The Power of Telematics:

Why small fleets should use OEM telematics.

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1.
Telematics: The Fleet Superpower

For every fleet, whether one vehicle or a thousand, maximising productivity is the holy grail.

Keeping vehicles on the road and productive is not only fundamental — it's key to business survival.

Add to that today's challenges of higher costs, ultra-low emission zones and the drive to electrification, and it's clear that managing and monitoring vehicle health and driver performance is now more important than ever.

The leading software tool to help achieve this is vehicle telematics — a system which uses live data to map, monitor and manage vehicles.

Data comes from onboard vehicle sensors including GPS, cameras, and diagnostic devices.

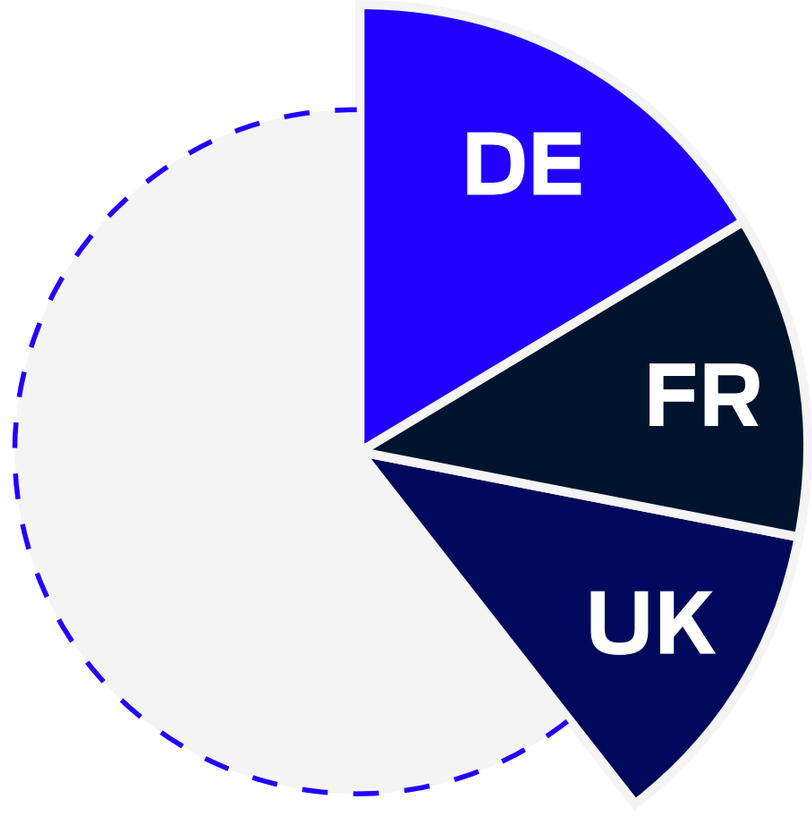
> Functions run from live vehicle tracking to route optimisation, fuel and charging management, pre-emptive health alerts, maintenance scheduling, driver scoring and more.

As technology develops, so does the list of useful functions. Integrating vehicle camera footage has been a catalyst for new features including vehicle security and supporting insurance claims.

And AI is the next (or maybe current) big thing.

All this adds up to a healthy growing telematics industry, with a European market size of $7.3 billion which is expected to reach $34.3 billion by 2028[1].

As for the market share per country by the end of 2021, Germany was the leader with 16.4%, followed closely by France (11.8%) and the UK (11.3%)[2].



Back at the sharp end, the bottom line for fleet managers often isn't just ROI. Driver behaviour, vehicle safety and security – including the ability to locate vehicles – are the top reasons for introducing telematics, followed by reducing fleet costs and improving operational efficiency[3].

With so many benefits on offer, it's no surprise that telematics has become a heavy hitter in the fleet manager's arsenal. In the UK specifically, 44% of fleets confirmed that their cars were connected to a telematics tool[4].

But according to independent research commissioned by Ford Motor Company (Jan 2023), many small and medium fleets still don't use telematics. Instead, they rely on outdated and basic forms of record keeping. Often using nothing more than a mobile phone, pen and paper to maintain fleet records.

So, here's the question...
why aren't SMEs joining the party?

2.

Barriers? What barriers?

Every business is unique, with its own set of needs and challenges. But the reasons for not adopting new technology tend to be similar.

Let’s look at the four main barriers to taking up telematics, and why they may not be all they seem.

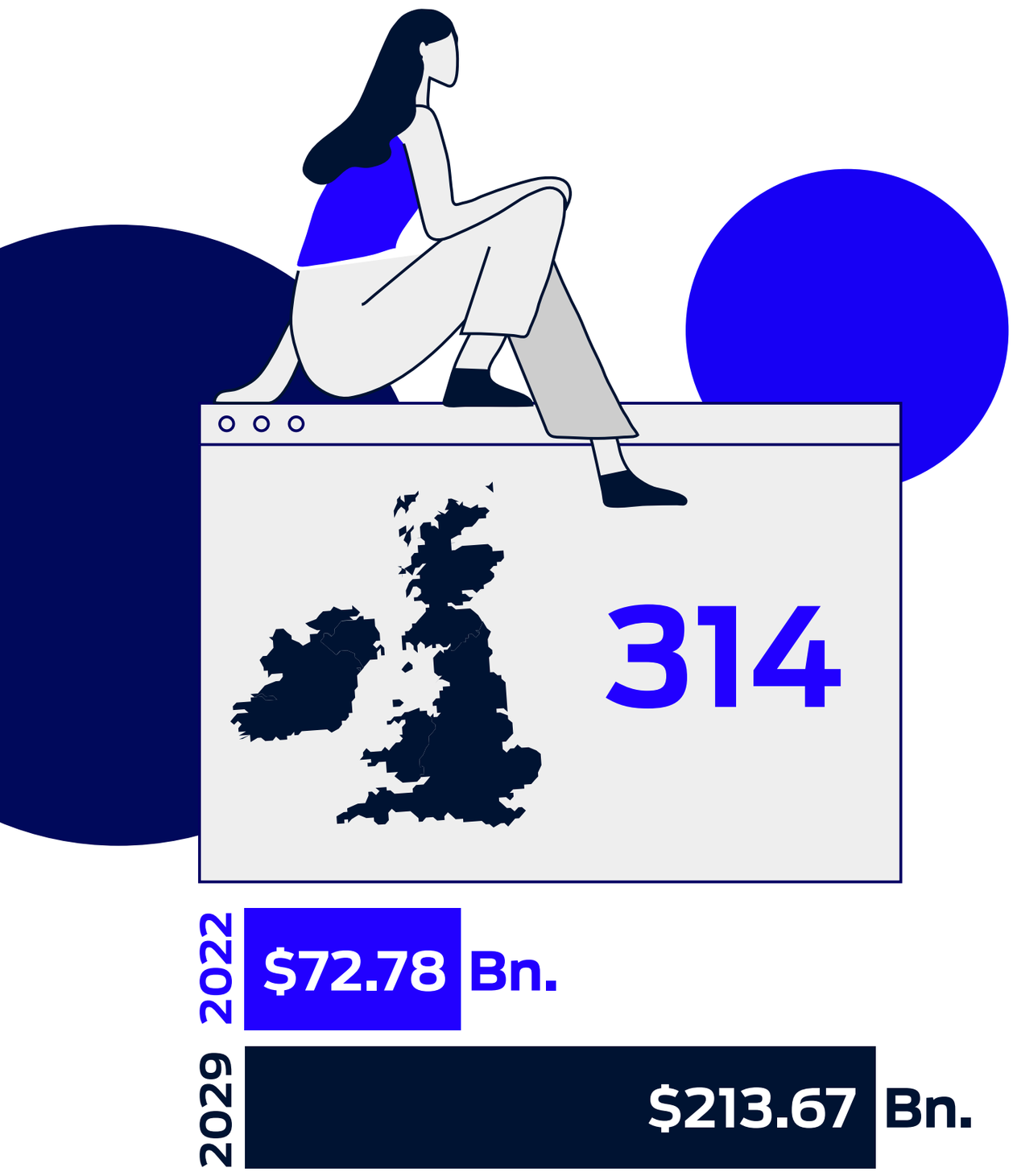
1. **It’s new (It’s not)**
2. **It’s expensive (It doesn’t have to be)**
3. **It’s complicated (It shouldn’t be)**
4. **There are too many to choose from (or is there?)**

1

It’s new (it’s not)

This one is easy. Telematics isn’t new. In fact, you might already have it.

