TRACKER

FLEET CRIME

DEALERSHIP STOCK SUPPLY

FUEL CARD FRAUD

EMPATHETIC LEADERSHIP spotlight on fleet management



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Fleet management:

How else can you save money, time and lives?

That was the question we asked when we started compiling this E-zine. Over the next few pages, you're going to find a lot of very compelling and practical answers.

Looking through the articles, it was quickly apparent that anyone who reads them will be enlightened, as I was, with a lot of useful and thought-provoking content.

This really pleased me, both personally and professionally. Personally, because I'm naturally curious and was delighted to learn some new things. Professionally, because it truly delivers on our brand's promise: when we say that "we got you", we mean that we've got your back in multiple ways; that we're there for you above and beyond the services you pay for.

This new slogan – "we got you" – has its origins in, and articulately reflects, Tracker's purpose, which is that we care for and protect people and their things. We're committed to doing this in multiple ways, big and small, every day; whether it's developing exceptional new innovations, providing industry-leading services, answering calls promptly and giving you the support you need, or by proactively equipping you with knowledge you can use and apply in your business – which is exactly what this E-zine does.

If you spend just half an hour reading the articles here, you'll be armed with new awareness and information that will help you better protect your fleet and your business. In fact, I'm confident that you'll be able to make a decent, actionable list of things you can do for your fleet that will save your business money and time, and that will help to save lives. Some will be worth taking to your teams to discuss, and some are easy enough for you to implement almost immediately.

As this is Tracker's first E-zine, we'd love to hear what you think. Our hope is to send more on other topics in future. So, if there's anything you'd like to see, let us know. We got you!

Regards, Wayne de Nobrega Tracker CEO

THE IMPORTANCE OF

EMPATHETIC LEADERSHIP SKILLS

Rita Kruger - Executive: Customer Services & Call Centre Operations / EQ Guru & Customer Evangelist

Empathetic leadership is one of the qualities that every leader needs to have in their "toolbox" when dealing with people. This requirement is even more crucial as employees, including leaders, deal with the workplace effects of the Covid-19 pandemic. Humans are diverse in how they experience and react to change, therefore observing behaviour and listening to what is not being said is very relevant while interacting with staff.

Normally when trying to understand how to deal with a matter, you can search for and read an abundance of articles to receive tips, guidelines or stories about other people's experience. The Covid-19 pandemic and the impact on staff in the workplace is, however, a new dynamic that all leaders have had to work through and build the experience that will become the guidelines for future generations.

It is the first time that our generation has had to deal with the abnormal effects of a pandemic of this nature. This was especially true during the period of total lockdown, where in certain instances the only contact employees had with their company was via virtual or electronic communication. Some employees were lucky and had access to company equipment. Those not so fortunate, could only connect with their company via their mobile phone.

Quickly a work community of faces turned into a community of voices. During lockdown level 5, people certainly felt more protected to continue with their day-to-day work at home. This, however, had to change to stabilise the economy and keep businesses afloat. Therefore, some people had to return to the office. Yet, the office environment was still a faceless place with strict protocols and the always present "elephant" in the room. This year, as the pandemic eases, we are slowly starting to get back to business as normal pre-pandemic.

Yet, how can a leader - in a pandemic with many variables, lots of publicity and a lot of conflicting information - be the support to staff, whether they have returned to the office or are still working remotely? What attributes are required to be the guide and coach to staff who are as uncertain about the future as you are?

How do you detect the early signs of depression, demotivation and fatigue, especially in the non-verbal communicator?

Leadership with empathy is about the ability to connect with people to inspire, empower and support. *Certain skills are required from an empathetic leader:*

- Listen without preconceived ideas, to what is not being said, and with intent to understand.
- Flexibility what has worked in the past might not work today; be in the moment, understand the real need.
- Integrity you need to be truthful, honest and sincere. Indicate to the employee that you expect the same in return.
- Trust staff need to know that they can trust you, including with very confidential information.

