# **Case Study - Hannaford**

## Profile

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| Company Name: | Hannaford |
| Business Sector: | Project Management & Fine Joinery |
| Postal Address: | Unit 6, Handley Page Way, Colney Street, St Albans |
| Postcode: | AL2 2DQ |
| Fleet Size Overall: | 37 |
| HGV: | N/A |
| LGV: | 12 - LCV |
| Company Cars: | 314 |
| Private vehicles used for business purposes: | 11 |

## Company Overview

**Hannaford** started off as a joinery company, but progressed into project management within the construction industry.  **Hannaford** is now involved in a great deal of high-end work with banks, such as HSBC and Barclays.  The company takes a project from the initial plan and sees it through to the finished product.

## Nature of Operation and Driving Activities

The nature of driving for **Hannaford** falls into 4 categories:

1. Site workers, who are provided with a LCV on a job need basis.
2. Employees who make their way to different sites in their own vehicles. They technically have no fixed place of work, therefore make up part of the grey fleet due to undertaking business travel as a commute.
3. 'Cash for car' drivers, who form the remainder of the grey fleet.
4. Company car drivers who have a car as a job benefit. These drivers are also expected to carry out business miles with respect of visiting sites, clients, providers and subcontractors.

## Organisational Structure



## Work related Road Safety Policy and Procedures

With a fleet of 29 vehicles split 50/50 between cars and vans and almost as many grey fleet, **Hannaford** is a classic SME.   Due to a small team of employees and the pressures of the business, the company accountant was in charge of fleet management, however he could not dedicate the time required to effectively manage Duty of Care.  The management team at Hannaford realised the risks and the wanted to ensure the fleet was protected 100% so they employed a dedicated and experienced Fleet Manager to ensure total control over the fleet and focus on safety.  With the employment of a dedicated Fleet Manager policies and systems were put in place to cover the different vehicle types and categories of driver.

Leigh Stiff commented:

'Corporate Manslaughter has realigned everyone's perception of the need to manage the fleet.  Fleet Managers will have more responsibility and this is a good thing.  I feel sorry for those companies where it is a 'bolt on' job - if you have a dedicated Fleet Manager you can make it work.'

**Some examples of policies and procedures are featured below:**

Van drivers are requested to complete an inspection form every week to ensure their vehicle is in a road worthy condition.

Tyre tread and pressure are monitored on all the cars every month and any work required is actioned by the Fleet Manager.

The fleet manager regularly inspects the cars before the driver makes long distance trips. A constant supply of screen wash is kept at the office, as not all cars have warnings when fluid is running low.

Drivers are requested to complete FDRI.

Licence checks are carried out by the DVLA.

Grey Fleet drivers are treated in the same way as company car drivers although there is a separate grey fleet policy which details some additional checks where required.  MOT, insurance documents and service history are stored under driver files.  End dates are diarised and the information is requested upon renewal

## Work related Road Safety Guidance for drivers

A driver handbook with all relevant information on the policies and procedures at **Hannaford** is issued to all drivers.

Accident Forms have been issued to all drivers to instruct them what to do in the case of an accident, in order to safeguard company interests, but more importantly exercise the correct duty of care to all employees.

**Hannaford** operates an open door policy where drivers are informed that they can call the Fleet Manager 24 hours per day, 7 days a week with any problems they need to discuss.

## Specific examples of procedures

Under the grey fleet policy, drivers must ensure their vehicles are roadworthy, well-maintained and include a full service history.  If requested, they must provide the relevant documents as proof within 48 hours.

'Cash for cars' is a more expensive option than the contract hire route for the company, therefore drivers are advised of the costs and are encouraged to look at more cost efficient and safer options.

Tom Tom Work has been installed in vehicles to avoid drivers being distracted by looking at maps for direction.

Vehicle spot checks are carried out.

Electrical problems are fixed and bulbs replaced as and when necessary, to avoid any potential danger.

