

## Let's Talk Fleet Risk - Episode 9

### TITLE

#### **John Anderson, Tarmac**

**Simon:** Welcome to Let's Talk Fleet Risk - a podcast for those who manage drivers and their vehicles and want to reduce road risk in their organisation.

With me today is John Anderson. John is the National Logistics Director for Tarmac and manages one of the largest supply chains and fleets in the UK working across the rail, road and water sectors.

John, Tarmac operates a mix of vehicle types. To start with could you give us a breakdown on the size of fleet you operate, and the type of driving the business needs to manage

**John:** As market leaders in the construction industry, we manage materials supply. As a major supplier to the UK infrastructure, we manage a fleet of around 5000, half of those are large goods delivery vehicles but also 2500 are light commercial vehicles or cars and vans which our employees use to travel to and from their place of work.

**Simon:** That's a complex fleet to manage. What have been your main challenges in identifying areas for improving driver safety and how have you met those?

**John:** We risk categorise each of those and we focus on the large goods vehicles. We cover in excess of 50 million miles per year making hundreds of thousands of deliveries per month. As such, these vehicles work on site, on the public highway, and offsite as well, so there's a whole range of risks associated with this, not just the physical risks but also the behavioural and psychological risks around operating these vehicles. Our initial focus is around some of the generic issues – speeding, around harsh braking, control of the vehicle and we make sure that we are satisfied that the people operating these vehicles are competent to do so

**Simon:** Do you get any driver input into what the actual risks are with the different types of transport movements?

**John:** We do, we try and engage heavily with the drivers. I think this is a very valid point. Historically our engagement and involvement with the drivers tended to be around negative events, and I think it's a real reflection and something that's been part of the Driving for Better Business approach. Historically our involvement with drivers was a result of a negative event – an incident, an accident a road traffic collision or a speeding event, whereas now we are really broadening that, and I think it's something that COVID has brought to the forefront. So, 'hang on a second, these people do million of miles in their daily

lives, representing our brand and delivering our products and are very much customer facing' so we realise we have to engage with them. We make a conscious effort to engage in a positive way and make sure that communication is 2-way – so monthly newsletters for example, we really celebrate some of the small things these people do to deliver successfully and be part of our brand, and make sure that they have the ability as part of the delivery system to report good acts as well as negative acts – so near hits or near misses, they can submit that electronically from their vehicle and we look to give them recognition on the positive events as well. Drivers are on our health & safety committees and in our site liaison meetings. We involve them in the discussions and our plans and future thoughts.

**Simon:** So getting drivers to report near misses must have been quite a challenge. They have to feel they're properly supported from the top, or else there's a risk they feel they are reporting something that will get them into trouble. You must have done well with the driver culture to get them to feel comfortable reporting near misses – that's great as it gives you more data to work on to make them safer.

**John:** I think you're right. That's been a fantastic success. First of all we automated it – made it easy and initially we made them anonymous but actually we find people put their names, sites, locations and are proud to say they are part of that campaign. If they see something is not working, they step in and again no one wants a negative outcome. One of our key foci is whether they're driving, in an office, on a machine or on a customer site and they see something that has potential to cause harm, they make a conscious decision to report it and I believe they now realise it makes them feel better about themselves and better about working for our organization.

But there's no doubt it's been a challenge and there's no question that culture was there, but once you get over that it's about the safety element and people's wellbeing, I think that starts to gain traction and we see that grow every month. Then you make data driven decisions. Those data driven decisions make sure your strategy and your policy are heading in the right direction and aligned to where the real challenges are about people who drive for a living.