- Approachable be open, be transparent, be available to hear what people have to say.
- Support if this is not in your control, get expert advice.
- Connectedness communicate with staff via a short, simple, caring email. It shows care and concern from a leader to the people, which in turn creates a feeling of reassurance and being cared for.



It is important to know that although all people are dealing with the same pandemic and a return to the office in the "new normal", each experience will be unique. Responses are based on individual emotional frameworks and are built on a person's perception and their reality. Financial stability, own health, history of loss and an individual's support system all need to be considered when engaging with that individual.

As a leader, you cannot be disconnected or get tired of asking the same engaging questions. To get into an employee's world, you need to view any circumstance through their eyes. Only then can you begin to demonstrate true empathetic leadership. Don't ever minimise a person's experience in your head; lead with empathy and show you care. Allow for opportunities to engage one-on-one, get buy-in, and earn their trust.

RISK MANAGEMENT IN THE SUPPLY CHAIN ENVIRONMENT

Kobus Visagie - Executive: Business Solutions / Fleet Pundit

Recent events in South Africa have highlighted the need for businesses to take advantage of technological advancements and have electronic, and as far as possible, automated systems in place to monitor daily processes and assets in the supply chain environment.

While human intelligence and intuition can be beneficial, manual processes are tedious and prone to inefficiencies. Technology can minimise a dependency on people, and allow resources, processes and vehicle monitoring to be managed and monitored centrally, providing full visibility regarding all aspects of the supply chain.

A technology-enabled business can now establish "control tower" capability via a digital twin.

A supply chain digital twin is a virtual simulation model of real-world supply chain activities. It is used to analyse supply chain dynamics and to predict process success via real-time data of planned and released work and sales orders, deliveries, pickups, ePod's and approvals.

This data is gathered from various technology sources, including:

- IoT devices like telematics, sensors and artificial intelligence (AI) cameras;
- logistics and transport databases that are integrated between business partners;
- business-to-business operational databases that share order-related and electronic deliveries in near real-time;
- automated and integrated vendor information; and
- user experience feedback, online reviews, customer service tickets, social media platforms and real-time messaging platforms.

SOME OF THE USE CASES OF DIGITAL TWINS IN THE SUPPLY CHAIN ENVIRONMENT THAT ASSIST IN RISK MITIGATION INCLUDE:

Planning of transportation and facilities

Various technology platforms can be utilised to establish a digital twin of the supply chain environment that can assist in planning demand from customers. Real-time data is used by these platforms to monitor physical assets, people and locations to assist supply chain managers to better plan and react to variable demand, facilitating optimal usage of these assets and ensuring on-time delivery in full (OTIF) to customers.

These automated and integrated technology platforms can help businesses better minimize risks in their supply chains through alert functionality for deviations against the plan, in real-time. This includes, by way of example, new on-demand orders that require fulfilment, drivers running late due to traffic congestion, vehicle breakdowns and loading or off-loading variances against the schedule.

Optimising inventory

The supply chain digital twin platform can utilise data from the demand forecasting function to avoid stock-outs and assist in minimizing overall warehousing costs. It can also help address challenges experienced in "single-echelon" – optimisation of inventory in a single warehouse – and "multi-echelon" inventory systems – optimising inventory across the network.

Other use cases that can benefit from this technology depend on the supply chain demands and needs. However, there are challenges around the establishment of successful supply chain digital twins, including data quality and technology adoption.

Data quality

First and foremost, the data quality of the real-time data feed needs to be trusted. As the precursor to the success of the planning and execution functions, the reliability of both technology and vendors is paramount to data integrity. Various artificial intelligence and machine learning technologies exist that can assist supply chain managers to ensure that usable information is indeed correct and reliable.

AS THE OLD SAYING GOES... "GARBAGE IN, GARBAGE OUT"

Technology adoption

Even with such advancements available, various industry verticals may be hesitant to embrace these new technology platforms. Complexity can be a hurdle, but with a credible vendor as a business partner, a move in this direction can be leveraged to assist supply chain managers in optimising processes while minimising risks within existing supply chains.

