

HIGHLY EFFECTIVE SECRETS

**TO BUILDING A SUCCESSFUL DATA-DRIVEN,
DRIVER INCENTIVE PROGRAM**



INTRODUCTION

DID YOU KNOW?

ATA has reported the driver shortage at more than 50,000 drivers with a potential to rise to 174,000 by 2024. With the average replacement cost per truck driver being approximately \$12,000, losing current drivers significantly impacts a fleet's bottom line. For example, a fleet with 200 drivers and 80% driver turnover will have to spend \$1.9M a year to keep the capacity steady.

THE TIME TO RETHINK YOUR DRIVER RETENTION STRATEGIES IS NOW!

Per HireRight's 2018 Transportation Spotlight report, 61% of respondents plan to invest in retention programs, and 58% plan to invest in training and development. Best-run fleets are using their data-driven reward program as a differentiator to attract and retain quality drivers. They don't rely on a simple once-a-year safety bonus program. Instead, they use monthly or quarterly driver scorecards based on comprehensive data across driver performance, safety, fuel efficiency and other relevant criteria to develop and retain quality drivers. This ebook provides a step-by-step guide for implementing an effective data-driven driver incentive program.

Reasons Why Drivers Leave*



52%

to make more money



27%

for better benefits

*2018 Transportation Spotlight report

DRIVER INCENTIVE AND REWARDS PROGRAMS

Some drivers need incentives, all need rewards. A well-implemented driver incentive program can provide a considerable positive return on investment as a result of improved driver safety and, reduced accidents — while greatly enhancing driver recruitment and retention.

These three simple steps will help you build a data-driven, driver incentive program:

 Design a Program

 Select the Right Metrics

 Incentivize and Reward

IN-CEN-TIVE

a thing that motivates or encourages one to do something.

RE-WARD

a thing given in recognition of one's service, effort or achievement.



DESIGNING A PROGRAM

Driver incentive programs are challenging to get right.

Although their ultimate goal is to keep each fleet's greatest resource (i.e. drivers) safe, successful and feeling valued by their employer, some of these programs have unintended consequences. For example, rewarding drivers simply on the number of miles driven or deliveries could lead to driver fatigue or unexpected risky driving behaviors. If you are starting a driver incentive program or enhancing your existing one, here are several factors that can positively impact your program.



Critical Success Factors for a World-Class Incentive Program

- Get executive buy-in. The success of any incentive program requires top management, as well as cross-functional (Ops, Safety, HR, etc.), support.
- Establish clear objectives and goals for your program and make sure they are in line with your safety culture and goals. The most successful incentive programs boost driver performance, motivate drivers and, ultimately, improve driver retention.
- Survey your drivers and ask them what they would like to see in the program.
- Keep your program simple, easy to maintain and easy to explain.
- Develop an effective communication plan (internal and external). It should cover everything from brochures for new hires to appreciation letters for great performance.
- Keep your drivers informed about their standing in the program. It will foster continued interest and competitive pressure to do better.

SELECTING THE RIGHT METRICS & TARGETS

Key Performance Indicators (KPIs) are the backbone of a data-driven incentive program as they allow fleet managers to measure a driver's performance and compare it to a previous period or the output of other drivers. Performance metrics are also a key way for fleets to communicate what's important to their drivers. If fleets are measuring the wrong things, drivers will focus on those things. The most effective metrics are based on a fleet's safety/operational efficiency goals and are intended to impact driver behavior and performance.



Considerations When Selecting Key Performance Indicators

- Don't overwhelm your drivers and fleet managers. Focus on a small number of KPIs, but maintain the flexibility to adapt KPIs to changing business goals.
- Focus on the KPIs that promote safe driving behaviors. Rewarding drivers for getting your deliveries to their destinations quicker could lead to risky driving behavior such as excessive speeding.
- Ready-to-use, best practice KPIs and analytics are a great way to start, but also think about integrating other data (e.g. CSA data) that could enhance the success of your program.
- Ensure your drivers not only understand their performance metrics but also understand how their actions impact those metrics.

