

Let's Talk Fleet Risk

Alison Moriarty – Fleet Risk Director, Matrix iQ

Simon: Welcome to Let's Talk Fleet Risk – a podcast for those who manage drivers and vehicles and want to reduce road risk in their organisation. In this episode, I'm talking to Alison Moriarty about leadership and road risk management.

We'll be discussing the difference between leading and managing; how to get buy in from senior leaders; the impact leadership has on safety culture; the importance of managing reputational risk; and how all of this can impact the organisation's financial performance.

Hello everyone, and welcome to this edition of Let's Talk Fleet Risk. My guest is one of the most experienced multi award-winning fleet risk professionals that I know, who has managed driver safety for a huge range of fleets over many years. She's now Fleet Risk Director for Matrix iQ, helping companies to identify and mitigate risk. My guest today is Alison Moriarty – welcome to the podcast Alison.

Alison: Thank you very much, nice to be here.

Simon: So Alison, when I wanted to talk to someone about the importance of leadership in driver safety, and how to engage leaders, you were the first person I thought of. We've known each other for many years now – you've got a mammoth amount of experience that I'm looking forward to delving into. So, thanks for coming on the show – perhaps you could start by giving us just a bit of history of how you came to be involved in managing work related road risk and driver safety, and an idea of the sorts of fleets and risk that you've managed.

Alison: Well, first of all, so I started in health and safety environmental quality – that was my qualification and what I was really passionate about. And I worked in companies that were utilities, construction, civil engineering... that was kind of my background. And one day, I sat with one of our fleet managers talking about “you know, we're doing really well, winning lots of prizes because our safety record was so good. And we started to talk about the amount of collisions we were having, and the sort of damage we were having to vehicles, and I was absolutely flabbergasted. Because if that had been on-site accidents, we'd never probably pick up another contract you know... it was that different in terms of the parity that we put on safety on-site and on-road. So that's kind of why I then decided to specialise, and actually start looking at fleet safety as a specialty.

Simon: You mentioned a couple of industries there which you would typically view as hazardous industries. Do you see any difference in approach for companies that are already in hazardous industry compared to those that aren't?

Alison: Unfortunately I wouldn't say that looking at on-road safety there is a massive difference. And I think that's because there are so many general health and safety risks that their health and safety teams tend to concentrate on those on-site and operational things, and maybe not looking at driving as a work activity. And they probably think all the fleet managers will deal with that, and of course there's that risk then that the fleet managers think health and safety will look at that. And I think that's probably one of the biggest problems that as an industry we encounter.

So I don't think there is a massive difference. I think maybe once people in those hazardous industries identify it, then maybe they've got more of a resource and more of a background to then start tackling the risks. But in terms of people doing it well, starting from day one, I don't really think there is a massive difference to be honest.

Simon: Now we talk a lot about managing risk and safety, and you mentioned in that answer that quite often that management role can be shared between different job roles. So companies who perform well in this area, they always seem to have really strong leaders at the top. There are people at the top who really get behind the programme, so I was wondering what's the difference between simply managing road risk and providing strong leadership in road risk?

Alison: I think it's the same in anything that you do as a company. I think leadership is such a different role than being a manager. So, I think a manager is quite perfunctory and it's "these things need to be done". Whereas with a leader, it's more about thought process. It's more about an ethos, and making sure that there is something in the industry that you're working in that you can be identified as somebody who has views on this, has views on, you know, what that culture is like. So, I think that's really important. And I think also being a leader doesn't just mean saying "right, we need to do this, we need to do that". It's not just about process, it's also about making sure things are inclusive and that things are equitable. Setting the tone.

All those sort of things... and I think if you're a leader, one of the things you absolutely have to do – and I'm sure we'll talk about this a bit later as well – is be identifiable, as you know, actually portraying those things yourself. And I think that's really important. A leader has to demonstrate that they believe and that they deliver what they're expecting everybody else to do.

Simon: Leading by example is critical isn't it – absolutely back to that in a few moments. So, one of the things I've sometimes found is that there's a temptation to forget driver safety, or to fail to understand its importance. And usually that's not malicious – it's just that general business operations running the organisation can assume more importance or urgency, just this kind of day-to-day running of the business. So, tell me about your experience working with senior leaders in your previous roles, and what drove them to take it seriously or to not take it seriously, if they were that kind of instance.