**Simon:** What's the secret to communicating your key risks effectively with the drivers to try and achieve that?

**John:** I think if we go back to the year before COVID, 2 years before COVID, we had a big campaign where we went out, we had stickers, various giveaways for our hauliers and drivers and we went out to our sites and offices and spent time actually talking and listening – again it was trying to be proactive rather than reacting to a negative event. We launched it and advertised it and, in the end, people were nominating and requesting us to go to their sites to meet and talk about some of their concerns. People were very proud about some of the things they had done, the best practice, and they wanted to show it off and we encouraged the transport teams, the distribution teams, the depot & warehouse teams to get out there and talk to the people who are representing us every day, get on the front foot and listen to them and that really has driven that collaboration forward, and got them to a position where trust in the senior leadership team, in the people they deal with every day is important. We certainly would advocate the quickest way to build trust is to get in

front of your people and talk to them – and listen That’s important. My motto is ‘you said, we did’ – it’s important that if we agree to do something we do it, and they can see that, so that certainly starts a journey and is something you can build on.

**Simon:** That’s obviously a good example of how you communicated to the drivers – there’s basically clear standards set that the drivers understand that they need to follow, they understand why, they’re trying to follow these standards and to maintain high levels of professionalism with their driving. You touched on the fact that it’s important to recognize the good. Can you give us examples of how you recognize good behaviour in practice, and how do you provide feedback when someone has fallen short?

**John:** We employ our own drivers, and we also have third party contractors so we engage with the key people in that organization as well as the individuals driving the vehicle. We do get regular reports from LinkedIn or Twitter, through communication, through social media channels and we make sure someone in a relatively senior position will pick up the good feedback and speak to the haulier and make sure they speak to the driver, Quite often, myself I will often drop that driver an email or a phone call to say we’ve had a report that you slowed down for some horses and we got really good feedback from those riders, ‘the Tarmac Trucker was the most considerate driver they’d passed’ – and that’s great feedback and we send that to the driver and the employer but also to the local site, and I think again trying to promote that local ownership and recognition that driver s representing them and the brand and who we are as a logistics function.

So some good opportunities to celebrate success there. There are small tangible things they get a body warmer or a fleece or a cap – just some small things.

On the negative side, we recognize people make mistakes or misjudgments, it is making sure we don’t overly penalize that but that people are aware they have gone wrong, why it’s important that they rectify that and we put measures in place that we’ve had that discussion, we’ve implemented that action. But it’s following up on it. We know that some of the biggest risks are when things are not followed up and it creeps up and becomes a repetitive event and that’s something we revisit with the help of some of our technology – and hopefully we prevent a recurrence.

**Simon:** With Tarmac being such a large organization and, with a supply chain working under the Tarmac banner that also contributes to a significant number of transport movements, I’m wondering how you ensure the various layers of management within Tarmac, and your suppliers, understand and meet the standards that you’ve set?

**John:** Again, it is complex, there’s no question. We supply hundreds of different products in various vehicle types, and we manage that on a matrix style where you do thousands of different scenarios that you couldn’t possibly manage so it’s distilling that down to, ‘what of our standards do we really want to highlight?’ We know that key levers are key indicators to delivery, to safety, to behaviour, to wellbeing, we know those key levers and we make sure they are the things we are frequently asking our suppliers, our supply chain, our transport, and logistics management to be focused on. Once we know we have them distilled down and they know they are the key areas, and the other things that are important but we distill

it down to a few key indicators – it's probably a mistake that a lot of businesses make, they have far too many measures, and I deliberately say measures - you cannot have 50 key indicators.

I went to a meeting recently where somebody had 47 KPIs and you can't possibly run a business with 47 KPIs – you can have hundreds of measures but what are your key performance criteria? We make sure our suppliers, partners, hauliers, drivers- they understand the 4 or 5 things that if they do these, the outcomes will be a continual improvement.

**Simon:** We've just published a new case study on some of the things you have done within Tarmac to manage driver safety – there's more detail on what we are talking about here in the podcast. It shows how you have worked with your telematics partner, Masternaut, and how you used that data to deliver a really impressive 48% reduction on insurance claims in just 12 months. We are talking about data and a system like Masternaut gives you a huge amount of data to set baselines, identify trends, develop good tailored interventions and to track the performance – as you said there's so much data available, how do you look at what are the most important metrics? Give us some of the other benefits you have achieved by focusing on the right metrics.