Correctly configured and optimally utilised, technology can very quickly pay for itself; contributing not only to risk mitigation but immeasurably to revenue growth,cost minimisation initiatives and positive customer sentiment. There is no time like the present to partner with a trusted technology vendor to vitalise and streamline your supply chain.

THE IMPACTOF A PANDEMIC

ON THE GLOBAL SEMICONDUCTOR COMPONENT SUPPLY

Spyros Marinis - National Channel Manager OEM & Heath Ewing - National Manager Automotive Solutions / The guys on the pulse of all things automotive

The past two years have been challenging; yet they have also represented a time of learning and growth: Learning how to navigate Teams and Zoom meetings with business partners to keep our services top of mind, and learning how to adapt to other challenges to keep our businesses moving forward.

One of the greater challenges facing the automotive sector has been **the global semiconductor component shortage.** Component supply constraints against an unprecedented component demand - and a Japanese factory that built solenoids and semiconductors burning down - has impacted the production of new vehicles and electronic goods worldwide.



On the supply side in manufacturing, a lean approach to inventory has many advantages, including better quality through fewer process breakdowns, and better cash flow through lower inventory levels. However, this is usual business practice.

The effects of the pandemic have mainly impacted the demand side. The **"new normal"** of working from home has created a demand for chip-hungry gadgets – phones, laptops, tablets – on an unprecedented scale. This demand was further driven by the many parents who had to turn their dining room tables or kitchen counters into e-learning classroom environments during the pandemic. The world turned, and we adapted.

In addition, the uncertainty created by the pandemic translated into economic instability, which impacted consumer buying power and sentiment. People and companies were unsure of their jobs and income; and even when there was a level of security, they were by no means rushing out to buy new vehicles. As things stabilised with people working from home, mobility in general was interrogated; **"Do we need two cars?"** further impacting vehicle sales. This meant that in response, the automotive industry cut semiconductor orders; moving it to the back of the line, and in most cases staying there.

Why would this be the case considering the size of the automotive industry globally?

The answer is that there are a few dominant players involved in semiconductor manufacturing globally. The role of some semiconductor companies is to design the semiconductors and the technology in them. The role of the others is to manufacture, namely foundries. The foundries are run by companies like TSMC in Taiwan or Samsung in South Korea. It is these dominant players that mainly produce for the electronics markets, which leaves the automotive industry exposed.

Ironically vehicle manufacturers aren't directly competing with high-tech companies for the same semiconductor supply as the technologies are quite different. In 2020, TSMC automotive semiconductor sales were 3% against those for smartphones at 48%. What vehicle manufacturers do compete with is priority based on higher volume, higher margins, longer contract tenure, and increased orders over the pandemic period.

Some positives arose from the stock shortages. Dealership profit margins on new vehicles increased. The used vehicle market boomed as trade-in prices of used vehicles increased with the lack of supply of new vehicles for buyers in the market. Unfortunately, the effects of the semiconductor shortage were felt down the supply chain. With fewer vehicles sold, the opportunities for the tracking industry to grow market share was limited.

What is being done to combat the component shortage?

"KEEP OUR BUSINESSES MOVING FORWARD."

Some car companies stockpiled. For 2021, and for the first time since 1931, Japanese automaker Toyota Motor Corporation outsold General Motors Company in the United States because it stockpiled four months' worth of semiconductors.

The US Innovation and Competition Act (USICA), passed by the Senate and endorsed by the White House in June of 2021; would allocate approximately \$52 billion to support US semiconductor research, design, and production. Similarly, the European Commission also seeks to create semiconductor independence by doubling its global semiconductor share by 2030 and will also propose a European Semiconductors Act in the first half of 2022.