Alison: So, I think I've been quite fortunate in that the businesses that I've worked in have always had a very strong safety culture and safety focus, and had really good leadership around that. What they didn't necessarily have is – we touched on this – that same approach to on-road safety, but having somebody who has the approach in general health and safety helps. Once we got that message then they understand, and they can portray that as being as important as anything else.

And I think, like I say, I have been very lucky, and safety has been the main focus for most of the leaders I work with. But I think one thing when you're trying to instil this into any sort of company is to be able to identify people's motivators. And obviously I would love the only motivator being people getting home safely at the end of the day – that's the dream. But don't be afraid if somebody is more financially focused... we're going to talk about reputational and financial risk later. Financial benefit; don't be afraid to use that, you know, if you can't get through just on the safety angle, then it's about understanding those people and what makes them tick and then going in from that angle – and there is always an angle. There is always a way to get through to somebody, and get them to realise just how important this is for their organisation.

Simon: A great way of demonstrating leadership is to create a statement that demonstrates your commitment to managing road risk and driver safety. You can do this on the Driving for Better Business website, and then download a PDF that you can share with everyone in your organisation, as well as clients and suppliers. There's a link in the show notes.

Simon: Let's talk a little bit about safety culture. So, we both know lots of companies where senior leaders get it, and take an active role in promoting road safety for staff, and they have really good risk management programmes in place. And as you just said, you've been lucky enough to work for some of those companies. But we also both know that many people responsible for driver safety aren't necessarily at board level, and they might struggle to get buy in from everyone that they need to in order to put an appropriate programme in place. So if that support isn't there, surely that kills any chance of a strong safety culture does it not?

What does safety culture mean to you, and why should drivers care if leaders don't?

Alison: Well I think that's absolutely crucial thing there, Simon, that if you're a driver and you go into a company you will get a safety induction for all things you do on-site, they'll check your tickets if you need to use any sort of plant machinery. But, if nobody's doing a driver induction, and that's part of your role... if nobody is setting the standard for you, and saying "this is what we expect, this is what we don't expect", then of course you won't care. And I think one thing you identified there that I think is really important, is if you are bit further down the chain, so you're not necessarily the one making the decision, you might struggle sometimes to build that safety culture.

But I think going to people with some facts, getting people on board – the safety teams, people like that – to then push that message and to try and get that wider in the

organisation, you know... as I said, there are financial things but there's also a general duty of care, health and safety legislation which covers driving as much as anything else... so I think having those sort of conversations, and making sure that drivers understand that we do care what you're doing – it's not just a mobile toolbox... driving is a work activity. It's part of what we do, and we need to know that you're doing it safely. And I think you can start at any level – you know, it's always better from the top, it's always better to have that leadership buy in, because I think people then do actually care.

But you know what? Even if you manage three drivers, and you talk to those drivers, and explain that it's important, explain what's expected – that can have a ripple effect through an organisation, when you start showing things like “we're having less collisions, we're saving money on SMR costs”. We'll go into all that later, but I do think there are ways and means of getting that message throughout, and building that culture no matter where you sit – as long as you're passionate about it.

Simon: What are some of the things that you would do to try and develop a strong and safe driving culture within a business, then? And I guess with some of these examples as well, they can take a long time to build that trust with the drivers, and to build that safety culture, and it can be so easily undone very quickly indeed, can't it? So, how would you look to develop a safe driving culture?

Alison: I think the first thing is something I've just mentioned, and that is your day one. So, as soon as somebody comes into your organisation and is going to drive, do a driver induction with them. Make sure they have a driving licence. Check before they get in the vehicle. Do a basic eyesight check. All the things that make that person think “oh, okay, so the driving is important here”. So, I think that's the first thing, it's to start from day one properly.

And then I think it's making sure that you put training in. Because it's all about that investment, isn't it, in people. So you know, we do all sorts of compulsory training as part of our jobs – modern slavery training, and inclusion training, all these things are really important. But how many companies do specific training around driving? And I don't necessarily mean in-cab skills based here, because I don't think that's necessarily what makes a difference. People know how to drive; they've passed a test. It's about them choosing to do the right thing every time they get behind the wheel. So, it's got to be that trickle-down approach. If it comes from managers, drivers then understand that's important.