SELECTING THE RIGHT METRICS & TARGETS

For fleets looking to jump-start their performance-based incentive program, SmartDrive SmartIQ® Driver Scorecard Pro Pack provides best-practice metrics built to improve performance, influence behavior and, ultimately, drive better outcomes. The Scorecard allows fleet managers to measure driver performance across three key areas:



SAFE DRIVING

Built into the Scorecard are SmartDrive Safety Score metrics. You can use these KPIs to assess safe driving performance and objectively compare drivers.



DRIVER EFFICIENCY

Built into the Scorecard are fuel consumption metrics. You can use these KPIs to assess the fuel efficiency of a driver based on actual (ECU-based) fuel consumption and mileage data.



IMPROVED DRIVING

Built into the Scorecard are coaching metrics. You can use these KPIs to track the number of coachable events per driver and assess whether your drivers are getting the coaching they need to improve or not.

The Scorecard can also integrate data from other sources and be customized to meet each fleet manager's specific needs and goals – delivering a holistic approach to measuring driver performance.



SMARTIQ DRIVER SCORECARD PRO PACK

SMARTDRIVE

Undo Redo Revert Refresh Pause View Original Alert Subscribe Edit Share Download Comments Full Screen

Driver Scorecard Observation Disqualifications

Get a complete, real-time view of driver performance

Employee ID	Driver Name	Time Period	Disqualified	Disqualified Reason	Active Driver	Safety Score for Last Week in Period	Safety Score for Period	Time Spent Driving (hours)	Time Spent Driving (hours)	Distance Driven (miles)	MPG (Overall)	MPG (City)	MPG (Highway)	Months Driven on SD Program	% of Events Coached	Coachable Event Count
ANON	Smith, John	Oct 2017	No	N/A	Yes	0	2.5	101.1	4,589					9		
ACKA	Smith, John	Oct 2017	No	N/A	Yes	0	0	1.5	244.1	10,819	6.14	5.43	7.27	11		
ADAN	Smith, John	Oct 2017	No	N/A	Yes	20	24	11.0	244.0	12,720	7.17	5.51	7.62	22	100%	3
ADAV	Smith, John	Oct 2017	No	N/A	Yes	20	24	11.0	244.0	12,720	7.17	5.51	7.62	22	100%	3
ADAW	Smith, John	Oct 2017	Yes	Inactive	No	500	500	8.6	111.5	5,327				3	100%	5
ADKA	Smith, John	Oct 2017	Yes	Coaching	Yes	20	19	66.5	194.7	8,426				2	50%	2
ADDOSA	Smith, John	Oct 2017	Yes	Coaching	Yes	55	49	6.9	180.7	7,907				3	0%	5
AKID	Smith, John	Oct 2017	No	N/A	Yes	65	65	12.2	232.4	11,921	7.21	5.44	7.90	15	100%	8
ALEL	Smith, John	Oct 2017	No	N/A	Yes	0	1.7	184.8	8,789	7.25	6.46	7.65	10			
ALEW1	Smith, John	Oct 2017	Yes	Coaching	Yes	61	42	9.1	92.5	4,319	6.73	5.07	7.08	22	0%	2
ALFY	Smith, John	Oct 2017	No	N/A	Yes	46	41	3.0	153.7	3,625				4	75%	4
ALLM3	Smith, John	Oct 2017	No	N/A	Yes	5	14.6	206.0	9,539					9		
ANAO	Smith, John	Oct 2017	No	N/A	Yes	50	46	20.1	261.2	11,435				3	100%	6
ANDAR	Smith, John	Oct 2017	No	N/A	Yes	130	178	14.2	119.8	4,395				25	82%	17
ANDB	Smith, John	Oct 2017	No	N/A	Yes	11	10	48.8	242.7	12,151	6.89					
ANDC4	Smith, John	Oct 2017	No	N/A	Yes	12	21	35.0	196.1	9,768	6.66					
ANDW3	Smith, John	Oct 2017	No	N/A	Yes	0	12.3	227.8	10,823	6.76						
ANGM	Smith, John	Oct 2017	Yes	Coaching	Yes	276	202	0.8	58.6	3,223	6.32					
APPC	Smith, John	Oct 2017	No	N/A	Yes	0	0	1.5	244.1	10,819	6.14					
ARIL	Smith, John	Oct 2017	No	N/A	Yes	20	24	11.0	244.0	12,720	7.17	5.51	7.62	22	100%	3
ARMA1	Smith, John	Oct 2017	Yes	Inactive	No	500	500	8.6	111.5	5,327				3	100%	5
ARNPR	Smith, John	Oct 2017	Yes	Coaching	Yes	20	19	66.5	194.7	8,426				2	50%	2
ARRCA	Smith, John	Oct 2017	Yes	Coaching	Yes	55	49	6.9	180.7	7,907				3	0%	5
ARTA	Smith, John	Oct 2017	No	N/A	Yes	65	65	12.2	232.4	11,921	7.21	5.44	7.90	15	100%	8
ARTST	Smith, John	Oct 2017	No	N/A	Yes	0	1.7	184.8	8,789	7.25	6.46	7.65	10			
ARVJ	Smith, John	Oct 2017	Yes	Coaching	Yes	61	42	9.1	92.5	4,319	6.73	5.07	7.08	22	0%	2
Arvk	Smith, John	Oct 2017	No	N/A	Yes	46	41	3.0	153.7	3,625				4	75%	4
ASHOP	Smith, John	Oct 2017	No	N/A	Yes	5	14.6	206.0	9,539					9		

