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Driving
ROI

**The Business Case for a
Toll Management Solution**

The Business Case for a Toll Management Solution

One of the more time intensive business aspects of managing a trucking or service fleet is dealing with tolling authorities and their corresponding transponders. This is not the core business of these fleets, yet many hours are devoted to managing transponders and working through tolling issues. Any time spent on hold, working with multiple tolling authorities, and sifting through multiple statements in multiple formats, is time away from critical business operations.

Tolling costs can add up, especially when violations accumulate due to malfunctioning or unregistered transponders. Additionally, most smaller fleets are often not eligible for tolling authority discounts unless they meet certain thresholds. Because there is no one unified database of tolling spend information, especially for segments of fleets that operate in different regions or nationally, companies are unable to see how their decisions are affecting tolling costs.

Hobson & Company, a leading research firm focused on return on investment (ROI) studies, worked with Bestpass, a leading provider of toll management solutions, to explore these challenges and learn how regional and national trucking and service fleets are responding. Hobson & Company conducted independent research consisting of in-depth interviews with Bestpass customers across all fleet sizes and found that Bestpass addressed specific customer challenges to deliver a quick and compelling ROI.

In 6.3 months customers generated a:

90% ROI

The impact of the Bestpass' toll management solution is not only strategic but measurable

Based on this analysis, a company with a national fleet of 800 trucks, spending $120,000 a month on tolls, $4,000 a month on violations, and has 3 FTEs who manage transponders and payments would payback the cost of the Bestpass service in 6.3 months and generate an ROI of 90% in one year.

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Trucking and Service Fleet Challenges

Customers interviewed for this study noted that there are consistent operational and cost challenges in working with various tolling authorities. Below is a list of some of the most universal concerns.

Difficult toll management processes
A well-known fact of the trucking industry cited during the customer interviews is that it is very difficult to keep track of toll usage and which truck has a particular transponder at any given time, especially as the number of trucks and trailers increase and routes span nationally or across multiple regions. Multiple tolling agencies mean multiple invoices to pay and time consuming research on violation requirements and procedures.

Expensive cost challenges
As the customers noted, it is challenging to control tolling costs. Each tolling authority has different policies and business rules for violations, and violations and admin fees can add up if transponders are not registered or working properly. Many fleets are too small to qualify for discounts and all fleets are at risk of being erroneously charged for tolls which is difficult to track. Without insight into the entirety of the toll spend, trucking and service fleets lack the data to make operational changes to lower their overall toll spend.
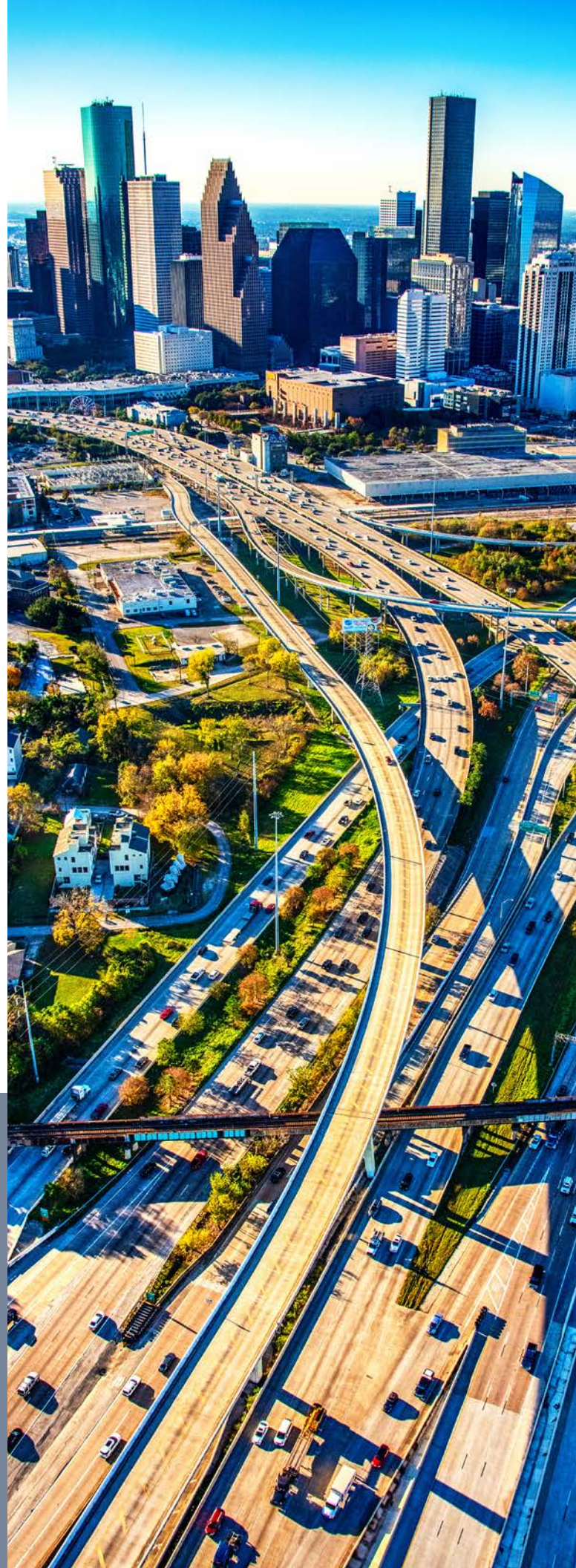
Customer research identified the 7 benefits of the Bestpass solution across two key business objectives:

streamlining toll operations
reducing costs

Reduce time managing transponders in office

Trucking fleet companies interviewed confirmed that using Bestpass' single point management portal streamlines vehicle and license plate updates, including online upload of data and files, from entire vehicle lists to cab cards to truck photos. The portal allows for targeted data searches across all toll transactions, as well as advanced filtering options, including transponder, date and time, facility, vehicle and cost center.

> "With Bestpass' portal, it is very easy to assign drivers, assign new transponders, and identify if transponders are not working properly. It is also very easy to allocate cost accounts across our 11 different divisions."
> - *Financial Analyst*

Customers interviewed reported:

40%

REDUCTION in time managing transponders

Customers interviewed reported:

30%

REDUCTION in time managing payments to multiple tolling authorities

Reduce time managing payment to multiple toll authorities

Customers noted that Bestpass' all-inclusive monthly statement consolidates over 40 tolling authorities into one report.

> "Now we don't have to pay any individual tolling authority bills since we just use Bestpass."
> - *VP, Fleet Services*

Reduce time managing violations

Customer interviews confirmed that the number of violations decreased since Bestpass' maintains a database of license plates with the tolling authorities for all tractors and trailers reducing potential violations from transponder mis-reads and plate reads. If a violation occurs, the web portal can be used to scan and upload the violation. Bestpass will then address it with the tolling authority.

> "With Bestpass' portal, it is very easy to assign drivers, assign new transponders, and identify if transponders are not working properly. It is also very easy to allocate cost accounts across our 11 different divisions."
> - *Financial Analyst*

Customers interviewed reported:

50%

REDUCTION in time managing violations

Reduce number of violations

Customers noted that Bestpass' database of license plates is maintained with the tolling authorities for all tractors and trailers reducing potential violations from transponder mis-reads and plate reads. The High Plate Report highlights devices that may not be working or not mounted properly.

> "We were almost guaranteed that violation payments would be late. There's been a big savings in violations."
> *- Director, Supplier National Account*

Customers interviewed reported:

80%
REDUCTION in number of violations

Customers interviewed reported:

2.5%
DECREASE in toll spend due to volume discounts

Qualify for volume discounts

Customers confirmed that Bestpass gives small and mid-size fleets access to the highest possible volume discounts, which they would likely not qualify for on their own.

