MOTION™ INTELLIGENCE

LOCATE.
IDENTIFY.
CONNECT.

# Driven to Distraction: Technological Tools to Focus on the Road

CJ Meurell, Co-Founder

November 6, 2018

# Contents/Outline

- The Impact of the Distracted Driving Epidemic
- Technology Solution to Distracted Driving
- The ROI on Distracted Driving Technology - Financial Analysis Using **Actual** USDOT Reports
- Closing: Fleet Safety as an Ongoing Process

# The Distracted Driving Epidemic


**Distracted Driving kills 9 people every single day.**

1. Distracted Driving 2015. Source: https://www.nhtsa.gov/sites/nhtsa.dot.gov/files/documents/812_381_distracteddriving2015.pdf 2. Avg. Claim from Truck Related Accidents: Property Damage Claim Avg.: $63,000 (78% of accidents) Injury Claim Avg. $438,000 (21% of accidents) Fatality Claim Avg. $10.9M (1% of accidents). Sources: *Using Technology to Downgrade Crash Severity*, Fleet Owner, July 24, 2015 and FMCSA Large Truck and Bus Crash Facts 2013.

# What the Industry is Saying . . .

"The No. 1 factor contributing to the increase in accidents continues to be distracted driving, especially among company drivers."

Mike Antich, Automotive Fleet

"One challenge facing fleet managers is trying to identify OEM or aftermarket technology to eliminate texting and driving from a vehicle in motion."

Joseph Lukacs, The Americas Group, Global Director of Fleet Operations, The Sherwin Williams Company

"Cell phones are the biggest threat to any fleet, along with the general public. Distracted driving has surpassed drunk driving and will continue to increase until our government mandates that all OEMs and cell phone providers block cell phone usage while a vehicle is in motion."

Trey Blundet, senior global fleet manager for AutoZone

" . . .we really need to find better ways of keeping our drivers focused on the road to avoid preventable accidents."

Bruce Ottogalli, Transportation Manager, SUEZ North America

# Pain Points: How Distracted Driving Costs Your Company

**Outlay:** Insurance Premiums, Property Damage, Injury, Death

**Revenue Loss:** Failed Delivery, Truck Downtime

**Maintaining a Zero-Tolerance Policy:** sidelining offending drivers in a record high-demand market

**Additional Resources:** required to define, promote, monitor and enforce more stringent policies

**Potentially Devastating Impact on Brand**

- Loss of customer trust
- Drop in reliability ratings
- Negative PR hurts new business development

The average cost of a property damage related to fleet vehicle accidents is approximately $63,000.

The average cost of an injury

The average cost of a fatality related to fleet vehicle accidents is approximately $10,900,000.

# Pain Point: 'Negligent Entrustment'

**'Negligent Entrustment'** refers to entrusting someone with a dangerous device (namely a company vehicle) and the entrusted party negligently causes injury, suffering, unfair loss, or harm to another person.

**Are you at risk?** Negligent Entrustment holds that you are liable for things you 'should have known'.

## How can you proactively protect your company from 'Negligent Entrustment' charges?

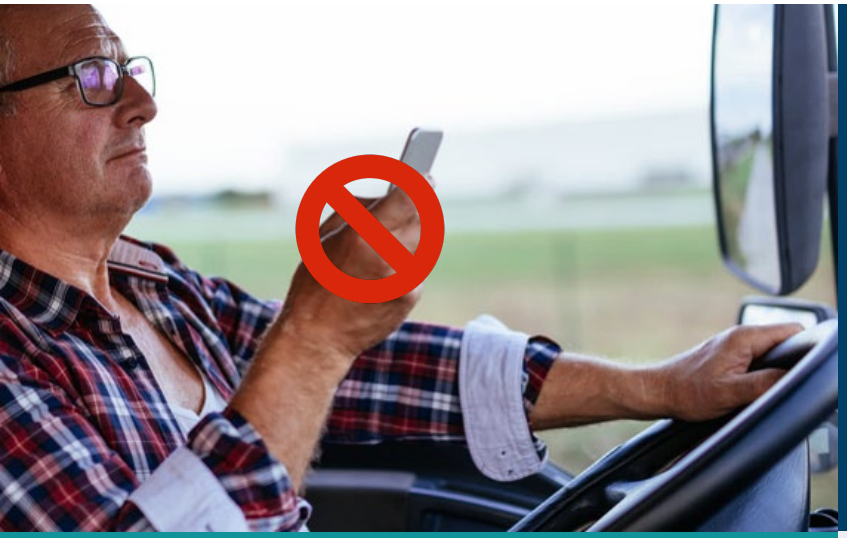
**In July 2018, a jury in Texas awarded a plaintiff $101 million for a crash with a tractor-trailer in 2013.**

**The indictment held both the company and its driver responsible—the jury found the driver to be 70% at fault with the company at fault for the remaining 30%.**

**The company's negligence was calculated at $75 million.**

*Source: Fleet Financials. https://www.fleetfinancials.com/311101/negligent-entrustment-is-based-on-what-you-should-have-known*