Time Period Selection: Month
Fiscal Year Start Month: Jan
Time Period: Oct 2017
Coaching % Requirement: 75
Probationary Time Period (months): 3
Driver Status: (All)
Drivers to Show: All

Filter your view to show all drivers or just those who qualify for the incentive program during the time period



“SmartIQ is the only solution that delivers granular data; incorporates a variety of safety, fuel and operational data; and makes it easy to incorporate resulting insights into our business.”

*Jeremy Stickling,
Director of Human Resources and Safety,
Nussbaum Transportation*

SELECTING THE RIGHT METRICS & TARGETS



Considerations When Selecting Your Targets

- Targets refer to measurable performance milestones. To avoid driver pushback, it's important to set targets that are objective.
- Targets should not be impossible to achieve. A difficult target can deflate your drivers' motivation.
- Targets should be tiered to eliminate an “all or nothing” outcome. Typically, three tiers are recommended.
- Revisit your KPIs and targets regularly. Your fleet's goals and priorities change over time, and so should your incentive program's KPIs and targets.

INCENTIVIZING AND REWARDING

Fleets considering driver incentive programs must define who will be eligible. SmartDrive SmartIQ Driver Scorecard makes it easy for fleet managers to customize criteria for their programs based upon unbiased disqualifications. The disqualifications are based on 70+ video-based safety observations captured by the SmartDrive system.

Fleet managers can select up to five disqualifications for their programs and set different thresholds for each of the disqualifications. For example, a fleet manager could customize the Scorecard to allow drivers with two or less seatbelt violations to be eligible for the incentive programs, while automatically excluding drivers with more than two seatbelt violations.

SmartIQ Driver Scorecard - Sample of Built-in Disqualifications

 Attained Extreme Speed	 Curb Check/Jumped Curb	 Failure to Attempt to Stop at light
 Beverage	 Driver Seatbelt Unfastened	 Excessive Speeding
 Captured Passenger Incident	 Driving the Wrong Way	 Failure to Attempt to Stop at Stop Sign
 Captured Roadway Incident	 Driving with Two hands Off Wheel	 Failure to Yield
 Collision with Animal	 Drowsy/Falling Asleep	 Mobile Phone
 Collision with Fixed Object	 Exceed Maximum Fleet Speed	

SMARTIQ DRIVER SCORECARD PRO PACK - DISQUALIFICATIONS

SMARTDRIVE

Driver Scorecard | Observation Disqualifications

Time Period Selection: Month
Fiscal Year Start Month: Jan

Driver Disqualified? (All)