Originating in a 1978 French government report, télématique – translated to telematics – is a combination of the words télécommunications (telecommunications) and informatique[5]. Coincidentally, in the same year, the world’s first GPS (Global Positioning Systems) satellite was launched, technology that has become integral to vehicle telematics.



45 years later, telematics has reached all corners of the world. **The UK alone has 314 providers[6].** The European telematics market is expected to hit almost 38 million connected units by 2028[7]. And the global telematics market, worth $72.78 billion in 2022, is projected to reach $213.67 billion by 2029[8]. While telematics has boomed, so have connected cars.

> In Germany specifically, 90% of new cars manufactured were expected to have integrated modems by 2020[9]. And in the UK, the forecast is that 100% of new cars will be connected by 2026[10]. Which means it’s possible that many, if not all, of your vehicles are already telematics capable.

2

It’s expensive (it doesn’t have to be)

It does have a cost. But it could also be free.

When you think of large fleets using big data to optimise operations, you might assume that telematics is pricey. But the reality is that telematics means different things to different businesses, with scalable functionality from simple vehicle tracking to all-singing, all-dancing optimisation solutions.

By focusing on your specific requirements, you might find getting started isn’t as expensive as you thought. And because SME fleet requirements are often less complex than larger fleets who tend towards custom solutions, you could gain big benefits from basic off-the-peg functionality.

There are even free options available. For example, Ford Pro™ offers complimentary Telematics Essentials. It provides key vehicle health data using a simple web-based dashboard. So, you can get started at no cost and try it on for size.

3

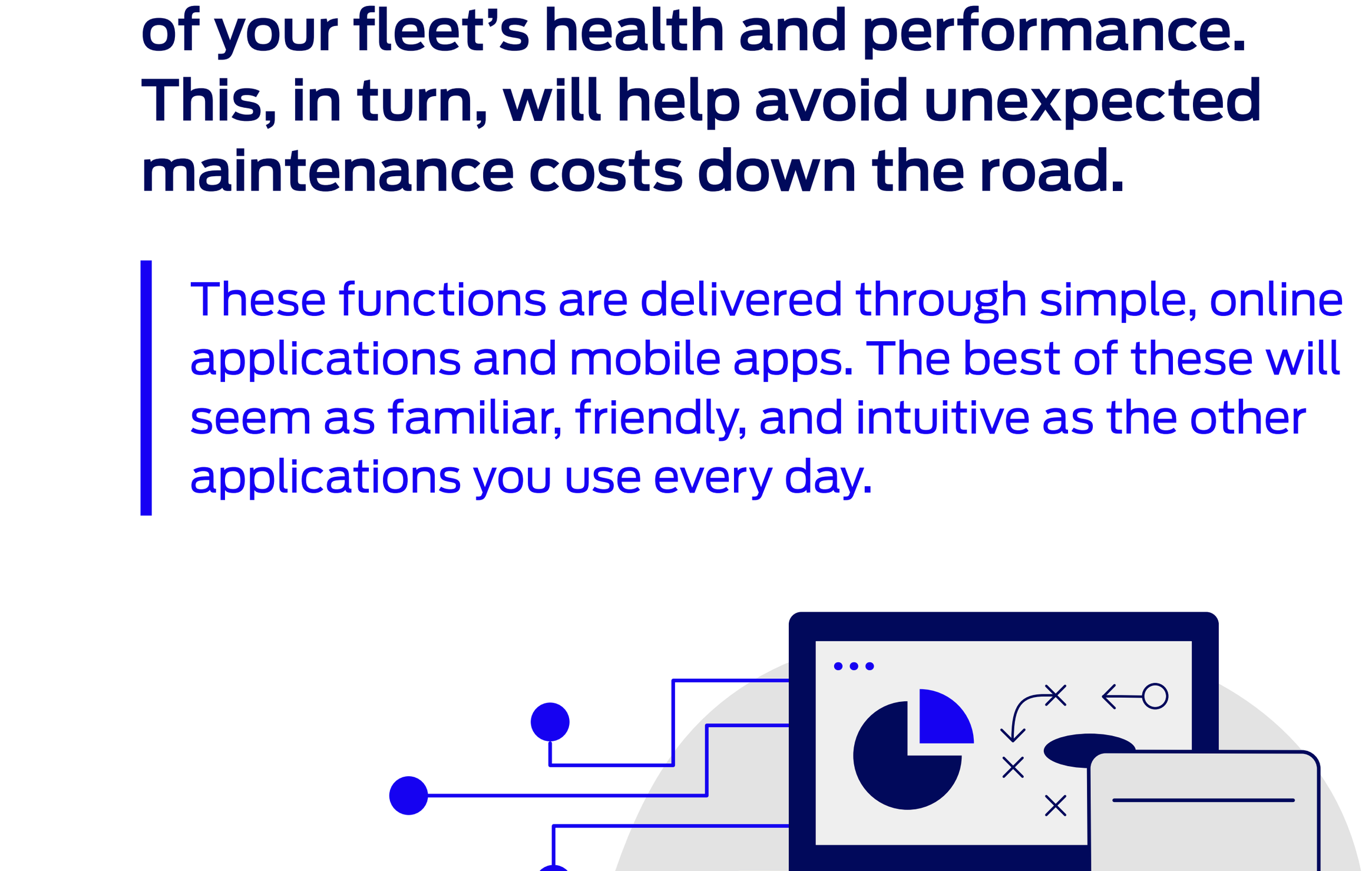
It’s complicated (it shouldn’t be)

Like your satnav, your spreadsheet, your banking app —your telematics software should work for you, and there are plenty of options to choose from.

Your job is hard enough without introducing more complexity. And that is exactly what telematics systems are designed to help with.

Having the data at your fingertips should reduce time spent on administrative tasks, like reconciling fuel and mileage, and increase visibility of your fleet’s health and performance. This, in turn, will help avoid unexpected maintenance costs down the road.

> These functions are delivered through simple, online applications and mobile apps. The best of these will seem as familiar, friendly, and intuitive as the other applications you use every day.



