NexTraq & ROI

How NexTraq Fleet Tracking Pays for Itself

One way to look at fleet tracking with NexTraq® is to realize the value it gives your business and the return on investment that we can offer. After all, everybody wants to know that the money they spend will actually benefit their company. ROI from our system is typically 3-4 months, but can be as little as one month; primarily around fuel savings and increases in worker productivity.

A typical service-based business depends on owning trucks and vans and having employees to drive these vehicles and do the jobs. If an employee makes $20 per hour and works 8 hours per day, 5 days per week, the total **weekly labor cost is $800**.

At NexTraq, we have data about thousands of vehicles and from that information we've learned that **the typical driver spends about 3 hours each day driving and about 1 hour each day idling**; so on average the engine runs for a total of 4 hours a day.

We've also learned that vehicles typically travel at an average speed of 45 miles per hour between city and highway driving and that the typical service vehicle gets about 15 miles per gallon. 3 hours of driving at 45 mph in a truck that gets 15 mpg equals 9 gallons of gas driving and 1 gallon of gas while idling…or 10 gallons of gas each day. **When gas is around $4 dollars per gallon, that's $40 in gas a day**, or $200 each week to operate a vehicle.

Companies also have to insure vehicles and drivers. There are always variables when you're talking insurance but **$200 is a fair average monthly insurance cost per commercial vehicle** or $50 per week.

So **$800 in labor + $200 in gas + $50 for insurance = $1050 per week**

That's before NexTraq…

The cost per vehicle per day for fleet tracking with NexTraq is less than a cup of coffee a day; not including the savings on gas and insurance or the increased worker productivity they will see.

One way to increase fuel savings is with a reduction in vehicle idle time and fuel used idling; which is about 10-20% of a fleet's fuel spend. Reduced idling due to NexTraq's solutions will turn that 10 gallons of gas used in a day to 9 gallons a day. This saves $4 each day and $20 each week in gas.

A typical NexTraq customer also gets another 5% in fuel savings from efficient routing and dispatching. In our scenario that's $2 per day and $10 per week. The **total fuel spend with NexTraq is $170 compared to $200 before**.

Better planning and routing can also mean more jobs can get done. Depending on the company, an additional job each week can mean **an additional $200 in revenue**; all from that small investment in NexTraq.

Many insurance companies give a 10% discount for companies with GPS Tracking. In our scenario that equals $5 which turns that **$50 per week in insurance into $45**.

Let's add this all up…

Weekly Cost	Before NexTraq	After NexTraq	Difference
Labor	**$800**	**$800**	**$0**
Fuel	**$200**	**$170**	**-$30**
Insurance	**$50**	**$45**	**-$5**
Total	**$1,050**	**$1,015**	**-$35**

This typical service business was spending $1,050 to manage their fleet. With NexTraq it costs them less than $2 a day, $10 each week to track and manage their fleet and saves them $30 each week in fuel costs and $5 in insurance savings. **Do the math and this company ends up with a total of $35 each week to put back in their pockets**, $25 when you figure in the cost of NexTraq's services.

And that's not even figuring in the $200 more per week in revenue… or the satisfied customers for that matter.