# New Technology Eliminates Distracted Driving



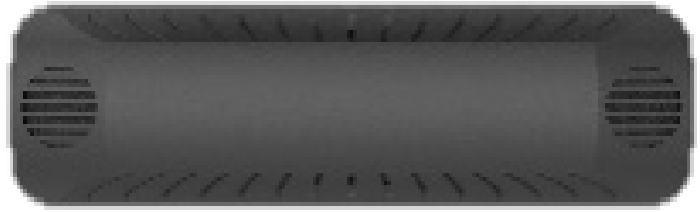
Protects your brand ... and your bottom line

Prevents hands-on device use while underway


Integrates with (and complements) existing tech and hardware

# Solution: MI SENTRY & EVVY

## SENTRY Hardware



## EVVY Software


Precisely locate and identify driver vs. passenger mobile devices

Prevents driver from texting, or using social media while driving!

Doesn't impede approved uses! Client makes all policy decisions as to what the driver can/cannot access on smart mobile device while vehicle is moving and located in driver's zone.

Acoustic signaling s/w is integrated (via API into client app or client's s/w platform.





8

# How does it work?

1. SENTRY generates an acoustic signal that's "heard" by the smart device.

2. Uses that signal to detect and precisely locate all smart mobile devices inside the vehicle cab.

3. When a smart device is detected in the driver's zone, EVVY software algorithms can lock the device's display allowing only Bluetooth/ hands-free operation.


**SENTRY and EVVY work together to create a patented transmit and receive technology.**

# How Does It Work? A Combination of Patented Transmit & Receive Technology!

| Transmit Signal (L) | Receive | Transmit Signal (R) |
| --- | --- | --- |
|  |  |  |







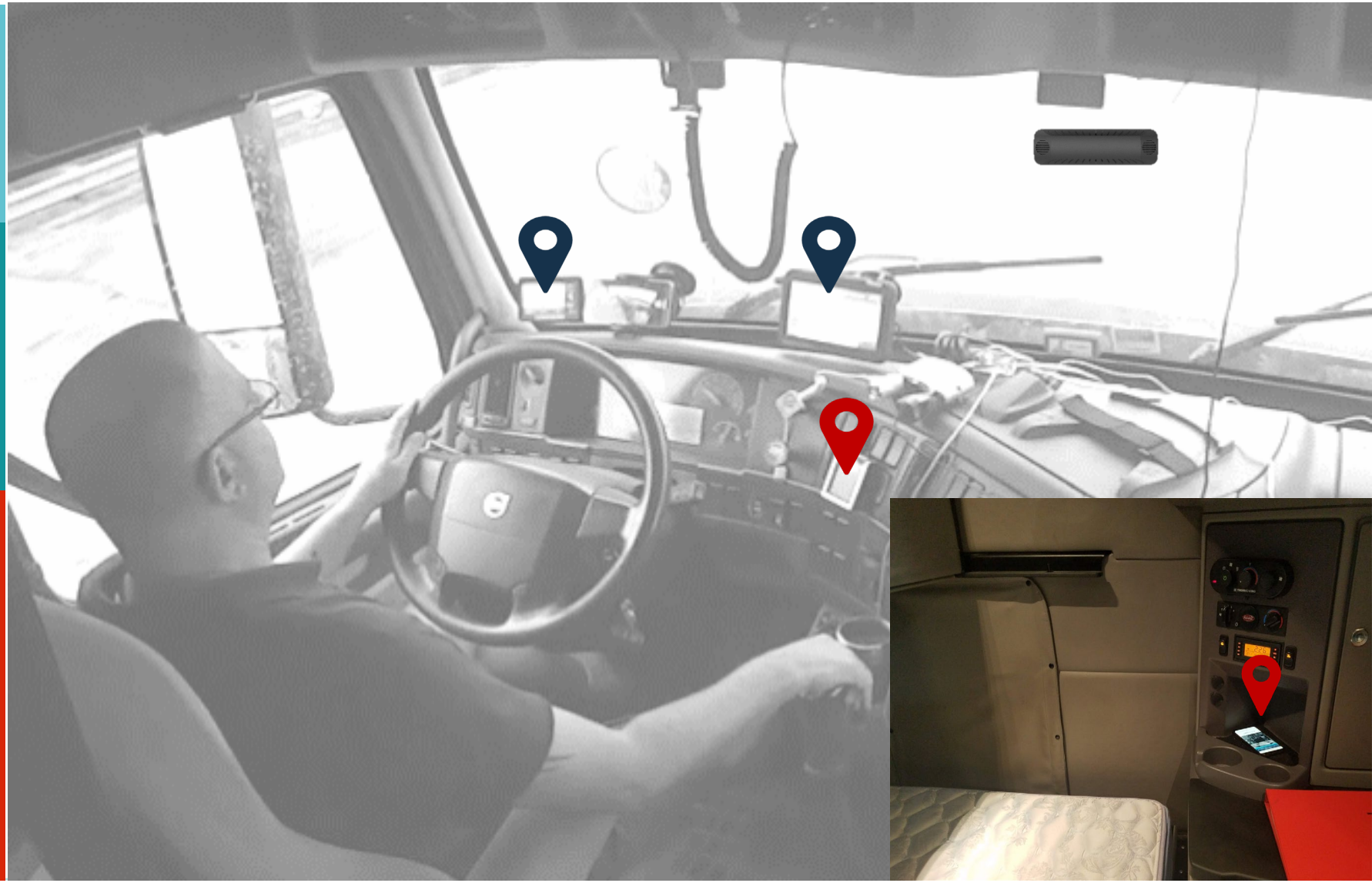
Software algorithms on mobile device receive signal (L) and (R), based on time of flight principle, calculate mobile device location to within +/- 3cm accuracy. This precise location information is passed to fleet integrator's application in order to make mobile device policy decisions as to which work vs. social apps driver can access while mobile device is located in driver's zone and vehicle is moving.

