



Pest Control

SOLUTIONS FOR YOUR BUSINESS

Technology

GPS: Grand profit saver

Orkin finds a cutting-edge system can be even more beneficial

CLOSE UP

Orkin Pest Control, headquartered in Atlanta, GA

- 102 years old
- 8,000+ employees in 400 locations
- 5,500-truck fleet puts on more than 150 million miles annually
- www.orkin.com

► **PROBLEM**
Shopping for an affordable, multi-faceted vehicle tracking system

► **SOLUTION**
Geotab's new GO GPS system offers real-time reporting, tamperproof installation and maintenance reminder tie-in, among other efficiency enhancers



It takes a professional installer less than an hour per vehicle, on average, to install GO GPS.

GPS stands for Global Positioning System, but for Orkin, Inc., it means a huge savings for the company. Orkin began using GPS in 1999, when three branches tested the system and found it to be a worthwhile investment. Since that time, Orkin parent company Rollins, Inc. has spent \$4 million on GPS hardware and software. The company believes the cost is more than justified.

Largely as a result of the GPS monitoring and Orkin's driver certification programs, workers compensation claims alone (a majority of which are related to driving) dropped 32% since 2001, recognizing a savings of more than \$1 million. Auto physical damage claims

dropped during the same time period 21%, for a savings of more than \$500,000. Additionally, auto liability claims fell 35%, for a savings of more than \$2 million.

Mike Gibney, Orkin's director of claims and loss control, notes the company's Accident Frequency Ratio (AFR) has dropped from 13.3 accidents per million miles driven in 1997 to about 7.7 accidents per million in 2003.

"We've also gone from 12,000 claims in 1996 to right at 4,700 claims at the

end of 2003," he adds. "It's a decrease in our frequency that's been phenomenal."

SLOWING DOWN DRIVERS

In addition to saving the company money, the GPS system has prevented serious injuries by encouraging employees to drive more safely. For example, when employees speed, they know their action is being monitored and that any incident of driving more than 90 mph will result in automatic termination, as will a second incident — on a rolling,

one-year basis — of driving over 80 mph or a third incident over 70 mph. Orkin's corporate policy is arguably the most stringent in the industry.

"When we first rolled GPS out, we used to see about 3,800 monthly instances of speeding more than 70 mph," Gibney recalls. "Now you'll maybe see 200 incidents a month. So if you believe speed kills, it stands to reason that this is beneficial. People are definitely slowing down."

Orkin policy also dictates that drivers with unsatisfactory annual Motor Vehicle Record (MVR) checks are terminated. The termination rate since installing the GPS system has dropped to 0.2% in 2003, as compared to 10% of the workforce in 1996.

Naturally, GPS is not the only loss control program contributing to those statistics. The Driver Certification Policy, pre-hire physicals, modified duty and improved field communication cannot be overlooked. However, its role was recently enhanced further when Orkin switched providers this December to Geotab, based in Toronto. The new GO GPS system is currently being completed in regional phases.

HOW GPS WORKS

GPS is a satellite-based radio-navigation

system originally developed and launched by the US Department of Defense. Geotab guarantees that the equipment can identify exact position anywhere on the earth, 24 hours a day in all weather, within 10 meters.

Twenty-four separate satellites transmit and receive signals to the units at any given time. The signal is a ping issued every second. The four of the 24 satellites picking up the strongest signal measure rate of speed using time. These four satellites record 16 pings and record a rolling rate of speed. When measured speed drops below 20 miles per hour but the vehicle is still moving, the system measures what is called "traffic idle time." No movement after 60 seconds becomes "stop idle time."

While the fear of Big Brother is always a consideration with employee buy-in, Gibney states that most employees are comfortable with GPS. "A lot of people tell me it doesn't bother them a bit: 'I work for you, you pay my salary, and I follow the rules,'" he adds. "Our intention is to protect employees and the public from harm. I would say there aren't a whole lot of companies out there right now that can say they cut their claims frequency by

60% and cut their claims dollars in excess of 40%. So the economics behind it make us a more vibrant and healthy company."

GPS BENEFITS

GPS has provided Orkin with more than cost-savings:

1. Preventing accidents — The company wanted to help prevent service-vehicle related accidents that could injure employees or others. Identification of poor driving habits before a ticket, accident or fatality occurs can save employees not just their jobs, but possibly their lives. The seat belt reminder and speed watcher are two features that the new system brings to the table.

2. Quality check — GPS provides management the evidence that technicians are performing their jobs responsibly. Not only can management see that Orkin employees are driving properly and responsibly, they can also see that technicians have not rushed through or skipped a service. With GPS, the amount of time a technician spends at any location cannot be disputed.

3. Route optimization — GPS allows routes to be optimized for lower mileage, more service and better service each day.

4. Maintenance reminder — Beyond driver skills, this new system reveals when 3,000 miles have passed between oil changes, 10,000 miles being transmission checks, etc.

5. Tamper-proof — The new, non-intrusive system is installed behind the radio in the truck, so it's not something that can easily be switched off or tampered with.

While the Orkin rollout will take between two and three years to complete, Gibney is thrilled with the changes he's seen so far.

"It's been a lot of fun, because the results are instantaneous," he concludes. "There's so much that we can do with this system, and who knows where technology will take us tomorrow?" **PC**

For more information on the GO GPS system, call 800/300-0 or visit www.fleetistics.com

GPS to the rescue

Here are just two ways that using a GPS system the past few years has helped Orkin — although PMPs large and small can surely relate:

■ A truck from Orkin's Tulsa, OK, branch was involved in an accident. Although the other vehicle had pulled out in front of his truck, the Orkin employee was charged with the accident, because the officers investigating the accident said he was speeding. According to their calculations, he was traveling in excess of 60 mph.

When the GPS chip was downloaded, it showed the recorded speed at the time as 48 mph. This information was taken to the police chief, who accepted the GPS record as being more accurate than the police officers' calculations.

■ At another branch, a customer had a history of calling in to say she didn't think the technician had been to her house, even though he had left a proper service ticket. In the past, the office had waived her fees, not wanting to lose her as a customer.

After the GPS system was in place, the customer called to make the same claim again. When the branch manager checked the GPS records, he found that the technician had indeed been to her house, where he spent 31 minutes. When the customer was confronted with this evidence, she admitted that the real reason she had disputed the service was because she was having financial problems and had hoped that Orkin would once again waive her fee. Instead, a payment plan was worked out w/ the customer.