## Auditing and review

Policies are reviewed every year to ensure the company is fully conforming to ever changing legislation. As well as being proactive **Hannaford** has to be reactive in some instances, as new challenges present themselves. Being new to Fleet Management, this helps the company learn to cope with every eventuality and make plans for effective prevention in future.

## Performance measures

The performance is being measured by the reduced rate of fault accidents and how this is has an effect on the company's insurance renewal premium.

Driving down costs is a big part of the Fleet Manager's duties and responsibilities. He takes some of the work out of the driver's hands and monitors elements of fleet management, such as tyre wear or windscreen claims, in order to recognise a pattern if applicable.

## Accident reduction

Near misses are treated as a potentially serious incidents and the Fleet Manager discusses the details with drivers to ascertain why it happened and how it could be prevented.  When an accident does occur there is a clear procedure for all to follow.

An accident form has been devised to record details.  When an accident is reported it is the Fleet Manager's responsibility to call third party, if applicable, and make relevant checks.  This includes asking the third party if they have sustained injury or damage to their vehicles and to check on the driver's behaviour and conduct.  Details are assessed and recorded before being passed to the insurer to handle the claim.  This process ensures that the Fleet Manager holds all the information to take action with the relevant driver and cuts out the need for an accident management company, which can be expensive.

Drivers who are at fault, whose action or behaviour is deemed inappropriate or unsafe, are dealt with through the company's disciplinary channels.  Each incident is dealt with individually and all serious fault crashes are investigated.  With regards to minor accidents and bumps, financial penalties act as a deterrent.  As a general rule no action is taken after the first accident, however the second accident requires the driver to pay half the excess and the third means the driver has to pay the full excess.

All drivers involved in an accident have to attend a safety course at their own expense.  This shows them where they went wrong and helps to build confidence after an accident.

Unfortunately, the level of accident reduction is not measurable at present because there is not adequate data available at such an early stage in the process, however the company is confident that the results will show a marked reduction in the frequency and severity of fault accidents.

## Financial and other benefits

Again, it is early days to assess the impact.  Currently Hannaford's annual fleet spend is £260,000.  By effectively managing the fleet and taking total control, the company expects to reduce fleet spend to £200,000.  Hannaford is therefore on target to reduce fleet costs by approximately £60,000 - a great saving for a small business.

## Lessons learned

Outsourcing is not always the best option for a small business.  Finance lease contracts have not worked effectively for Hannaford and with the recruitment of a Fleet Manager many other aspects of the business were bought in-house.  Accident management was bought in-house for further savings and greater control.  Accounts were set up with Kwik-Fit and the AA and the company also deals directly with Citroen for their supply of cars which are suitable for purpose.  This gives **Hannaford** greater capacity to build a relationship and negotiate on price.  Now it is just the finance on the vehicle that is outsourced.  The company saves £4,500 on contract hire renewal per vehicle over 36 months by selecting the best deals.

Drivers get stressed and make mistakes. The important thing is controlling and minimising such an eventuality through effective management systems.  Management and communication makes all the difference, thus ensuring drivers do not injure themselves or damage the company's vehicles and reputation.

Driver handbooks are essentially working documents as they are constantly updated to meet the changing demands of the business and the subsequent driving requirements.  Hannaford has learnt to change its practices in line with new patterns of behaviour, better information and legislation changes.

Many grey fleet drivers have not produced the correct documents for their vehicles when asked and do not always understand the importance of correctly maintaining their vehicles. Educating drivers and communicating policies effectively helps ensure everyone understands the company ethos and why it is important.

## Current and future developments

Hannaford would like to be in a position to apply for the Fleet Awards 2010 (Sub 50 vehicles)

FDRI results to be acted upon.

Forklift truck tests for drivers are to be taken.

Continuous review of policies and procedures.

## Additional information

Please [click here to see Fleet News Article](http://www.drivingforbetterbusiness.com/pool/casestudy-hannaford3.jpg).