DQ 1 Obse... Mobile Phone - Textin...
DQ 1 Thres... 1

DQ 2 Obse... Obstructed View of Dr...
DQ 2 Thres... 1

DQ 3 Obse... Suboptimal Camera P...
DQ 3 Thres... 1

DQ 4 Obse... (none)
DQ 4 Thres... 1

DQ 5 Obse... (none)
DQ 5 Threshold: 1

Employee ID	Driver Nam...	Time Period	Disqualified Reason	DQ 1 Count	DQ 2 Count	DQ 3 Count	DQ 4 Count	DQ 5 Count
DANS	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAUJ	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAUR	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAUW	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAWC	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DEGA	Smith, John	Oct 2017	N/A	0	0	0	0	0
DELDA	Smith, John	Oct 2017	N/A	0	0	0	0	0
DICJO	Smith, John	Oct 2017	Mobile Phone - Texting/Dialing	1	1	0	0	0
DRAE	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DRAPE	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DREL	Smith, John	Oct 2017	N/A	0	0	0	0	0
DUBJ	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DUFS	Smith, John	Oct 2017	N/A	0	0	0	0	0
DUNV	Smith, John	Oct 2017	N/A	0	0	0	0	0
DUPRO	Smith, John	Oct 2017	Mobile Phone - Texting/Dialing	1	0	0	0	0
DURB	Smith, John	Oct 2017	N/A	0	0	0	0	0
DURJ2	Smith, John	Oct 2017	N/A	0	0	0	0	0
DURN	Smith, John	Oct 2017	N/A	0	0	0	0	0
ECHM	Smith, John	Oct 2017	N/A	0	0	0	0	0
EDWDU	Smith, John	Oct 2017	N/A	0	0	0	0	0
EDWJA	Smith, John	Oct 2017	N/A	0	0	0	0	0
EGGD	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAUR	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAUW	Smith, John	Oct 2017	N/A	0	0	0	0	0
DAWC	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DEGA	Smith, John	Oct 2017	N/A	0	0	0	0	0
DELDA	Smith, John	Oct 2017	N/A	0	0	0	0	0
DICJO	Smith, John	Oct 2017	Mobile Phone - Texting/Dialing	1	1	0	0	0
DRAE	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DRAPE	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0
DREL	Smith, John	Oct 2017	N/A	0	0	0	0	0
DUBJ	Smith, John	Oct 2017	Obstructed View of Driver	0	1	0	0	0

Easily set qualification criteria based on 70+ observations

Quickly sort your drivers in ascending or descending order and view their infractions count per disqualification

INCENTIVIZING AND REWARDING

Rewards are what drivers receive when they hit, or exceed, their targets. The size, type and frequency of rewards offered are important to the success of an incentive program. Cash is the simplest and most appealing reward. But non-monetary rewards, like BBQ events for the best-performing drivers, safest driver of the month certificates, trophies, shout-outs and kudos at company events are an important, informal way of showing how much you appreciate your best-performing drivers.



Incentive and Reward Considerations

- Communicate the program to drivers and their families – instill a sense of excitement, pride and friendly competition.
- Progressive positive recognition will keep your driver engaged throughout the entire program. For example, the best drivers in the first month could receive a letter of recognition from the CEO, a company-wide acknowledgment for their continued stellar performance at the end of the second month and an invitation to an exclusive breakfast at the end of month three.
- Fleets with multiple sites can organize challenges where the site with the lowest SmartDrive Safety Score receives monetary/non-monetary rewards.
- Quarterly and yearly safety bonus checks are highly recommended.
- Frequency matters. Too frequent is hard to maintain; too infrequent can decrease motivation.

FINAL THOUGHT

Using data to create a program that incentivizes our drivers gives me confidence in knowing that we're reinforcing safe driving and protecting the motoring public. As a result, I'm happy to pay out for safety. In fact, I hope 100% or more of our drivers qualify for our quarterly safety performance bonus!

*- Matthew Penland,
VP Risk Management,
Cypress Truck Lines*

Ultimately, any driver incentive program needs to drive better driver performance and retention in order to pay for itself via cost-savings coming from reduced accidents, workers compensation payouts, insurance premiums and more.

Having the right metrics is critical to running a successful program. SmartDrive possess the world's largest and fastest growing Driving Performance & Driving Context dataset. SmartDrive SmartIQ is a distinct solution that links driver behavioral data to the enormous amount of data sourced from a multitude of separate vehicle systems, manages that data efficiently, and analyzes it at scale and in real-time. It delivers deeper insights that can enable a complete, real-time performance-based, driver incentive program. The result: lower driver turnover and significant ROI.