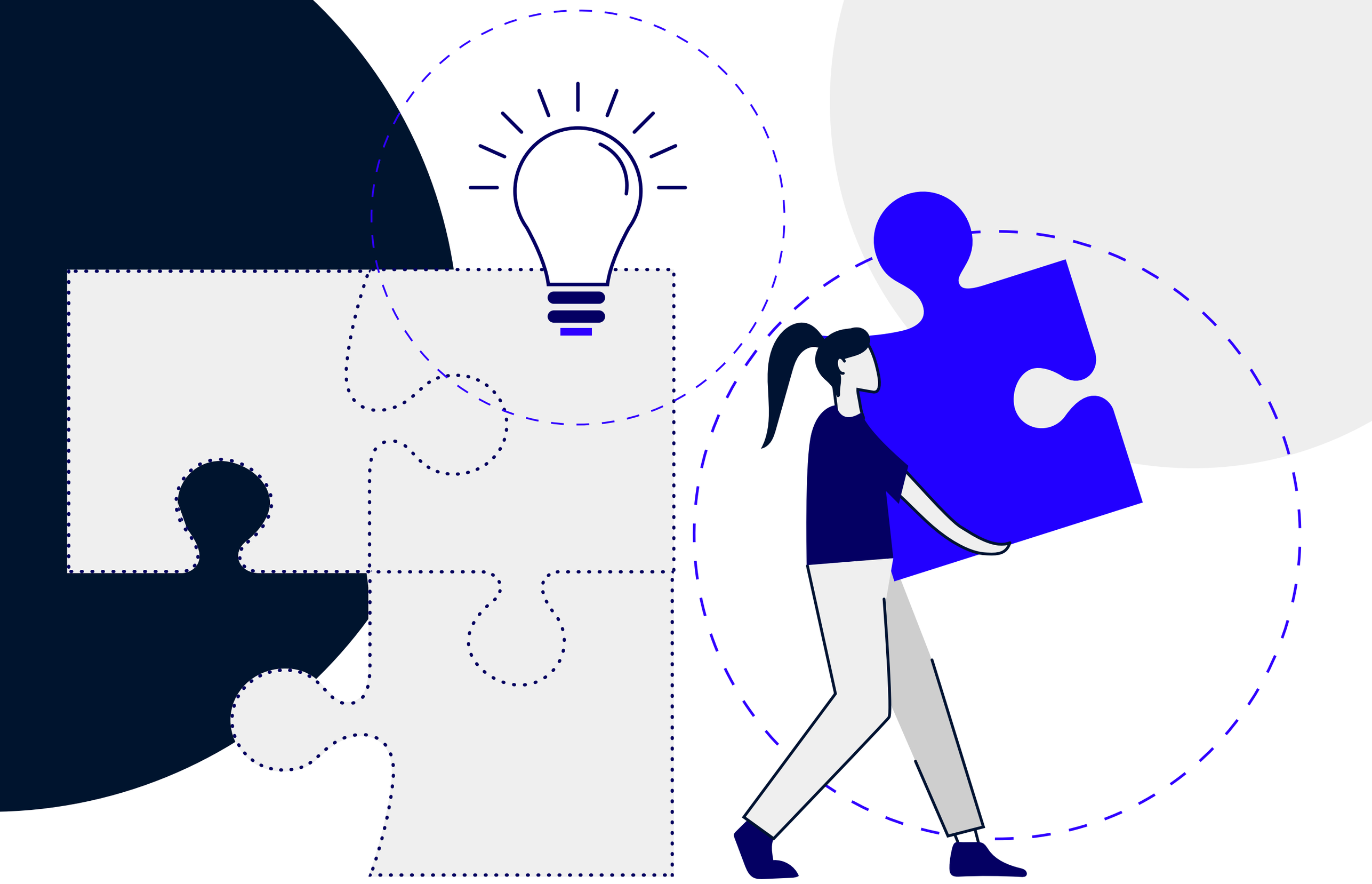
4

There’s too many to choose from (or is there?)

Okay, this one is true.

With hundreds of telematics suppliers, there’s a baffling array of choice out there.

But, if you have a newer vehicle with a built-in modem, you might not have to choose — You might just have to switch it on.



3.
Telematics providers: breaking it down

There are two main types of telematics providers. Vehicle manufacturers (OEM) and third-party or aftersales providers, with no relationship to the vehicles themselves.

But before we dive in, it’s worth getting to know the main components of telematics:

Hardware
Connected digital devices in your vehicle that record and transmit data.

Data Services
Often cloud-based where that data is collected, stored, and distributed.

Software
The fleet management interface and the smartphone app your drivers use.

Aftersales telematics

Aftersales telematics solutions are offered by specialist providers who supply the technology to manufacturers, fleet managers and vehicle owners..

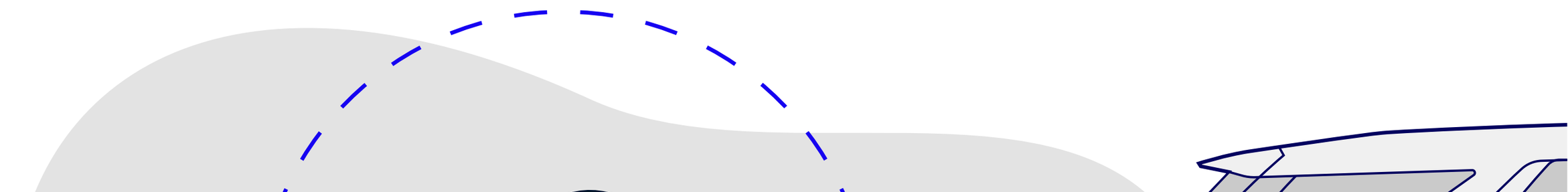
For these solutions, the telematics hardware will need to be installed into the vehicle. Installation often must be carried out by a certified installer.

The fleet management software will be web-based and scalable depending on your needs.

Big providers often offer their own data services, although smaller providers may integrate with third-party platforms. These are software companies who specialise in supplying telematics for vehicles that aren’t already equipped with it.

> Aftermarket telematics isn’t tied to a particular vehicle manufacturer, which means, as long as the hardware is installed, you can connect different vehicle makes to your system.

Some fleet businesses will mix and match hardware, software, and data services from different telematics suppliers, to suit their specific needs.



OEM telematics

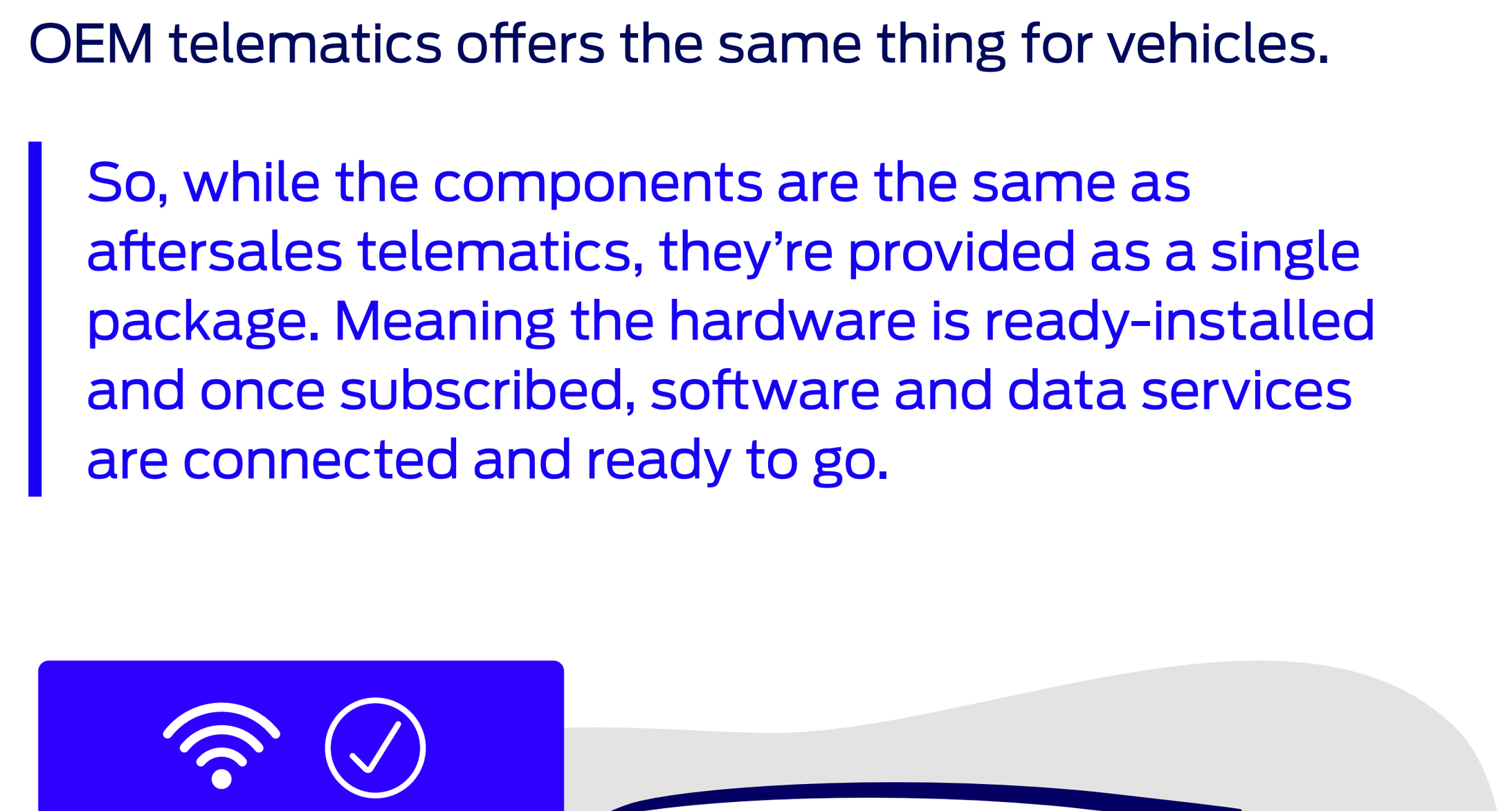
This is embedded into vehicles by the manufacturer. Ford is one of a number of automakers that provide this, with telematics being fitted at factory level – just like the other physical features of the vehicle.

OEM telematics is an integrated solution, including hardware, software, and data services. Key to this, are connected vehicles with built-in modems.