**John:** You're right, as an organization of this size making so many vehicle journeys every day and every month, the data lake is absolutely colossal. You have to distill down to some key areas that we knew were going to reduce our collision rate. We knew we had problems with partners including our insurance but the Masternaut element really helped us to develop a dashboard - where are we with speeding? We had to reduce our speeding, especially in urban environments, we had locations geofenced, we knew who was speeding and when and why – which was important. We managed to reduce speeding by over 10% in that same period which really starts to drive down behaviour, but then there were things that people didn't quite appreciate why we were focused on – idle time or site turnaround time and that was us getting behind the science of behavioral driving and we are into the fact about mood. Someone leaving our site, if they have sat in one of our sites waiting to load or waiting to be dispatched, the expectation is that we would turn them around and get them back on the highway in 15 to 20 minutes - obviously time is money and if they are sat there for an hour or 2 hours because we have run out of stock, frustration starts to creep in, time constraints start to creep in, so their mood and how they access the public highway where they can endanger other people, that mood and behaviour really came into focus. We achieved over an 8% reduction in site turnaround times.

Idle time – the time the vehicles are sat there being nonproductive but the engine going, it's trying to profile these individuals and saying that's costing fuel, and again its thinking about that whole continual improvement, professional drivers that can say 'if I switch off my engine its better for the environment.' Again, we saw a significant improvement in idle time and then again we could do some case studies on fuel cost savings to some of our large hauliers – that runs into thousands and thousands pounds a month, significant savings just by managing that idle time, but again it was conversations, coaching and providing some of that data to them.

I think that was the first one, and really using that data. At the same time, we invested heavily in camera technology, and we had a 50/50 bump for bump at fault insurance rate. The use of camera technology helped us to demonstrate that it wasn't always our driver's fault. We were able to demonstrate that by having camera technology – using that data and technology and embracing it to really continue on that journey.

**Simon:** With this dashboard that shows the data for all the drivers to your management team, you worked with Masternaut to create a management training programme to help them understand that data?

**John:** Yes, I think a lot of companies are blessed with a lot of data, and Tarmac is no different. We have so much it's sometimes hard to say what are the things that are really going to move the dial for you – they have to be accessible and visible and user friendly and that's something that we as a construction material company – we build great things, what we don't do is turn data into true visible insight and I think there's lessons there to say there are other people that are much better than us, and using those contacts and the likes of Masternaut to develop that dashboard. The data is presented in a way that people can understand and interrogate it and use it effectively. We worked extensively with Masternaut and on a roll out programme – it's working with the people face to face and also online to make sure those people are getting the best out of that technology and that data and insight and then putting that into action. That relationship has gone from strength to strength.

**Simon:** You manage such a complex set of risks – you need that outside help and obviously Masternaut provide that help with your data. What other outside help do you rely on to manage the risk?

**John:** Collaboration is something we all probably learn – as you go through your career, working with experts and partners, the learnings from Driving for Better Business, celebrating success by recording your case studies, working with universities and academics that really understand this stuff, you realise where your limitations are, and embracing those professionals that come from data driven, insurance companies, professionals in risk management that come and say 'you're focusing on the wrong things', whether that be cars and trucks, your average car driver drives 20 miles a day from house to office, it's important that they are well trained, you've got governance to check their licence and eye sight, however your trucks are doing ten times that, 200 miles a day they're 40 tons - when a truck hits something, so really doing that professional risk management to gauge where you put your energy. You have to be able to prioritize that and use those external experts and that collaboration to help you towards your end goal.

**Simon:** What hurdles get in the way of good driver safety management – has there been any typical challenges that you faced that other driver risk managers might have faced as well - and how do you think driver safety managers can best deal with them?