Hyundai, Tesla, GM, and Ford have all announced plans to develop semiconductors to reduce reliance on semiconductor makers. According to a report by Gartner, nearly 50% of the top 10 automakers will design and produce semiconductors by 2025.

When will things normalise?

It's anyone's guess really and it depends on what one Googles. While the journey over the last two years has been challenging, the South African automotive sector is highly resilient. There are passionate and skilled people throughout the value chain that will find a way to get the job done; regardless of pandemic, rising fuel prices and interest rates, riots, or fire and brimstone.





Kobus Visagie - Executive: Business Solutions / Fleet Pundit

Customer demands are changing the logistics environment. There is a need for timely, same-day deliveries and visibility of where ordered goods are at all times. To ensure that planned schedules are fulfilled successfully, new technologies are needed above normal telematics solutions to provide real-time visibility. The ideal solution is to establish a control tower platform, which can include several service providers, that enhances service delivery and provides realtime alerts when execution is not happening according to plan.

This requirement for technology evolution forces traditional telematics companies to supply more innovative solutions to meet customer demands. As a result, *Tracker identified and investigated various solutions to fulfil some of these demands from our customers.* After extensive research, Locus was identified as the partner of choice within the supply chain arena to complement traditional telematics systems with futureproof vehicle planning, routing, optimisation and execution solutions.

Vehicle planning, routing, optimisation and execution is an exceptionally complex task that a lot of businesses are still managing manually, even in the current digital age. Given the steep demands of last-mile order fulfilment brought about by same-day and two-day deliveries, Locus supports both planned and real-time order allocation.

The solution also ensures smart allocation of orders based on vehicle types and considers driver skill sets, geographical know-how, and preferred service areas while assigning delivery duties. All of this goes a long way to improving service level agreements (SLAs), metrics such as First Attempt Delivery Rates (FADRs), and the sustainability of operations. Powered by advanced Artificial Intelligence (AI) and Machine Learning (ML) capabilities,



Locus's routing algorithms can factor in over 280 real-life constraints to create dispatch routes that optimise the speed of delivery and fuel consumption. It can even accommodate an organisation's specific needs in its calculations to create customised routes. Locus's mature geocoding abilities ensure high levels of accuracy in locating addresses, no matter how vague on a digital map—a cornerstone of the route planning software.

These technologies complement Tracker's existing solutions within the supply chain market and enable us to provide a fully integrated supply chain solution. This very easy to use and cost-effective solution is empowering customers to manage their lastmile deliveries at scale. The solution can be used with telematics devices, or without if the mobile application is being used by the drivers. Full ePod fulfilment together with customisable workflows as well as vehicle inspections are part of the overall solution. A full set of APIs are available, which the user can make use of to either complement their existing solution or use as a standalone solution with the user interface.

This partnership translates into robust analytics and advanced routing and optimisation capabilities for our fleet customers, that should produce significant benefits to these businesses in the areas of cost savings, revenue generation and increased service levels. The platform further offers enhanced visibility from origin to destination with a feature-rich control tower dashboard, driver application and customerfacing interface.

Driver analysis and scoring paired with the existing telematics component for driver authorisation and in-cab monitoring further enhances compliance management.

FLEET CRIME TRENDS

Duma Ngcobo - Chief Operating Officer / Mastermind

South Africa's logistics sector contributes an estimated R480 billion per year to the economy, accounting for approximately 10-12% of the country's GDP.

This is a significant contribution, and following the disturbance caused by the Covid-19 pandemic after a decade of low growth, the logistics sector could play a crucial role in rebuilding South Africa's economy.

Unfortunately, the logistics sector is also targeted by criminals. Transport crimes such as fleet vehicle hijackings and cargo theft can have a significant impact on supply chain efficiency, costs, and profitability. Therefore, it is important to keep abreast of the trends, hotspots, and modus operandi of this type of crime; taking proactive measures to protect your fleet.