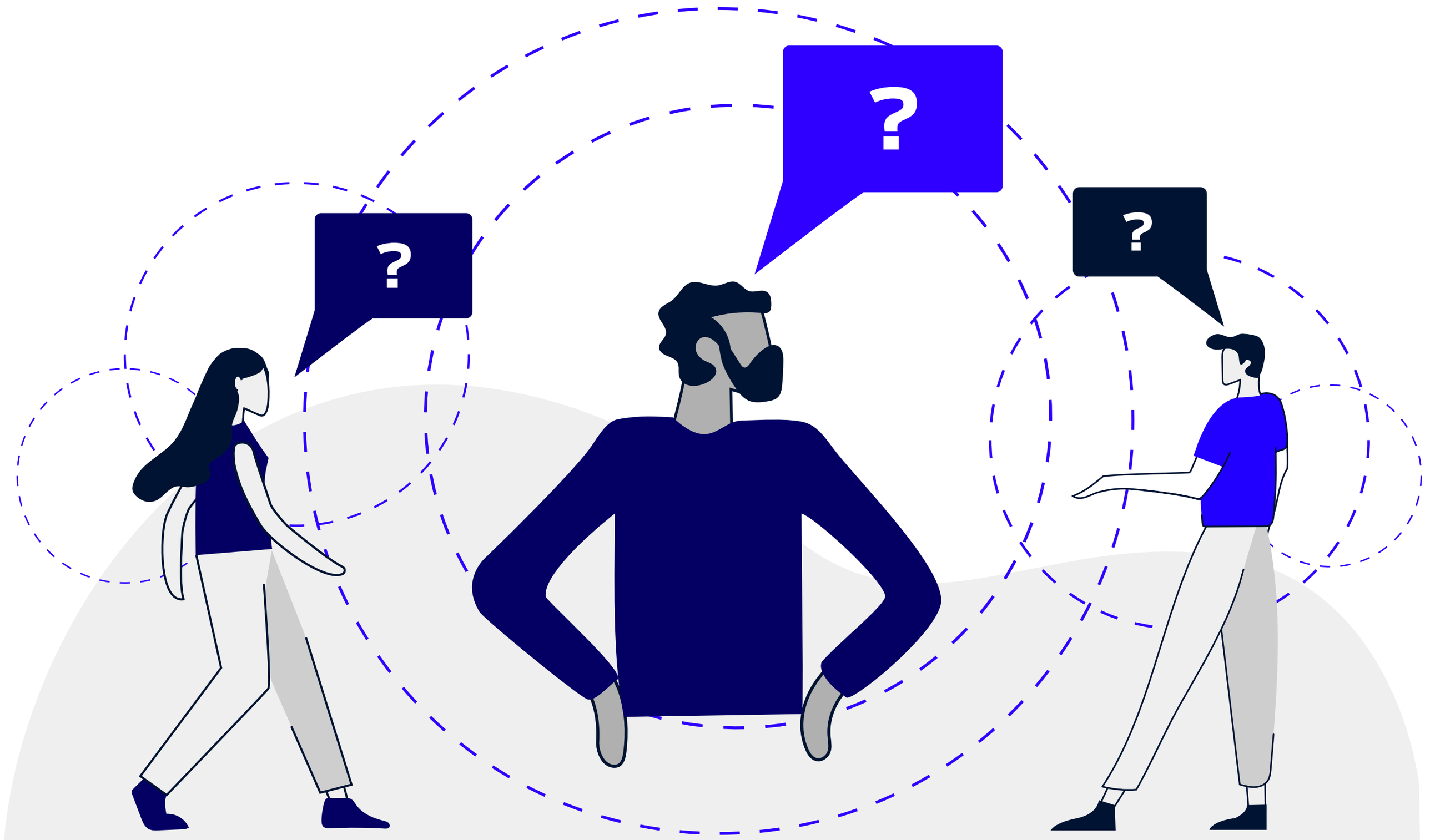
Think of the smart devices we're so used to: smartphones and TVs, connected thermostats, even light bulbs. They have connectivity built in and are often part of a proprietary ecosystem, whether it's a smart home operating system or smart lighting. Designed to be simple and connected out of the box.

OEM telematics offers the same thing for vehicles.

> So, while the components are the same as aftersales telematics, they're provided as a single package. Meaning the hardware is ready-installed and once subscribed, software and data services are connected and ready to go.



OEM	Aftersales
Activate vehicle modem.	Choose a telematics supplier and package.
Register for telematics service.	Subscribe to telematics service.
Start using OEM telematics.	Purchase compatible modem (hardware).
	Wait for delivery.
	Arrange modem installation.
	Leave vehicle with installer.
	Start using aftersales telematics.



4.

How OEM telematics work for smaller fleets

Telematics. Fleet management. It all sounds like the preserve of big fleets with dedicated IT systems and a huge back-office team. But, even if you run a handful of vehicles, you're managing a fleet. And probably without the dedicated support larger companies rely on.

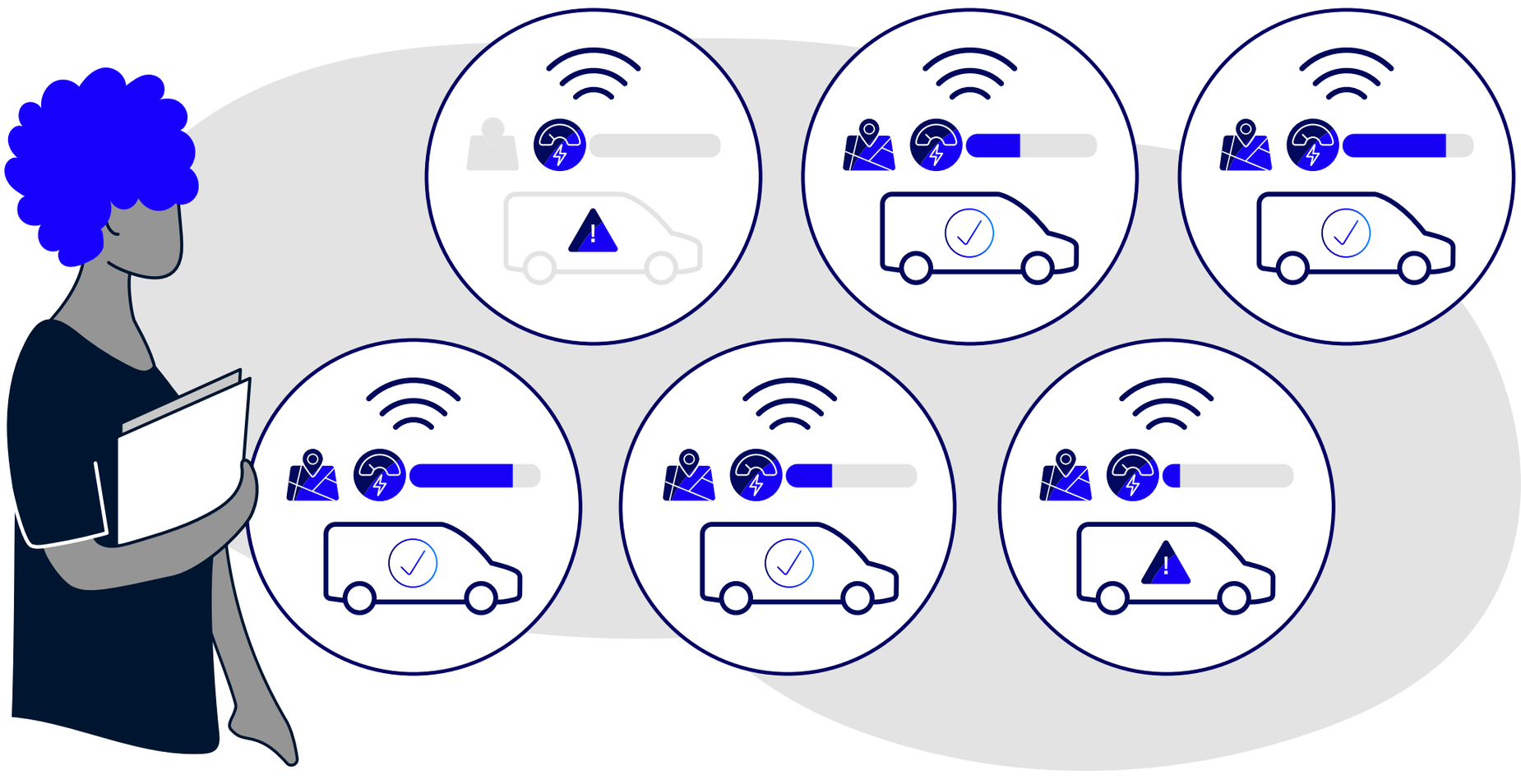
Because of this, the benefits of telematics can be magnified when adopted by smaller fleets with no existing system.

Here are some of the ways OEM telematics works for smaller fleets.

1. From zero to hero

If you have no existing system, the introduction of live vehicle tracking, pre-emptive health alerts and smarter maintenance scheduling will give fleet productivity a boost.