You've got to be consistent with your message. So, you know if I drive and Dave's my manager, and he says “you know what, you've been speeding. We need to talk about this”. And then I'm working for Roger on the next shift, and he's like “just get there, mate, we need the job done”. That never works, and in terms of breaking a culture that is one of the worst things. It's getting those mixed messages and not being consistent across the place, and what I think is really important is that I'm a driver and I know that what I do – regardless of whatever job it is – I know that people are looking at that. Because they know it's the highest risk work activity I will probably do, even in construction, even in civil engineering. That's the highest risk, and they want it to be safe. And actually, as a driver, I want to get home safe at the end of the day. That's how you build a culture.

Simon: Alison, we talked earlier about the safety reasons for managing road risk, about it being the right thing to do – something I call the moral imperative. But there are significant business reasons why leaders would want driver safety to be managed. Effectively one of the key reasons I come across is management of reputational risk. There can be both negative and positive aspects to this, so how should we view management of reputational risk?

Alison: Well, I think today, probably more than ever... when I first started in the industry, there wasn't really that kind of social media, well not as much of it around, certainly. You have some sort of collision on a motorway, and you've got a liveried vehicle, then whether that's actually been your fault or not, that's what people see in that clip on YouTube.

You know, these are the sort of things that come up all over social media, and you really run the risk of being tried in the court of public opinion, because all people will see is your liveried vehicle. You've maybe taken out another vehicle, or whatever it is you've done, so it's really difficult and it's really dangerous for a company to be seen to be driving poorly, and have poor driver behaviours. Also people who are cut up... there was an awful thing on LinkedIn the other week about a driver who – I don't know if you saw the footage, Simon – but he kind of caught somebody up, and then when this person used their horn he actually spat at the vehicle. So there are all those sorts of things. Now that person isn't judging that driver that was in a liveried vehicle. That person is judging that company because that's what we do in our head.

So then, it's really important that you're seen to be safe on the road, and in terms of that reputational damage... not just what people think, it's about the effect on your business. So quite a lot of the companies I've ever worked for tender for contracts. So, part of your tender process, of course, is safety, it's a really big part of that. And if you've got a reputation of all those drivers from out in the Wild West, and all this sort of thing, then that is going to damage certainly, looking forward, working for big organisations and big companies. And also, kind of the opposite of that is if you're reducing collisions and you've got a really good safety programme, and you can show the improvements of your fleet – that's great. Be vocal about it. Shout about it. Because that raises the profile of the company. And for the very same reasons that it can hinder you if you're a badly performing company, it can also be a really good positive force – people out there will be thinking “I saw them, they won an award for driver safety, didn't they?”. That sticks in people's minds as well.

And I think probably the last one around that particular topic is about internal – so it's that internal reputation – about driver retention and driver recruitment. Because a lot of drivers, although they might sometimes think “oh people watching what I'm doing” – actually, if you're putting training into drivers in and you can show them that this is something we care about, they're actually more likely to stay with you. And recruitment and retention in the driver community, that's actually quite a difficult task at the moment. So all that kind of helps reputation, internal and external.

Simon: And we've both spoken to drivers if it weren't for companies that have won those sorts of awards for driver safety, and they get real pride out of it, don't they? Because they think and will genuinely feel that they've contributed to something. And

they start to feel pride and understand that the driving is a part of the job. It's not ancillary to the job, it's part of the job. And it needs to be done to the same high standard as whatever it is their skill or trade or whatever is. And they get genuine satisfaction from that.

Alison: They do. And I think that... we talked about safety culture before that just then, that just becomes business as usual, and that is the absolute panacea. Once lowering the risk and improving driver behaviour becomes business as usual, that is much more likely to keep a driver there in your company, and like I say, it doesn't have to be massive financial rewards for drivers for driving safely. They do like to be part of success like we all do, you know. It's a great thing and it reflects well on everybody.