Customer Success Story

[Driver scoring: advanced tech helps Cypress Truck Lines keep it simple](#)

BONUS! SAMPLE INCENTIVE PROGRAMS

To ensure successful driver incentive programs, it's important to:

- **Understand Your Drivers' Motivation**
- **Establish Timeframe**
- **Establish Attainable Goals**

Although money is a great incentivizer, not all incentives involve money. Talk to your drivers ... survey them ... find out what motivates them so that your incentive plan fits their needs. Usually, you'll find the combination of monetary and non-monetary incentives is more powerful than just one or the other.

NON-MONETARY RECOGNITION



On-the-Spot Acknowledgement

If you see a driver “do the right thing,” let him/her know. If a customer praises a driver, let your driver know. A simple pat on the back can go a long way to motivate your drivers.



CEO Letter

The larger the company, the less opportunity drivers have to interact with your company CEO. A letter from your CEO recognizing your driver is a great way to motivate and encourage drivers. Attach the letter to a “Certificate of Recognition” for even more excitement.



Event Acknowledgement

Be sure to recognize drivers at safety meetings, company meetings or facility events. Most people enjoy being in the spotlight – particularly for doing a great job.



Family Acknowledgement

Remember the CEO letter mentioned above? Mail it to your driver's home. Let him/her share the praise with family members.



Company or Safety Newsletter Acknowledgement

Most companies have a company or safety newsletter (or both!). Remember to acknowledge drivers in your newsletter so everyone can share in your drivers' success. Use this opportunity to tell stories about incidents where your driver engaged in safe driving activities.



Top Driver Breakfast or Barbeque

Quarterly breakfasts or barbeques (hosted/served by your management team) are a great way to recognize those drivers who have met or obtained pre-set goals. Once other drivers hear about it, they'll work even harder to be sure they're at the next one!



Recognition at Family Day

Many companies have an annual family day. This is a great opportunity to recognize your safest drivers. They love being recognized in front of their families and their families experience the congratulatory camaraderie of their loved one being recognized for doing a great job.

BONUS! SAMPLE INCENTIVE PROGRAMS

MONETARY RECOGNITION

In addition to cash, incentive and recognition rewards can take many forms – gift cards, company swag or travel. You may even want to consider a Wheel of Fortune game, where drivers have the opportunity to spin for awards based upon their safety achievements!



On-the-Spot Bonus

An immediate cash bonus is a powerful way to recognize a driver's good actions. Be sure it's always accompanied by a strong "thank you!"



Quarterly/Annual Bonus

A monetary bonus program with both short (monthly and/or quarterly) and long-term (annual) goals, can help keep your driver motivated throughout the year. Be sure to include disqualifiers, such as accidents, tickets, etc. But also include safety metrics that matter most to your fleet. Is speeding or close following an issue for your fleet? Bring that data into your scorecard. Remember that your goal is a safer fleet - the more you pay out, the safer your drivers!



Site Competitions

Many drivers (and managers) are very competitive. If that's the case in your organization, set bonuses based upon which sites improve the most, reach (and maintain) a specified safety level first, etc. Be sure to publicize results on a regular basis so everyone knows where they stand in the competition.



Seasonal Competitions

March Madness, Super Bowl, Soccer Championships – even Distracted Driving Awareness Month and other driving-related events – are great opportunities for competition bonuses. Create a program with a theme that everyone can get behind and use the national energy to move your program forward.



Points to Purchase Merchandise

Similar to not knowing which incentive program will motivate your drivers most, it's hard to know what your drivers want. Establish a point program so your drivers can earn points that can be used to purchase merchandise of their choice. There are many established companies that can help you create and maintain this type of program.

ABOUT OMNITRACS

Omnitracs, LLC is a global pioneer of trucking solutions for all business models. Omnitrac's more than 1,000 employees deliver software-as-a-service-based solutions to help over 14,000 customers manage nearly 1,100,000 assets in more than 70 countries. The company pioneered the use of commercial vehicle telematics 30 years ago and serves today as a powerhouse of innovative, intuitive technologies. Omnitrac transforms the transportation industry through technology and insight, featuring best-in-class solutions for compliance, safety and security, productivity, telematics and tracking, transportation management (TMS), planning and delivery, data and analytics, and professional services.

Find out more at omnitracs.com/smartdrive

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