Statistics recorded from Tracker's installed vehicle base indicate a 32% increase in the hijacking of fleet vehicles – LDVs and trucks – in 2021 compared to 2020. In addition, 15% of the fleet vehicles involved in hijackings in 2021 were reported to be carrying FMCG and so were therefore most likely targeted for their loads.

Hijacking of a fleet vehicle is likely to take place on any weekday – Monday to Friday.

However, a slightly higher proportion of fleet vehicles are reported hijacked on Wednesdays, at 22% in 2021. When it comes to time of day, fleet hijackings are most likely to occur in the late morning to early afternoon, with 40% of hijackings reported between 11am and 3pm.

Gauteng carries the bulk of the fleet vehicle crime at 52% in 2021. However, this was down from 57% in 2020. Conversely, KwaZulu-Natal - second in terms of provinces for the most vehicle crime - saw an increase from 14% to 19% in fleet vehicle crime in 2021, due to the civil unrest and looting in July. The Western Cape and Mpumalanga, the next two provinces on the list, also saw marginal increases year-on-year.

There are routes that are hotspots for fleet vehicle crime, and these remain mostly unchanged from year to year. Hotspots include the N12 in Benoni, Boksburg, Delmas, Eloff, Emalahleni, Springs, Sundra and Etwatwa; the R24/ R21 in the areas of Edenvale, Kempton Park and Clayville, the R23 in Benoni and Springs, and the N3 between Villiers and Grootvlei, near Heidelberg, Katlehong, Vosloorus, Bedfordview and Germiston. The N1 Western Bypass, N14, N12 Moroka Bypass, R59, R512, R552, N17 and R28 are also areas of interest. The modus operandi of the criminals is also relatively unchanged

from year to year. Top on the list of the Tracker client fleet hijackings during 2021 is "blue light gangs". In this scenario, the suspects drive unmarked vehicles and flash blue lights, use a siren, or wear police apparel to stop the vehicle. The driver, unwittingly believing it to be law enforcement, pulls over and is subsequently hijacked.

The next technique on the list is "blocked in". As the name implies, the fleet vehicle is blocked or boxed in by one or more of the suspects' vehicles and the driver is hijacked.

Third on the list is "something wrong", where the suspects in an unmarked vehicle drive next to the fleet vehicle and get the driver's attention by indicating that there is something wrong with the vehicle or trailer by, for example, pointing at tyres or at the back of the truck to indicate the load is falling off. The driver pulls over to check the vehicle and is hijacked.

We also see although less frequently, tyre thefts. In these instances, they jack up the trailer and steal all the tyres. Unfortunately, there are also cases where drivers are in collusion with the suspects for a kickback and can fake a hijacking or theft. It is therefore important to conduct background checks on all employees that will drive on behalf of the organisation. Also of importance is drafting applicable written policies and procedures that include the organisation's rules on driving and associated activities; for example, a ban on giving a lift to hitchhikers, and ensure that they aren't being followed.

This, however, doesn't prevent an employee from going rogue. Luckily, there are solutions on the market that can assist with protecting your fleet.

The latest artificial intelligence-enabled dashcams from iDrive enhances driver and fleet safety by facial recognition on the edge, coupled with a live look-in service. In the event an unknown driver enters the vehicle, the functionality will trigger an alert to notify the control centre of the unauthorised driver. The control centre can then look in on the activity taking place in the cabin and take appropriate action, possibly avoiding the loss of the vehicle and cargo.





USING IDRIVE DASHCAMS

ROAD SAFETY AND RISK MANAGEMENT

Kobus Visagie - Executive: Business Solutions / Fleet Pundit

There are many factors that can lead to vehicle-related incidents, accidents and fatalities, and these factors are well documented. Unfortunately, accidents have a devastating socio-economic impact – in addition to the human toll, there are billions of Rands in costs associated with accidents, particularly for fleets.

To reduce the associated costs and pain, we must recognise that more than anything the biggest cause of accidents can be attributed to drivers and driver error.