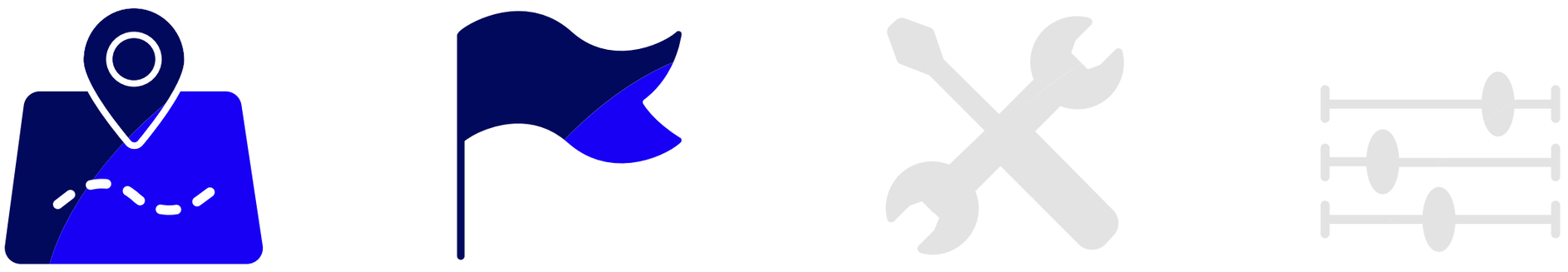
The potential to avoid vehicle downtime, optimise fuel consumption and reduce insurance premiums could bring welcome savings, without a huge upfront cost.



2. Focused functionality

Independent research commissioned by Ford showed that most smaller fleets with telematics used just core functionality, like GPS tracking, with some also using driver behaviour reporting.

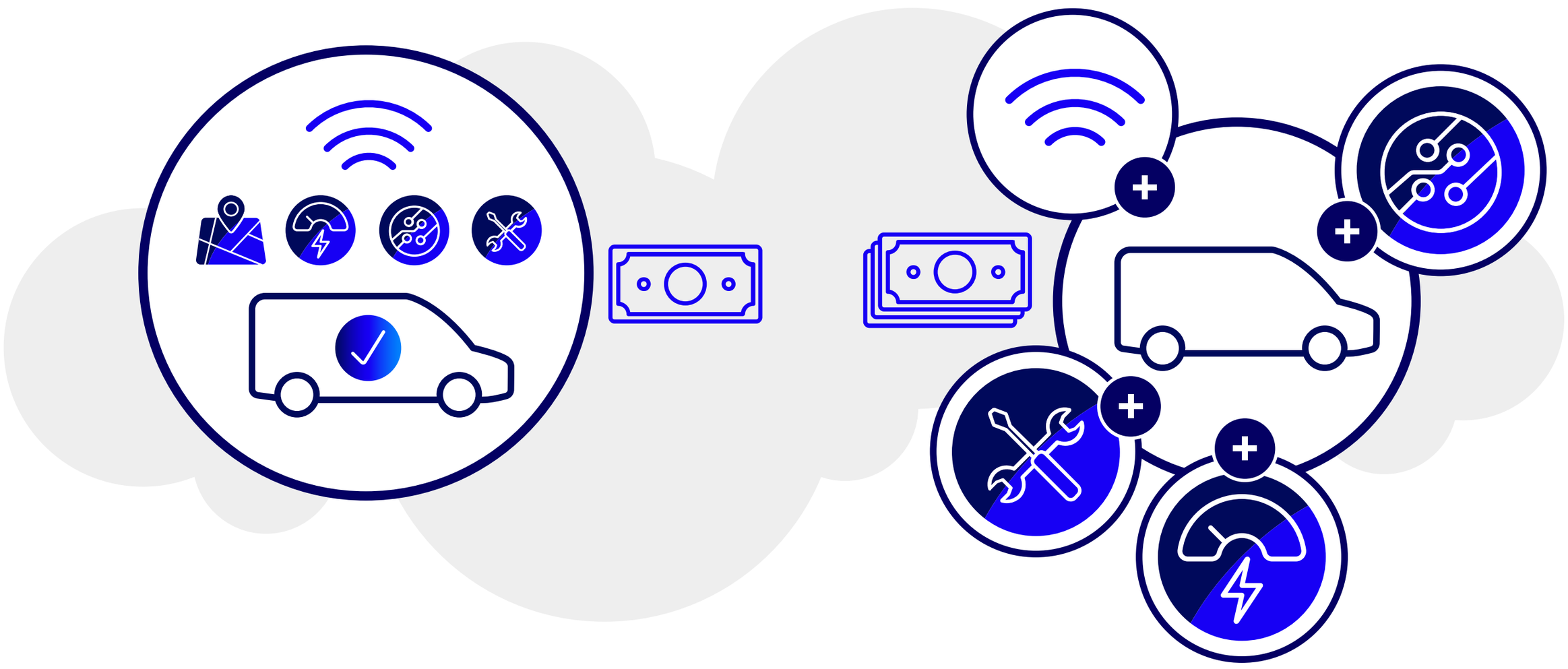
These functions are generally part of the standard feature set of OEM telematics.



3. No additional hardware

As we've discussed, OEM telematics solutions are built in, with no hardware to install and software ready to activate.

To put this into perspective, consider the cost and logistics of buying and installing third-party hardware, including vehicle downtime.



4. Manufacturer grade data

Because OEM telematics sensors are integrated into the vehicle, they can access proprietary data to produce higher quality information.

In other words, your vehicles and your software were made for each other.

Accurate health alerts and detailed diagnostic reports let fleet managers know exactly what's wrong with a vehicle. Which means they can act fast and avoid costly downtime.

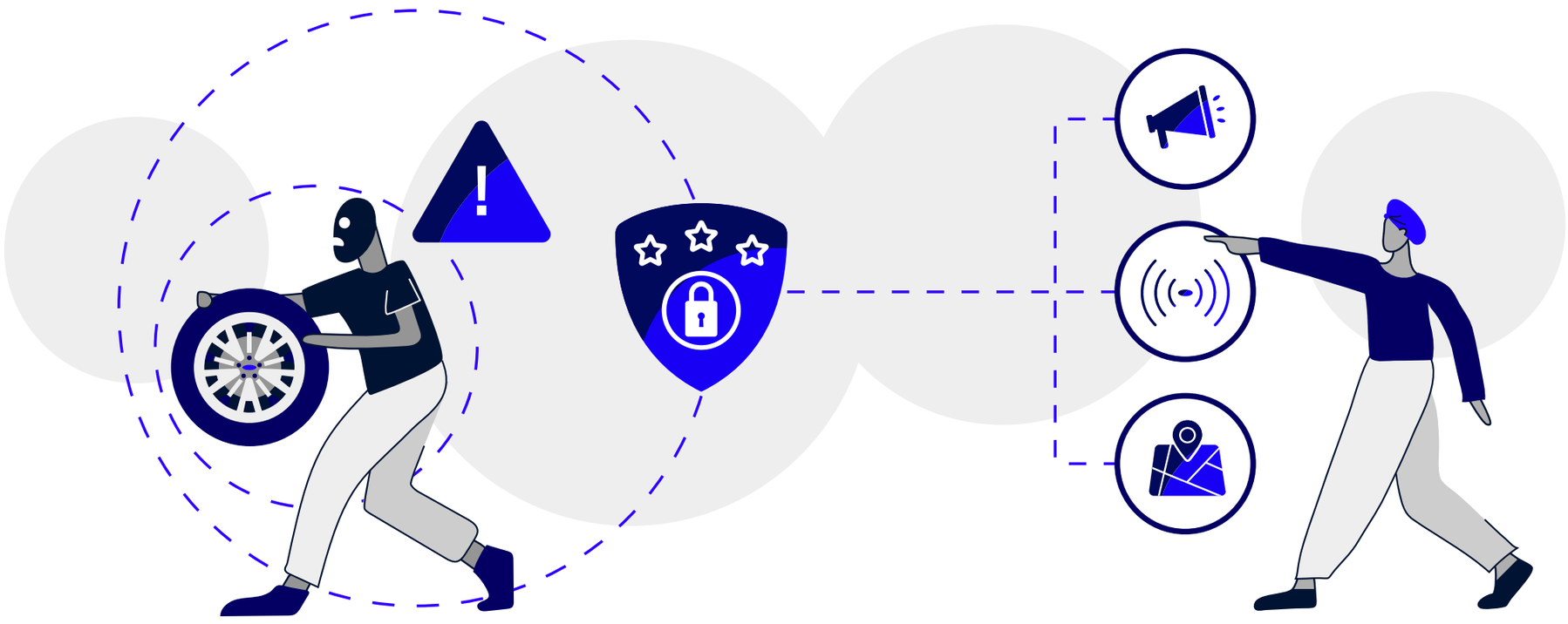
Manufacturers can also provide access to proprietary data that may not be available in aftersales options, for example full DTC (Diagnostic Trouble Code) descriptions.