**John:** I think that there are always hurdles, business priorities creep in and we are a multi-functional organization – operational teams, technical teams, distribution teams etc and

they all have conflicting KPIs and conflicting priorities. I think the one thing that I am proud of and I do reiterate is part of that last mile – last mile logistics - road or rail or car and van – it plays a massive part and it normally is the customer facing piece and it's the vehicle that leaves our site and has our final product on the back and it's the person that turns up with a clean, compliant, legal driver and truck and represents our brand – it's been a journey with conflicting priorities but the consistent message that we can make all the product in the world but if it's sat in our site and doesn't get to our customer - the end user - then we have not achieved our goal and certainly the revenues don't come, so therefore when I am out with a driver or with a regional MD or a board member it's really just making sure that they appreciate the value that our fleet and our drivers and our people bring to that, and I think people start to understand.

There are still some pockets where there's a lack of awareness of that and we continue to strive to educate and inform just how important the haulage and distribution and transport and drivers are, and it's something that has become publicly aware in the last few years – just that value – and I think more than ever we have to protect that value and make sure we look out for our drivers and our people. They have to feel part of our brand and our fabric, or the future will be a real challenge.

**Simon:** We've discussed the significant achievements including incident reduction and improvements in business performance and environmental improvements as well. To wrap up, what are the most important achievements to you and how do you look to build on those in the future because risk management is a constantly evolving thing – a constant strive to improve?

**John:** It's fantastic – something I'm really passionate about is data – we've talked about systems and technology, my key ambition now and I think it's probably the biggest one for industry, and I talk to my colleagues across the mineral products industry, is joining that technology to make sure we recognize that predictability of some of these challenges we face with AI or embracing technology. What we are proud of - the Masternaut, the Michelin Connect, the telematics we have, a thing called One Card, where we've digitalized all our drivers records, we have no paper left – their competencies, their training, their experience the expiry of their CPD, that is all now digitalized on a virtual card, and is able to be validated at a point of entry into one of our sites, so that's great. However, it's still separate from our vehicles, and the next stage for us is really to join that technology together so that I know it's John Anderson in our site, he's waiting to load, he's competent, but actually I also know that was John Anderson who was speeding 20 mins ago coming back from a delivery at a site and therefore I can intervene and he has to have a tutorial on speeding because that's the third event etc – it's really using the tech to our advantage to maximize the time we have with these individuals for continuing development and to automate it as much as possible. For all fleet managers, technology is out there. Some are further ahead but some are well behind but it's about embracing that technology and making sure our suppliers are providing us with tech that is transferrable and can work with other parts because one thing we are seeing is that there is an awful lot of great stuff out there but it doesn't communicate with each other and I think the people that can join the human being to the person to the asset to the behaviours and activities - that is the next big success and then act on on the insight and that will mean that people who come to work for anyone in a

driving or construction or a vehicle - they come to work safely and they go home safely to their families at the end of the day.

**Simon:** Yes, and I think to have all that data together, you know what you need to do, you can show you have done it, and it's peace of mind for all concerned.

**John:** Absolutely. We want people to represent our company and represent logistics across the UK – it's a massive part of our being, and it's so important that people are recognized and kept safe and protected and I think that technology and AI will help us on that next step of the journey

I mentioned earlier We've just published a new case study from Tarmac which details some of the achievements we've discussed, and the work you've done and that goes into detail on how you've achieved those benefits. We will put a link to that case study in the show notes so if anyone wants to read that they can see how you've gone about that

John, thanks very much it's been a fascinating discussion.

\*\*\*\*\*

(transition)

**Simon:** If you manage drivers and their vehicles, and you face similar issues to those discussed in this podcast, there are links in the show notes to some useful resources on the Driving for Better Business website. And these are all free to access. If you enjoyed the conversation, please don't forget to hit subscribe - so you know when the next episode is released. And please also give us a 5-star review, as this helps us to get up the podcast rankings, and makes it more visible to others who might also find it useful. You can follow us – that's Driving for Better Business - on Twitter, Facebook and LinkedIn. And most importantly, please help us to spread the word. All our resources are free for those who manage fleets and their employees who drive for work. Thank you for listening to Let's Talk Fleet Risk, and I look forward to welcoming you to the next episode.