- 94% of all traffic accidents are caused by human error, according to the National Highway Transportation and Safety Administration.
- 72% are caused by distractions, fatigue, speeding, recklessness, and/or Forward Collision Warning.
- Costs for trucking and other commercial vehicle insurance are skyrocketing because of accident claims.
- Expensive ineffective systems are prevalent.

" A PICTURE IS WORTH A THOUSAND WORDS... A VIDEO IS WORTH MORE"

Video telematics represents a category of mobile-asset camera solutions designed to give fleet operators visibility into driver actions, such as cell phone use and texting; and events involving their vehicles, such as near-misses and crashes, through captured video footage.

In contrast to traditional telematics solutions. which collect and report numerical sensor data generated by a connected vehicle, such as location, heading, speed, braking, and impact; video is more holistic as it can go beyond the vehicle to gather information on the environment itself, including other vehicles and assets in the vicinity as well as road and weather conditions. This information provides fleet operators with the crucial element of context or what we deem "situational intelligence" from the recorded footage, enabling them to understand and diagnose WHY a driver action or vehicle event occurred, not simply that it occurred, as reported by a traditional telematics solution.

These solutions can record forward (road) and rear (driver) facing activity, among many other potential camera views; either continuously upon vehicle activation or in smaller, curated segments when initiated autonomously by a triggering event. The footage, accessible through a wireless network with a smartphone, tablet, or computer-based application, has many uses; such as post-incident forensics (to assign fault or exonerate a driver), safety improvement (by fostering desired driver behaviours with video review and coaching), and adherence (compliance with seat belt laws, hands-free rules), all of which, among other factors, are driving the adoption of video solutions.

From research conducted and customer feedback received, Tracker identified the need for a dashcam product that can be used by our fleet customers. The desire was for a cost-effective dashcam to monitor incidents, thus limiting the risk and exposure to the fleet owner. This is particularly important for fleet users that are constantly at risk in terms of accidents and only have statements and some telematic replays at their disposal to investigate an incident.

Driver performance and behaviors are also another major contributing factor to risk. Driver fatigue and distraction contributes to accidents, and video telematics can mitigate some of this risk. Plus, fleet managers need to have visual confirmation of the driver of a vehicle. Tracker's latest solution needed to mitigate risks by notifying the customer of any accidents and providing footage of any such incident. Drivers should be identified via builtin Artificial Intelligence (AI) facial recognition ensuring the responsible person is linked to every trip. Fleet owners should also be able to use the dashcam solution to improve driver behaviour and scoring, thus making it safer for drivers and other road users.

iDrive was identified as the partner of choice, as they provide video cameras and software paired with proprietary or third-party traditional telematics to form comprehensive vehicle monitoring solutions. iDrive's primary offering is its X-series video event recorders that feature road- and driver-facing cameras. These proprietary units use sophisticated software powered by an AI engine to recognise faces to associate drivers with their vehicles and trip data, assess risk, identify distracted and drowsy driving; and warn drivers in real-time with in-cab alerts to help prevent them from causing accidents, and trigger automated video capture. Its algorithms are continually updated using Machine Learning.

For fleets requiring continuous highdefinition recording for security purposes, such as public transport, iDrive offers an onboard digital video recorder (DVR) that can record up to 1,000 hours of fleet and passenger footage with up to eight cameras. This solution is more static and doesn't require the intelligent software of its primary offering.

iDrive's software, which provides in-cab alerts and automated video capture amongst other things, is one of the main differentiators that Tracker was looking for. iDrive's library of algorithms is the result of analysing billions of miles of driver and road data and continuously studying this data set as it grows by around 2 million per day, enabling software refinements that further improve outcomes. Considering most of iDrive's video telematics peers have short tenures in the market, Tracker believes few possess the quantity of data required to create algorithms that are similarly sophisticated.

iDrive also leverages edge computing; processing the captured data and video locally on the device to save time and transmission costs, which is currently uncommon in the industry.