5. Vehicle security monitoring

Part of the core functionality of telematics is vehicle security. Any good quality telematics system should monitor your vehicle's status and automatically send security alerts in real-time, such as with texts or emails, in case of unexpected vehicle access or potential theft. Impact alerts are also useful as they allow you to remotely monitor disturbances that happen when your vehicle's ignition is off.

This is good news for UK fleet decision-makers — and likely those across the globe, too — who cited improved security and tracking of vehicles as one of their biggest concerns[12].

It's worth checking whether your telematics includes vehicle security, though, as it's not available in all offerings.



6. Complete product solutions

Built-in telematics solutions often come with added benefits. Being part of a wider ecosystem could give you access to other integrated services provided by your vehicle manufacturer, which could offer further savings and efficiencies to your business.

For example, Ford Pro Telematics subscribers are linked into FORDLiive, a 'connected uptime system', sharing vehicle health data with Ford-registered Dealers and Transit Centres to allow for faster, smarter maintenance, service, and repairs.

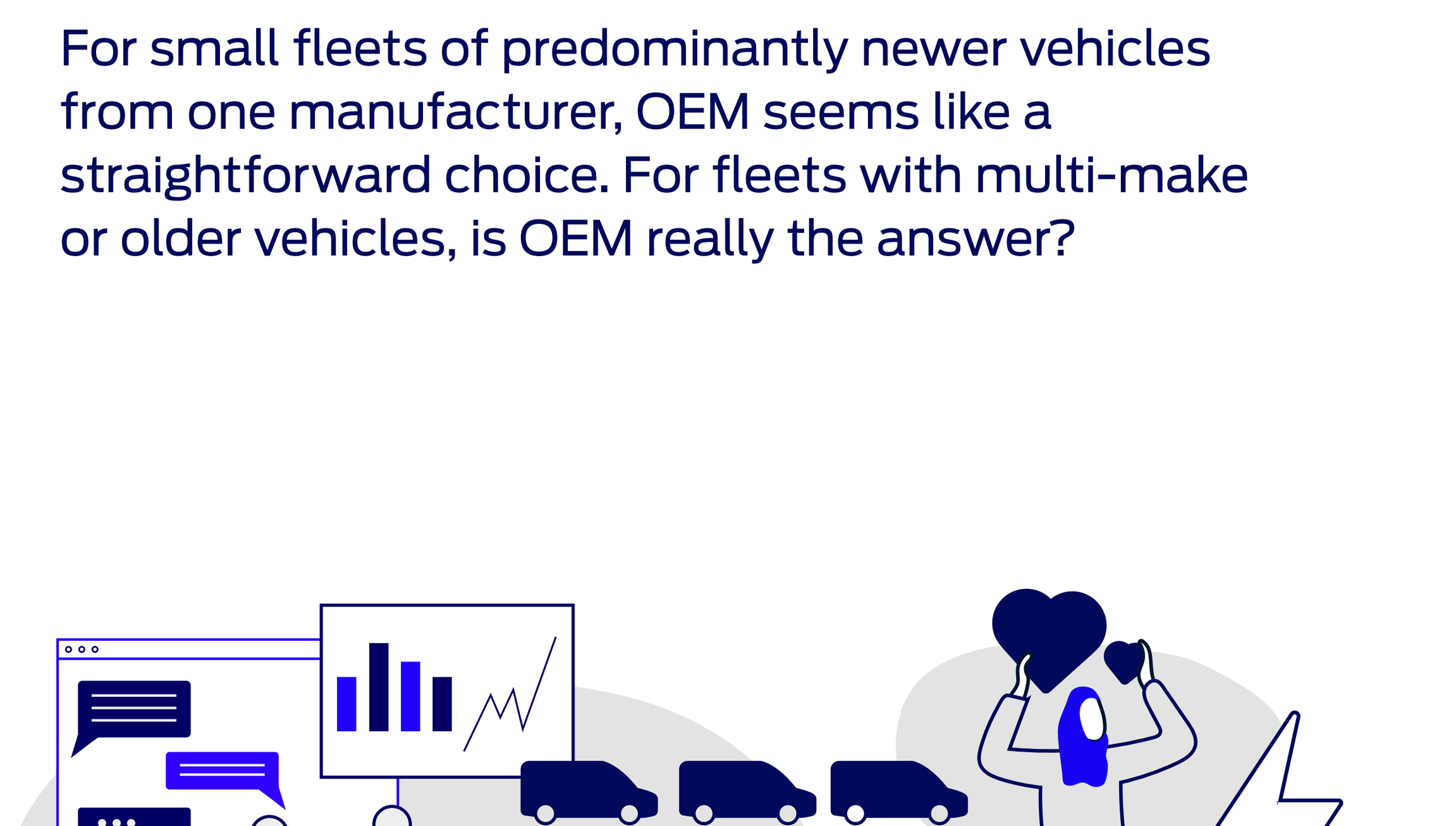
7. Future proof your fleet

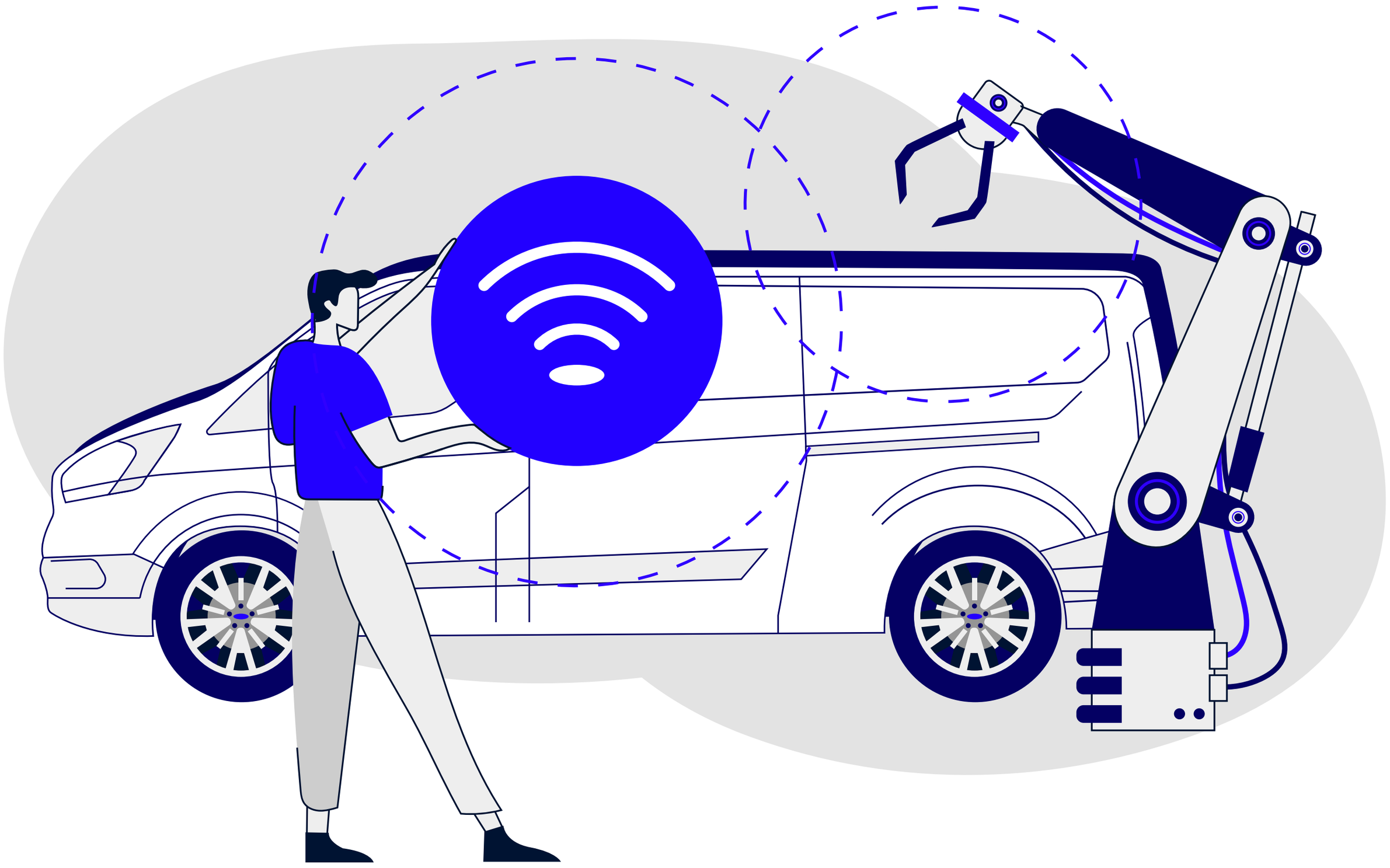
Making the switch to electric to meet net-zero targets is something fleets of all sizes need to think about.

