

## 6 of the Most Essential Fleet Management KPIs That Will Boost Your Bottom Line

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One of the most important aspects of effective fleet management is setting goals. A fundamental aspect of measuring your effectiveness at meeting those goals is identifying fleet management Key Performance Indicators (KPIs) related to fleet vehicles, drivers, mechanics, and processes. By not tracking the most important performance metrics, fleet managers can't effectively assess the performance of their fleet.

But which KPIs should you care about?

In this post, you'll read about **6 fleet management KPIs** you should be tracking to increase profitability. These KPIs can help every fleet operator better understand their commercial fleet's strong points and inefficiencies. Not only that, these fleet management KPIs will help establish strategic goals that can be defined by objective measurements.

### 1. Vehicle Uptime/Downtime

Vehicle uptime/downtime is perhaps the most important fleet management KPI. Whereas uptime refers to the availability of a vehicle/truck, downtime is when the vehicle/truck is unavailable. Considering vehicle downtime can cost fleet operators as much as **US\$760 per day**, it's important to limit how often this operational hindrance occurs.

### 2. Vehicle Utilization Rate

This fleet management KPI informs you on how well you use your commercial fleet resources, such as trucks, vans, cars, or **last-mile delivery mobility vehicles**. The vehicle utilization rate is calculated by dividing the total miles your fleet drivers cover by your fleet's mileage capacity.

This KPI will help fleet operators, Third-Party Logistics (3PL) providers, and car rental companies see where vehicle assets are being underused or if there's a need to purchase more vehicles to meet logistical needs.

### 3. Estimated Times of Arrival (ETAs)

More accurate and predictive Estimated Times of Arrival (ETAs) are essential for effective fleet management. In this regard, fleet managers must always be measuring success based on ETA key metrics. To reach optimal ETA targets and maximize the number of deliveries made, there's a need for advanced [location intelligence](#) and better route planning capabilities dedicated to specific fleets.

When you start reaching your ETA goals, you keep your customers happy. And when your customers are happy, you can establish a long-term relationship with them and, ultimately, boost your fleet profitability.

### 4. Fuel Costs

All the aforementioned fleet management KPIs tie in directly with fuel costs. When your fuel costs are down, it's a good sign that you're doing everything else right—optimizing routes, keeping vehicles in good condition, and meeting your ETA targets. Alternatively, if this performance metric is above industry benchmarks or your own internal goals, it signals the need for a change or the necessity to adopt technology.

### 5. Fuel Usage

Fuel usage is a KPI that goes hand-in-hand with fuel costs. Being one of the biggest business expenses for commercial fleets and accounting for an estimated [30%](#) of fleet costs, tracking the fuel usage of trucks is essential to improving logistics operations. Therefore, it only makes sense to constantly track this critical performance metric to keep costs down.

This means you should be tracking how much fuel is being consumed by your vehicles during fixed periodic time spans. Instead of calculating fuel usage manually with spreadsheets, there is various fleet management software that can automate fuel economy for you.

Tracking the fuel usage KPI will enable you to detect overconsumption of fuel. In turn, this tells you that routes may need to be better optimized or drivers require training to complete their routes more efficiently.

### 6. Vehicle Total Cost of Ownership (TCO)

Fleet Total Cost of Ownership (TCO) refers to all the costs associated with managing the commercial fleet. Tracking the costs of purchasing, maintaining, and owning your fleet vehicles is of utmost importance. This includes things like upfront capital costs, vehicle repairs, fuel costs, asset depreciation, and licensing fees. If you can't effectively track this fleet management KPI, you'll miss out on identifying areas where money is being wasted.

## Next Steps

By tracking these fleet management KPIs, supply chain managers like yourself have plenty of key metrics at their disposal to improve the performance of their fleet. These KPIs tell the story of where operations are running optimally and where gaps need to be filled. From there, you can set goals for your fleet based on meeting a desired performance metric.

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