Besides its software, iDrive is different from most of the other vendors in that it provides integrated hardware and software peripherals for an added fee, such as an alcohol monitoring solution, to create additional value for customers.

Tracker believes that the offering from iDrive is unique, since it uses telematics data and image recognition combined with pattern and behaviour analysis, instead of just telematics data to initiate action. This technology put iDrive at the forefront of the industry's evolution away from agent-based to software or automated review.



"FOSTERING DESIRED DRIVER BEHAVIOURS"

Connect with us via to register your interest in Tracker AI Dashcam and receive your first month subscription free on new AI Dashcam installations concluded between June 2022 and December 2022.

PROTECTING BUSINESSES AGAINST FUELCARD FRAUD

Bronwyn Voigt - Fleet Manager / Smooth Operator

The use of business fuel card services in fleet operations have increased in the past few years. While these cards are helpful to fleet managers, the introduction of cashless transactions through fuel cards has increased the risk of fraud. There is a possibility that abuse of company fuel cards might not be timeously detected, which will significantly affect the company budget. To prevent such undesired costs, you should be familiar with the main types of fuel card fraud, both internal and external.

"DIESEL THEFT AMOUNTS TO 15-20% OF ALL DIESEL SOLD"

Internal Fuel Card Fraud

Diesel has become currency for money, food and consumables in rural areas. Taxis, garages, depots and small transport companies are willing to pay for stolen diesel. Diesel theft amounts to 15-20% of all diesel sold in South Africa via redistribution.

Water "carriers" and spaza shops on the side of the road are co-conspirators. There are even diesel dispensaries in townships around business parks that your driver may simply drive through, sit and wait while fuel gets stolen out the tank. Drivers are highly resourceful and may see diesel theft as their "right" to complement their income.

Although fuel card companies have made it more difficult for drivers to take advantage of company resources, there is still the danger of a few different types of abuse:

Drivers siphoning fuel

Employees might use an automatic pump to siphon fuel from the tank of the vehicle and thereafter refill it. Unfortunately, most antisiphoning devices don't work. However, this is easily detectable fraud as it can be identified through overconsumption.

Side fuelling

This is a widely known type of fuel fraud. The vehicle tank and a side container, such as a mobile generator or jerry can, are filled up at the same time and charged as one single transaction. Alternatively, the vehicle is moved once it is full and extra fuel is placed inside a taxi for cash paid to the driver and fuel attendant.

The daily "redistribution" of five to 50 litres is a budget killer. However, it is unlikely to be picked up in fleet management control. Yet if you have a fleet of 10 vehicles or more, this amounts to a massive annual loss.

Volume top-ups

On the border, there is a trend for volume top-ups of stolen fuel with water dilution together with an oil/ paraffin mix or benzine. This can negatively affect vehicle performance and cause damage to the fleet vehicle's engine. However, there should be an indication on fuel monitoring systems the moment water is introduced into the tank.

Multiple pump transactions

Drivers sometimes work together with staff from the fuel stations. Cashiers can merge the charges of multiple pumps onto a single fuel card. In this type of fuel card fraud, the money obtained from other pumps is usually shared between the cashier, driver and fuel attendant.

Inflated fuel card transactions

One of the most popular types of fuel card fraud is when a driver stops at a station and asks for a certain amount of fuel. After that, the driver requests the involved cashier to manually charge an additional amount to the fuel card. The cash value of the extra amount is taken from the cash drawer and split between participants in the fraud – driver, cashier, and fuel attendant.

Private vehicle fill on the company fuel card

Unauthorised vehicles will not match with the registration number on the company fuel card. However, some employees might manipulate this information and make it appear as if they are filling the company vehicle. To provide some security, fuel attendants are required to validate the fleet fuel card and ensure it is for the same vehicle.

Store purchases and car washes

Another type of fuel card fraud involves purchasing products or services that are dishonestly added to the fuel/oil cost. The full amount is charged to the company fuel card.