> "Because all our accounts were independent, we did not do enough volume to qualify for discounts previously, but Bestpass is able to consolidate our volume now."
> *- VP, Fleet Services*

Reduce payment errors

Bestpass' A.M.I.S. (Automated Misread Identification Service) identifies toll misreads and streamlines credit requests, saving time and money. The system finds instances of max tolls and automatically looks for transponder activity and adjusts the toll. Additionally, using the customer portal's daily transaction audits, max tolls and duplicates can be identified and credit requests can be created.

> "It was hard to determine if we had misreads or duplicate charges in the past and it was impossible for us to do any type of audits."
> *- Financial Analyst*

Customers interviewed reported:

95%
REDUCTION payment errors

Customers interviewed reported:

2.5%
DECREASE in toll spend due to better data insight

Improve operations with better data insight

Customers confirmed that Bestpass' consolidated solution presents toll usage in one place improving the ability to forecast budgets and consolidate spend.

> "Using Bestpass we learned that 50% of our tolls came from Texas and New England. Now we can adjust the fees to our customers and were able to increase our fees for drops by 33%."
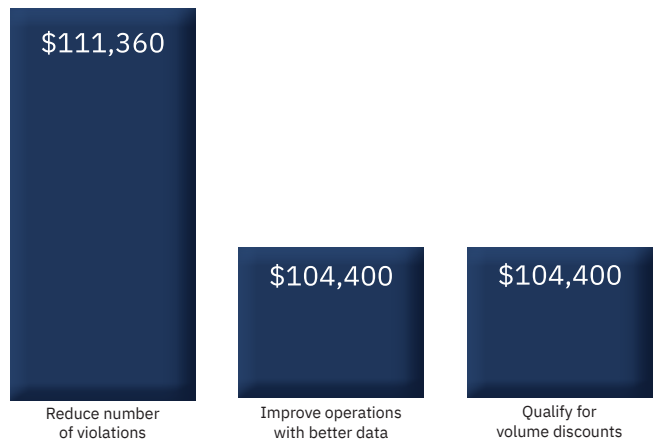> *- VP, Fleet Services*

Research Results

Customers noted that Bestpass' database of license plates is maintained with the tolling authorities for all tractors and trailers reducing potential violations from transponder mis-reads and plate reads. The High Plate Report highlights devices that may not be working or not mounted properly.

A total of 7 distinct Bestpass benefits were identified during the customer interviews for this research paper. Below is a sample of the top 3 benefits and their potential 3-year value to a trucking company with a national fleet of 800 trucks, and spends $120,000 per month on tolls and $4,000 per month on violations.

$111,360	$104,400	$104,400
Reduce number of violations	Improve operations with better data	Qualify for volume discounts

The value of the Bestpass solution is immediate and easily demonstrated. For this sample trucking fleet, an annual investment of $33,600 plus a Year 1 implementation fee of $28,000 generated a positive return in 6.3 months, with annual benefits exceeding $130,000 per year. The 1-year net present value (NPV) and return on investment (ROI) are strong at $50,600 and 90%, respectively. The key financial metrics were calculated using standard finanical modeling methods.

Benefits by Value Driver

- ◼ Streamline Toll Operations
- ◼ Reduce Costs

12%

88%
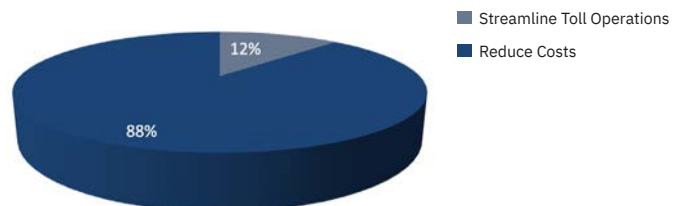
About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit **www.hobsonco.com**

About Bestpass®

Bestpass is the comprehensive payment platform provider and leader in toll management solutions for commercial fleets of all shapes and sizes. With more than 20,000 customers and processing more than $1.2 billion in toll transactions in the United States and Canada, Bestpass ensures data accuracy, consolidates payments, and saves its users time and money. Founded in 2001 by truckers for truckers, we are a trusted partner on the road and in the back office for customers and tolling authorities. To learn more, visit **www.bestpass.com**

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