Simon: Yeah. And you mentioned in there, as well, greater success when tendering for contracts. It's a particular passion of ours at Driving for Better Business at the moment, because as a campaign programme we're run by National Highways, and they now demand evidence that their supply chains are managing work related road risk. We're working with the rail sector now to do a similar sort of thing, so yeah, if you don't manage it well, you run the risk of losing out on future work. But equally, it's an ideal opportunity for you to ensure higher standards down through your own supply chain, and to work with higher quality companies, as well, isn't it?

Alison: It is, absolutely, and one particular company I worked with was absolutely the best at this I've ever come across. We had a supply chain school, and part of that was a big safety aspect of it. So if we had suppliers that maybe have some gaps in some areas, we would happily put them on our training programme. We didn't charge for that, and I think that's something that, if you're a bigger company with bigger resources, then yes – you absolutely have the duty to make sure that you've done your due diligence, and keep the people who are driving on your behalf safe. But also, you probably have the resources that they don't have to maybe include them in some of the things you do, and I think this is where your Driving for Better Business resources are absolutely priceless, because people don't necessarily have that skill in a smaller company. But if you've got all that advice that they're ready to just pick up and run with then that should be something that larger companies are really pushing down through the supply chain.

Simon: Now, you mentioned earlier about some of the financial benefits that come from good management, and how these can be used as part of a business case to go and engage senior leadership as well, if that's required. Now, the Driving for Better Business website contains many case studies showing how companies controlled costs and reduced environmental impact, and you've created some of these case studies for us in the past with some of the employers that you've worked for. So, talk us through some of the financial benefits that come from this.

Alison: So, I think the first one – which is probably the obvious one – is collision damage. And that's own vehicle or third party so a lot of companies' insurances are self-insured for their own vehicles. Quite a number of large companies. So they're picking up all the crash damage. But also then, of course, with the third parties that are involved in collisions, there are huge costs there, and things like replacement vehicles... and vehicles are very difficult to get hold of at the minute. And it will get

harder and harder the bigger your electric side of the fleet gets. So there's that, and that is tens and tens of thousands of pounds spending on the size of fleet.

And obviously, kind of a natural consequence as well is looking at your insurance renewals. So, if you can show that you've got a good risk programme in place, you can show you're reducing collisions, not only can you talk to your existing insurer about maybe looking at either not increasing or actually decreasing your premium – that's brilliant – but also, what it does is it gives you a much wider choice. So, one of the fleets I work with, we had two insurers who we kind of flipped between. Then we had one, and that one was thinking about “right, we'll reinsure you this time, but we don't know about next time”, because we were missing our loss ratio by quite some distance. By the time we'd done an 18-month programme, when I first started doing the fleet risk and really getting into it, we had seven insurers vying for our business. And that of course gives you all those advantages of being able to compare, and to say “well, we've been offered this...”. So there are big savings to be made there.

SMR costs – so we've reduced this by probably 34-35%. And that's all your service, maintenance, repair, which we've kind of already mentioned repair. But people aren't going through the same number of breakdowns, they're not knocking the wing mirrors all the time because they're being more careful, they're not having as many tyres fitted to a vehicle. So you can actually look at that correlation between improved driver behaviour and your SMR costs, and that's what we do for some of our clients. And it's a really strong correlation.

There's obviously fuel consumption – vehicles driven better, driven more safely, they use less fuel. So that's a huge one because, you know, an outlay to most companies with big fleets, probably the biggest outlay for that fleet is fuel. So actually looking at being able to reduce that... that's hugely important to any fleet really.

And then if you hire vehicles – lots of fleets purely hire, or do a mix of the two – off-hire damage... I used to absolutely dread it when it was coming to a period where we had a massive part fleet coming off-hire to bring new vehicles in because the off-hire damage that people haven't reported – again, poor culture. If the culture's good, people report. Then at the end you got this huge sum of money to pay out that you've not even considered, so that's a big one.

But I think also... I mentioned driver retention and recruitment – it's a hugely costly business to bring new drivers in. To recruit them, to make sure that they're the right drivers, and then to go through all the checks and balances you need to do, and then to train them, and get them into your culture. So, you know, by keeping drivers with you, you're even cutting down on all those sort of costs... that is probably just the tip of the iceberg. There are probably loads more, but I think they're probably the biggest ones in terms of monetary saving.