External Fuel Card Fraud

Employees are not the only ones committing theft using a company fuel card. There are a couple of other threats you should be aware of:

Fuel card cloning

An illegal copy of a fuel card can be used to fill up other vehicles with the charges being billed to the original owner of the card. This is a serious fraudulent activity that can incur massive losses, which are difficult to recover.

Card and PIN interception by post

According to a report by Shell, 25% of fleet managers claim that this type of fuel card fraud occurs frequently. While on the way to the customer, fuel card details might get stolen and abused.

The Solutions

Once you know the most common types of fuel card fraud, you can detect any fraudulent activity. Fuel cards for small businesses are designed to reduce the risk of these kinds of activities. Yet, both small and large companies need to monitor all fuel card-related expenses.

Frequency of fill-ups

One of the easiest ways to detect fuel card fraud is by checking the frequency of fillups. If a driver stops too often to refuel, this might mean one of two things - either there is a technical issue with the vehicle, or your company fuel card is being misused.

Trip reports vs. amount of fuel purchased

Fleet managers are usually aware of the fuel consumption of the vehicles in their fleet. By comparing the actual usage to the amount that has been charged from the fuel card, you can detect if fuel fraud has occurred.

Driver logs vs. receipts

In some cases, drivers might try to conceal information. You can recognise this type of fuel card fraud by comparing receipts, bills, and logs. A close examination can reveal if there has been company fuel card abuse.

Basic rules to prevent fuel card fraud

Most of the fuel card companies provide invoice reports and expense control. Although fleet managers can monitor activity, there are still many cases of fraud that can be prevented.

A few changes every fleet business can make:

Require PIN

One of the best ways for fuel card fraud prevention is to require employees to enter the unit number and a PIN code. When drivers are obliged to enter personal information, they are personally responsible for the charges on their fleet cards. If another vehicle is filled with your company fuel card, this will appear on the reports and will attract the attention of the fleet managers.

• 1 fuel card = 1 vehicle

By assigning a fuel card to a particular vehicle, fleet managers reduce the possibility of card abuse. In addition, the fuel card should only be used for designated purchases - fuel, oil, tyres, maintenance.

Educate drivers

Drivers should know the exact purpose of a fuel card – what it is supposed to be used for and what the constraints are. Furthermore, employees should be aware of the consequences of fuel card fraud. Not only is it causing financial losses to the company, but it is also an illegal activity that might cause drivers to lose their jobs.

Safeguards you can implement

In addition to the three basic rules, there are a few safeguards that you can implement to prevent fuel card fraud and protect your company from undesired costs:

Set limits

By setting a limit on the amount of money that can be spent on fuel, fleet businesses reduce the risk of fraudulent activity. When a driver knows that they only have enough to fill their vehicle, they are unlikely to use the fuel card to pay for someone else's fuel. Prepaid fuel cards or daily limits on the card are useful for fleet management to ensure control and avoid abuse.

• Collaborate with employees

Asking drivers to record odometer readings and reminding them not to leave the fuel card unattended might bring benefits to a fleet business. While some of the fraud is committed by drivers, there are external threats that might be prevented with the help of employees.

Refuel when necessary

Another safeguard that can be implemented is to require drivers to fill the tank completely and then refuel only after the maximum distance has been travelled.



Fuel-saving Solutions

Using highly accurate mapping and fleet telematics geofences, fuel theft is more easily detected. These tools also allow managers to set areas where drivers can refuel, with alert systems in place for that outside of the prescribed areas.

Ensuring that your drivers are using the most efficient route is the next step to fuel savings. Route planning designed for trucks can account for truck-specific attributes, traffic flow, accidents, and construction. There are also planning tools that can be used to help organise deliveries, resulting in lighter loads and less fuel consumed.

When it comes to cutting costs on fuel, the most efficient way is to trade in fossil fuels for electricity. Electric fleets are becoming increasingly popular as companies try to meet environmental targets around the world. In addition to sustainability and reducing emissions, electric fleets can win the heart of the next generation of drivers.