Luckily, the same is true for vehicle manufacturers, which is why many include EV functionality in their telematics software such as charging data, remote pre-conditioning and low state of charge alerts. Some also offer tools to help with your transition to electric.

An example of this is Ford Pro™ E-Switch Assist, a simple, free tool to help you make informed choices about switching to EV while maximising productivity.

For small fleets of predominantly newer vehicles from one manufacturer, OEM seems like a straightforward choice. For fleets with multi-make or older vehicles, is OEM really the answer?





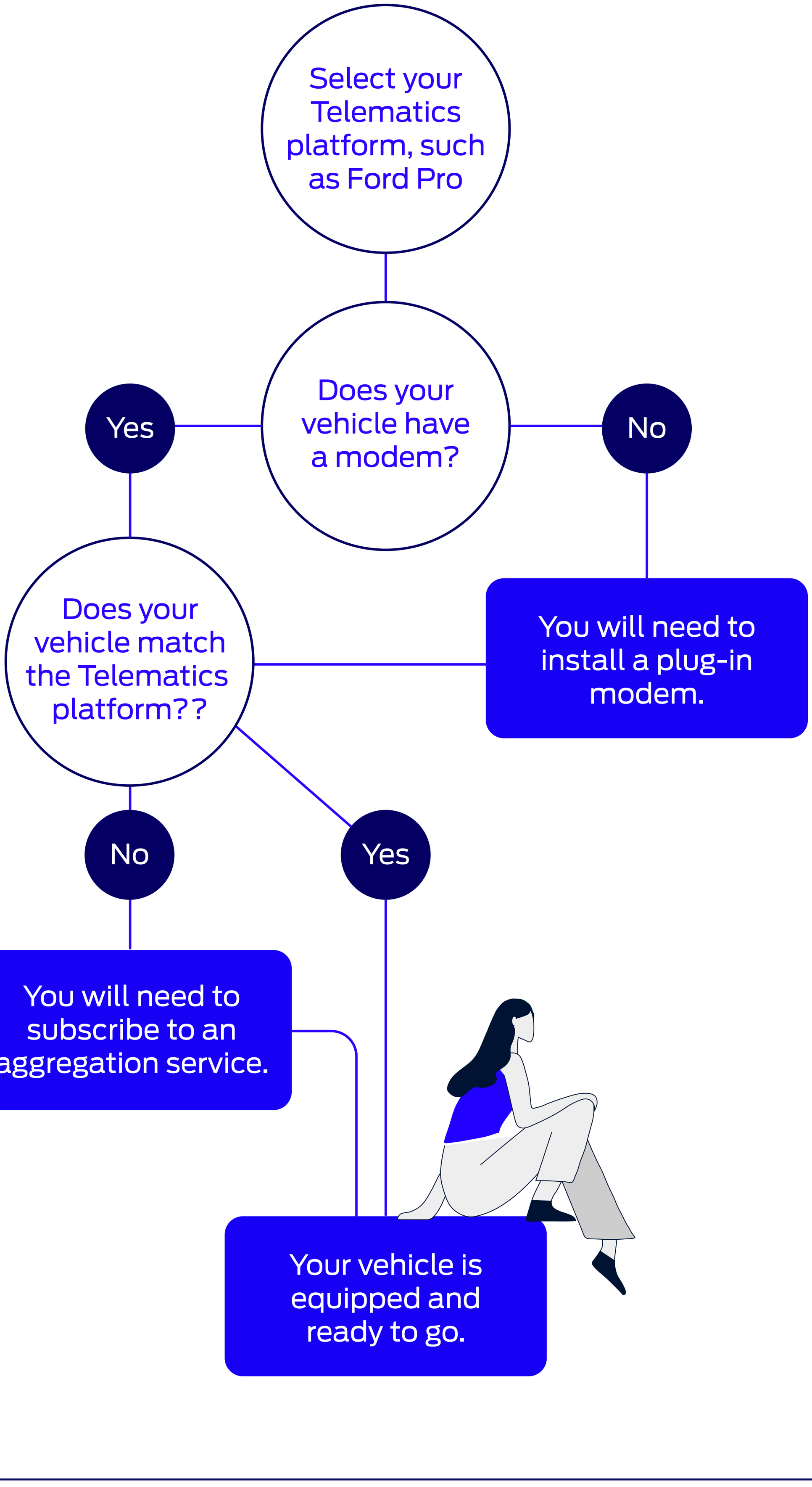
5.
Mixed fleets and older vehicles

If you’re reading this and thinking your fleet makeup doesn’t fit the bill, OEM could still be a solution for you.

Clearly, there are a few technical problems you face. You may need to buy and install third-party hardware. Or you may have newer vehicles with built-in hardware but with different data standards. Or a mix of all these.

This isn’t a unique situation, and as such most OEM telematics providers offer third-party plug-in devices to link non-manufacturer vehicles into their system.

So, if you’re planning to expand or update your fleet and have a vehicle manufacturer in mind, you could start benefiting from OEM telematics before you upgrade to new vehicles.



6.
About Ford Pro™ and Ford Pro™ Telematics

Empower your fleet with the power of data.

Ford Pro™ is an end-to-end digitally powered suite of vehicles, software, charging, servicing, and financing solutions, designed to accelerate growth, sustainability, and productivity for businesses using vehicles for their work.

All in one place, directly from the people who brought you your vehicles.

Ford Pro™ Software uses data to provide visibility of your fleet's health status to help maximise uptime; as well as access to real-time vehicle locations to help improve overall fleet efficiency.

Ford Pro Software telematics solutions are compatible with all commercial vehicles equipped with a FordPass Connect embedded modem[d].

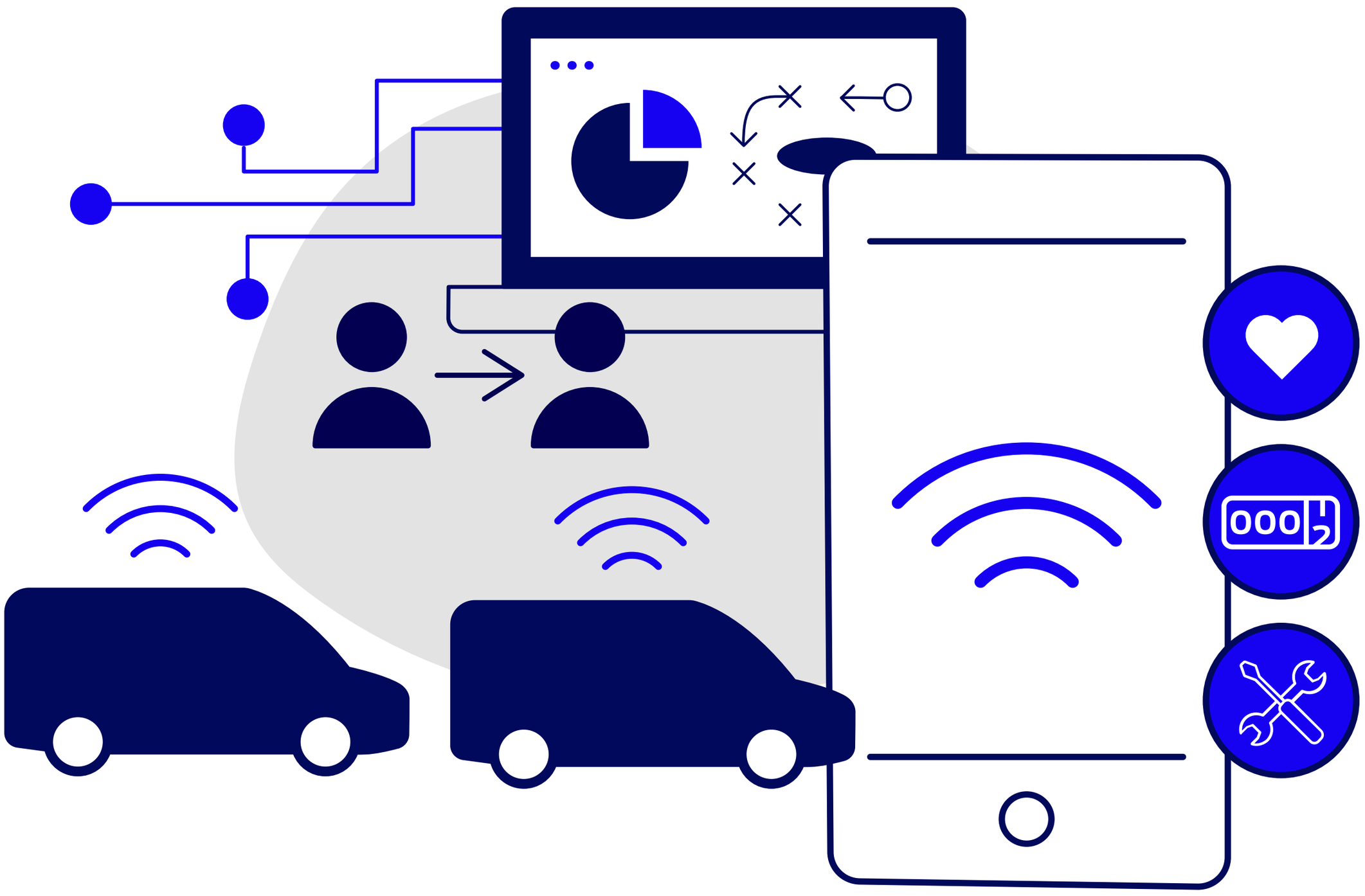
You can also seamlessly integrate across older Ford models and non-Ford vehicles equipped with our partner third-party plug-in device (PID).

