

HSSE CONSULTING DIVISION

Case Study

Maximize Your Business Efficiency



Case Study | (R&D Division)

Client Profile:



- Formed in 1915 , The Client is a multinational corporation headquartered in the United States with interests in the manufacturing, marketing and distribution of wide range of consumers goods.
- In 2009 The Client products were distributed in 220 countries resulting in annual net revenues of \$ 59 Billion.
- The Middle East Division contributed 17 % of The Client's net revenue worldwide as of 2009.



Business Situation (The Issue):



- The Middle East Division employs 81,000 people and has one of the largest fleets in the sector.
- The Client Middle East operates 11,000 hybrid vehicles.
- Driving is a big part of the business, with thousands of Deployment Drivers and Sales Representatives out on the road visiting customers' and for deployment purposes every day.
- With a fleet of 1900 HGV (Heavy Good Vehicles), 7500 Sales Trucks, 1100 Vans and 500 passenger cars.
- The Client has in the last three years a record of 47 road unfortunate fatalities (company employees and road third parties), 835 recorded road accidents (collisions), 634 Lost Time Injuries and 5342 Working Days Lost for employees and 3739 out of service days for vehicles.



Business Situation (The Issue):



- The Client spent more than \$ 7.7 Million fatalities compensations, \$ 3 Million third parties injuries compensations, \$ 8 Million company employees compensations and judicial claims, \$ 4.1 Million a year on 'bent mental' including its own damage and third party costs, \$ 1.8 Million company vehicles replacements due to total loss accidents, \$ 55.9 Million financial market losses due to the out of service days for vehicles away from the market and finally a significant impact on its image due to the dealing of media with the fatalities and major accidents news (newspapers, magazines, TV programs, etc.), the above has affected the sales volume by an indirect way and lead that the competitors captured 5 % from The Client market share which was measured as a financial loss with estimate \$ 500 Million.



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Business Situation (The Issue):



- The approx. total financial loss was estimated about \$ 0.8 Billion.
- “ We acknowledge that all the financial losses won’t restores the lives (lost in company vehicles road accidents) but the lesson was clear, we need to invest in road safety program to \$Saver £Lives” Said Keith Naylor The Client Middle East President.



Technical Situation:

- The problem was that 50 % of the countries where the client was running its business are third world countries which represents a very big challenge when applying a fleet safety program due to the poor roads conditions, poor road designs and layouts, lenient traffic laws and regulations, poor public safety culture on the road (Drivers and Pedestrians). Says KC Road Safety Consultant.
- The dynamic nature business nature requires our sales and deployment trucks presence on the road 24/7 to attack the market continuously, excessive driving hours is a norm, in addition all sales drivers their wages are linked to a sales target commission and it makes them very keen to achieve and exceed the target set, no matter their speed or how many hours driven. We cannot stop selling and we cannot continue to kill people, the challenge was intolerable” declared Salah Bozayanne the Sector Sales VP.
- The Client global fleet depreciation policy was in place, but the business units were not adhering to, their justification was why to depreciate a vehicle which can go to the market efficiently, but the simple question our team asked was, the vehicle can go to the market efficiently and safely in the same time?



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Solution:

Knowledge Compass supported the client to build a thorough road safety program to cut down road accidents as well as to make a financial saving, a road safety business plan was established with specific roles and responsibility and a reasonable timeframe.

The measures necessary to control the risks created by vehicle operations can be grouped under three main categories:

1. The Road.
2. The Driver.
3. The Vehicle.

As the first measure is impossible to be controlled except some high risk routes that was instructed to be avoided and alternatives routes to be taken.



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Solution:

- Knowledge Compass fleet safety program included:
- Road Accident Analysis.
- Pre-employment drivers health screening.
- Pre-employment drivers risk assessment.
- Identifying High Risk Driver.
- Vehicle Safety features.
- Drivers Training. (Theoretical / Behind the Wheel)
- A 'Safe Driving' Pledge.
- Road Complaints System.
- Reward & Recognition Programs / Disciplinary Programs.



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Solution:

- Drivers Monitoring Initiatives.
- Drug & Alcohol tests.
- Driving Hours Policy.
- Vehicle Assessment / Disqualification program.
- Road awareness campaigns.
- Speed Limiter / Monitor.
- Public Seat Belt Awareness campaign by cooperation with the marketing division to recover the image affected because of accidents publications.



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Benefits:



- After three years that the business case was running the number of road accidents (Fatalities & Injuries) dropped by 55 percent.
- The Client 'own damage' incident rate for its fleet is currently 0.32, compared to the fleet industry average of 0.55.
- Number of lost working days dropped by 58 percent and number of days for vehicles out of service dropped by 73 percent.
- Number of replacement of total loss vehicles cut down by 60 percent.



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Benefits:



- The financial savings were traceable and present an outstanding achievement as the above results lead to save money in claims, productivity (days away from the market for drivers and vehicles), repairs for vehicles owned and third party vehicles, reduction in vehicles replacement following accidents as well as fuel saving as the safe driving decrease the fuel consumption and the reputation recovery returned 2 % from the lost market share.
- The overall savings were estimated by \$ 37 Million.



Thank You

URL: www.kc-me.com