Simon: Many organisations have shared case studies with us that demonstrate where they've been able to control costs better as a direct result of more effective risk management, and consequent reductions in collisions. They're on the Driving for

Better Business website, in the Resources section, and you'll find a link in the show notes.

Simon: One of the reasons I see companies not achieving these benefits, especially around things like SMR costs, is that often they're looking in the wrong place. Because a lot of them get simply written off as the cost of doing business, so they get aggregated and put onto one line in a spreadsheet each month as SMR costs for the fleet, and they don't sometimes get marked against specific drivers or vehicles. And this to me is a really a missed opportunity to spot unnecessarily high costs, as well as an indicator that a specific driver might be a higher risk, might need some intervention, isn't it?

Alison: It is, and I think probably from my past example I gave you... I did have a particular director, a divisional director, who when I first started introducing things in a particular company, wasn't interested. So we talked about safety, we talked about SMR costs, and fuel, and he just it didn't mean anything to him. He just wasn't that interested. And I remember, I mean probably you're aware of the Nestle case that they did which was to cost out how many KitKats they'd have to produce every year to pay for the crash damage and I did something similar. There was particular gang in this division who were having lots and lots of issues, driving really badly, speeding, getting parking fines, reversing into things. And he didn't want to touch them because he said, "they're my best gang though, my most productive gang". So I didn't argue, I went away, did a lot of research, came back and sat down with him. And I said, that gang doesn't make you any money from January to the end of June to pay for their crash damage and excess fuel.

And all of a sudden, we're having a very different conversation. And I think you're right – just a figure on a piece of paper that can be tucked away under something doesn't necessarily give the picture, and I think it's about making it real to people. And having the guts to pull it out and say "no, I'm not going to be ignored on this because it's really important" ... and if this was people getting compensation for falls from heights, we'd be into it really seriously. This is more serious even, that's why I'm going to carry on beating that drum. I'm not saying you'll always be popular, Simon - I don't think I always have been – but I've always been very persistent.

Simon: And that last point brings us back to what we were discussing at the start, about engaging senior leadership because lots of people, if they don't have any sort of normal impact on the drivers, if they don't come into contact with the driving side of the business that much, then you've got to try and be creative about how you form that message so that it will engage them. So if it's a sales manager, for instance, or an operations manager, and they're just forcing unrealistic work schedules or demands on the drivers, then they're not going to understand about the more crashes, or they might not be interested in it, but if you can convert the cost of all those incidents into "well, actually you've got to sell this amount more stuff to cover this" and "if we didn't have all these incidents you don't find a much easier job meeting sales targets or productivity targets", that's a really good way of getting people's attention.

Alison: It is, and also one thing that I would say if you're trying to introduce this and to get the management level involved in it, is to start putting in the performance reviews. We review every other aspect of how somebody does the job, so if I'm managing a team, then their productivity and all these sorts of things will be looked at; how the driving is, and what is being done about it, and actually start putting KPIs in. And actually doing it as part of a performance review – how many collisions have your drivers had? What are you doing about it? And I think that really again just reinforces the fact that this is a work activity – something you have to manage. So yeah, there are lots of ways, but I think making it tangible to somebody definitely is most effective.

Simon: Yeah, and putting it in performance reviews makes it more accountable as well. My final question for you Alison is a single piece of advice for the audience. So thinking back on what we've just discussed, and what good leadership means to you where do you think people should focus their attention first? What's the most important thing to get right first to ensure a strong safety culture and to start realising some of the benefits we talked about?

Alison: So I think lots of people probably listen to this will have heard this in one guise or another. It's something that in the safety community we use quite a bit, but I think absolutely the most important thing for people to take from this is about leadership and how to make it work. And that is that as a leader, the lowest standard of safety that you portray and accept from others is the highest standard that your organisation will give you back. And I think if you take nothing else away, take that away.

Simon: Excellent advice. And I'm going to put Alison's contact details in the show notes, along with links to some of the leadership resources from the Driving for Better Business website that you might find useful. So, thank you everyone for listening, and Alison, thank you so much for sharing your insights with me today.