Ford Pro™ Telematics Essentials[a]

Simple, complimentary fleet monitoring.
A complimentary product providing key vehicle health data using a simple web-based dashboard.
No additional hardware or installation costs needed, for all Ford vehicles fitted with a FordPass Connect embedded modem from 2019 onwards.

Features:

1. Real-time vehicle health status
2. Service, maintenance, and repair booking – direct with the Ford Authorised Repairer Network
3. Links you into FORDLiive[e], connected uptime system
4. Odometer readings



Ford Pro™ Telematics[b]

Productivity tools to drive your business. The full Ford Pro Telematics product provides a comprehensive ICE (diesel/petrol) and all-electric vehicle productivity dashboard. Providing insights on your whole fleet (Ford and non-Ford). Includes all the features of Ford Pro Telematics Essentials, plus the following.

Features:

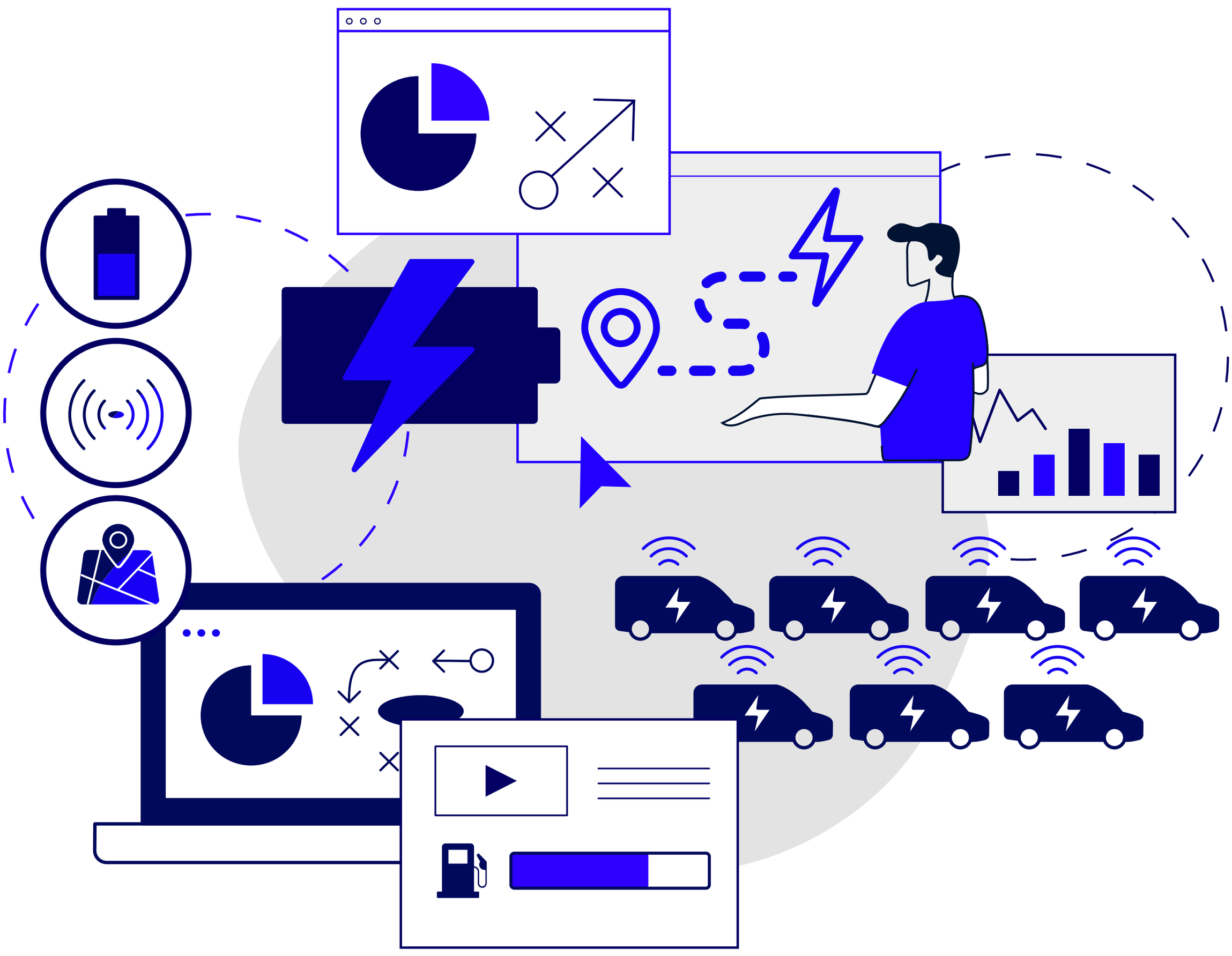
1. Live location and trip history
2. Geofencing
3. Fuel insights
4. Driver behaviour and in-vehicle coaching[f]
5. Companion Mobile App
6. Multi-Make capability

Ford Pro™ E-Telematics[c]

Get the most from your electric vehicles. All the features of Ford Pro Telematics, with added functionality to support electric vehicles.

Features:

1. Charging insights
2. Low State of Charge Alerts and Reachable Range
3. Home charging reimbursement reports
4. Vehicle preconditioning



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Disclaimers

[a] Ford Pro™ Telematics Essentials is only available for Ford vehicles with an activated FordPass Connect modem. Eligible fleet/business customers only. Ford Pro™ Fleet Marketplace T&Cs apply. Screen designs may vary.

[b] Ford Pro™ Telematics is available for Ford vehicles with a FordPass Connect modem or an eligible 3rd party Plug-In Device (product features may vary). Eligible fleet/business customers only. Subscription charges and Ford Pro™ Fleet Marketplace T&Cs apply. Screen designs may vary.

[c] Ford Pro™ E-Telematics is complimentary for 12 months from the warranty start date on E-Transit and Mustang Mach-E models, after which subscription charges apply. Eligible Fleet/business customers only. Ford Pro™ Fleet Marketplace T&Cs apply. Screen designs may vary.

[d] FordPass™ Connect, the Ford Pro™ Mobile App and Complimentary Connected Service are required for remote features (see FordPass™ Terms for details). Connected service and features depend on compatible Vodafone network availability. Evolving technology/ cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected service excludes Wi-Fi hotspot.

[e] FORDLiive requires vehicles with fully activated Modems.

[f] In-Vehicle Coaching available with Ford Vehicles with SYNC 4 and SYNC 3, with the latest software updates.

[g] After 12 months from warranty start date, BlueOval™ Charge Network subscription is £2.49 / €2.99 per month per vehicle.