# Rogue Mobile Device Detection (Patent Pending)

1. Detects, locates, and authorizes mobile devices inside vehicle.

2. Detects unauthorized or ‘rogue’ mobile devices brought into vehicle cab.

3. Upon detection, ‘rogue’ mobile devices can be reported to fleet supervisor via fleet integrator’s messaging platform.



# Calculating ROI . . . on Real Fleets (Fig. 1)

| Fleet Customer | 'X' Fleet |
|---|---|
| USDOT # | |
| MI Software Fee/month/vehicle | $10.00 |
| Aftermarket H/W Device Install and Mobile Smart Device Prep | $125.00 |
| Months | 24 |
| Fleet Vehicles | 811 |
| 2-Year MI Software License Costs | $94,640 |
| One-time Hardware Costs | $101,375 |

## 2-Year 'X' Fleet ROI

| | |
|---|---|
| 2-Year Accident Cost Total | $43,479,000 |
| % Accidents Due to Distracted Driving | 25% |
| Distracted Driving Accident Costs | $10,869,750 |
| Distracted Driving Solution Costs | $296,015 |
| **2-Year ROI** | **3572%** |

## State-Reported Accidents to FMCSA

Past 24 months (prior 8/15/2018)

| Fatal | Injury | Tow |
|---|---|---|
| 3 | 19 | 39 |

## 2-Year Accident Costs

| Fatal | Injury | Tow |
|---|---|---|
| $32,700,000 | $8,322,000 | $ 2,457,000 |

## Average Claims Per Accident Type (2013)

| | |
|---|---|
| non-injury | $63,000 |
| injury | $438,000 |
| fatalities | $10,900,000 |

*Fred Andersky, director of customer solutions and government affairs for Bendix corporation reported in 2013.*

## Accident Rates/Million Miles Driven

| | |
|---|---|
| non-injury | 1.706 |
| injury | 0.491 |
| fatalities | 0.024 |

*An analysis of NHTSA and FMCSA crash data performed by Dimitri Kazarinoff, director of global marketing for Roadranger.*

# Calculating ROI . . . on Real Fleets (Fig. 2)

| Fleet Customer | 'X' Fleet |
|---|---|
| USDOT # | |
| MI Software Fee/month/vehicle | $4.00 |
| Aftermarket H/W Device Install and Mobile Smart Device Prep | $125.00 |
| Months | 24 |
| Fleet Vehicles | 23,589 |
| 2-Year MI Software License Costs | $2,264,544 |
| One-time Hardware Costs | $2,948,625 |
| **2-Year 'X' Fleet ROI** | |
| 2-Year Accident Cost Total | $48,054,000 |
| % Accidents Due to Distracted Driving | 25% |
| Distracted Driving Accident Costs | $12,013,500 |
| Distracted Driving Solution Costs | $5,213,169 |
| **2-Year ROI** | **130%** |

## State-Reported Accidents to FMCSA

Past 24 months (prior 8/15/2018)

| Fatal | Injury | Tow |
|---|---|---|
| 3 | 27 | 56 |

## 2-Year Accident Costs

| Fatal | Injury | Tow |
|---|---|---|
| $32,700,000 | $11,826,000 | $ 3,528,000 |

## Average Claims Per Accident Type (2013)

| | |
|---|---|
| non-injury | $63,000 |
| injury | $438,000 |
| fatalities | $10,900,000 |

*Fred Andersky, director of customer solutions and government affairs for Bendix corporation reported in 2013.*

## Accident Rates/Million Miles Driven

| | |
|---|---|
| non-injury | 1.706 |
| injury | 0.491 |
| fatalities | 0.024 |

*An analysis of NHTSA and FMCSA crash data performed by Dimitri Kazarinoff, director of global marketing for Roadranger.*

# Creating a Culture of Safety

## Safety is an Ongoing Process

- Distracted Driving is a serious, but **PREVENTABLE** problem
- Knowing your drivers, communicating with them regularly and engaging them in new and existing safety policies is the first step to gaining buy-in and solving the problem
- Introduce and integrate new technologies that encourage your driver to focus on . . . driving!

# Thank You


**CJ Meurell**
**cjmeurell@motionintelligence.com**