefits, the technology provides technicians with increased safety during vehicle breakdowns or when servicing accounts in urban, rural and high-risk locations. GPS also aids with daily productivity, such as receiving fewer calls from management requesting current location, driving unnecessary distances and eliminating the need for tedious time tracking. Conversely, technicians might view GPS tracking as an invasion of privacy (being tracked outside of work hours) or as a potential for micro-management.

GETTING READY

Before rolling out GPS tracking, pest control companies need to be equipped with knowledge. Companies must be trained on system and software usage, as well as fully understand the applicable privacy laws to ensure that tracking will follow legal guidelines. Additionally, in order to avoid stepping over privacy lines or turning GPS tracking into a micro-management system, pest control companies need to set clear policies and guidelines for usage of the technology and tracking data. Incorporation of the policies into the company handbook will then help to avoid the misuse or perceived misuse of technician tracking data.



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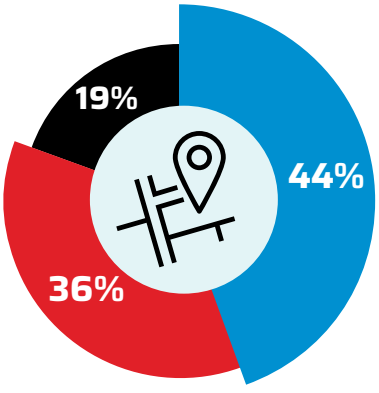
ROLLING OUT GPS

Technicians' reactions to GPS technology could range from ambivalence to acceptance to registering a complaint. Since buy-in from the workforce is essential for any successful roll-out, open communication should be a top priority. Technicians will be more receptive to an implementation plan that is transparent and has management explaining the exact reasons for utilizing the technology, such as increasing company profitability and improving safety, service and efficiency benefits. Additionally, pest control company managers who are empathetic to workers and willing to answer questions will help provide greater trust with technicians who might be apprehensive about the program. •

TECHNICIAN REACTION TO GPS TECHNOLOGY

How did the majority of your company's technicians initially react to having GPS tracking technology installed in their vehicles?



- they were ambivalent about it; took a "wait and see" attitude
- they embraced it immediately; recognized the benefits of GPS tracking
- they resented it; complained about it to management and fellow technicians

Source: Readex Research; Number of respondents: 113 (those who use GPS systems)

USING A CHECKLIST

In order to prepare for the implementation of a GPS tracking technology program, pest control companies may use the following checklist to help ensure more positive reception and success:

Pre-Implementation Checklist

- Ensure complete management understanding of the GPS system, software and capabilities
- Consult an attorney to ensure understanding of privacy and tracking laws
- Work with an attorney and/or human resources to establish guidelines and policies regarding how the tracking data will be collected and utilized
- Create a timeline for company announcement, training, and installation

Implementation Preparedness Checklist

- Provide advance announcement to technicians to help obtain buy-in
- Communicate openly and be transparent. Explain why the company is using GPS, when tracking will be implemented and how the data will be shared
- Explain the benefits: improved safety, fewer office trips for technicians, less out-of-the-way driving, the elimination of time tracking and an increase in company profitability
- Provide complete training on how to use the system and equipment
- Address concerns and answer questions on an ongoing basis

Optional Ideas

- Plan one-on-one conversations with technicians before and/or after installation
- Invite a representative from the GPS tracking company to speak to technicians and other staff members

“We had no idea how long some of our drivers were parked idling and wasting fuel.”

-Dayton’s Pest Control

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