

How Perdue Farms Inc. Implemented a Video-Based Driver Risk Management Program

Del Lisk
Vice President, Safety Services
DriveCam

Frank Cruice, Sr.
Director, Corporate Safety & Security
Perdue Farms

Tommy Pollard
Corporate Fleet Safety Manager
Perdue Farms

Introduction

Perdue Farms faced increasing driving accidents at one particular facility, resulting in an increase in vehicle accident costs and negative safety behaviors. The company investigated various options to improve driver safety and evaluated a video-based driver risk management system at that facility, which eventually spread to the entire fleet. This paper will illustrate how Perdue navigated throughout their organization to implement a process that improved driver safety behaviors and results. In this paper, we will:

- Learn about new safety technologies and how to evaluate them
- Understand how a video-based driver risk management system improves driver behavior and reduces claims costs
- Learn how to navigate throughout an organization to implement a new program – from executive management (C-level) to drivers, including Risk, Human Resources, Safety and Transportation/Logistics

First, we begin with a look at the solution that Perdue adopted and some of the data already gathered about driver risk management.

The Solution

DriveCam customers deploy in-cab video technology and objective third-party analysis as a means to improve driving, as well as capture the truth if a collision occurs. The video camera is

commonly affixed to the windshield and is loop recording in front, as well as inside, the vehicle. When the vehicle experiences substantial force, such as hard braking or swerving, the device is triggered to save the 8 seconds before the moment of force as well as an additional 4 seconds afterward. The net result is a video that reveals what happened and why. This video is then uploaded to a review center, where it is objectively reviewed and assessed for risk. Events with a significant level of concern are then directed to the client for driver coaching via a web platform. Exhibit 1 illustrates this process.



Exhibit 1. Process of Review of Risky Driving Behavior

DriveCam has analyzed approximately 30 million risky driving clips, and has learned a tremendous amount about driver behavior and what can be done to make drivers safer and more fuel efficient.

Armed with the ability to isolate and correct risky driving before it leads to a crash, clients report tremendous improvements in fleet safety as well now having the ability to protect themselves and their drivers against false claims:

- Heritage Propane reduced collisions by more than 60%
- Orange County, Florida, reduced cost of accidents by 81% in the first year
- Amerigas reduced the number of risky driving incidents by almost 60%
- Mactec reduced collisions by 75%

- TXI reduced accidents by almost 50%

As with any impactful safety process, there are challenges. Discussed below are the most common challenges:

Getting the Funding

Budgets are generally tight so getting funding can be a challenge. Organizations are demanding that all investments—including investments in safety—must have a measurable positive financial impact for the organization. It's important that the returns on investment expectations are presented internally to the decision-makers. This is a simple process of taking historical costs of traffic accidents and showing what the impact of reducing costs by 30-50% would be. In many cases, the program has paid for itself in one year or less. Lloyd Pest Control, a California-based pest control service with 300 vehicles, reports the program paid for itself in the first 90 days.

Often, there are concerns internally from the legal department. The concern is, "What if a serious accident happened and the video showed it was our fault? How would the video impact an award if this went to trial?" Every one of our clients has considered this and decided the positives far outweigh this concern. The positives that need to be factored in are:

- Reduced collisions—the best way to reduce the cost of an accident is to prevent it altogether
- Ability to more effectively defend against false claims
- Even if at fault, with the video, clients quickly know the facts and can move immediately to a quick settlement. Sometimes they can settle before the other party gets a lawyer involved.
- Far less investigative costs. The video shows what really happened, so the need for an accident reconstructionist, investigators or others to assist with the case is greatly reduced.

Impacts on Operations

Organizations are running lean and mean. There are scant resources to dedicate to managing new processes. Consequently, it is essential that a process such as this does not put too many demands on management. DriveCam long ago recognized this and designed tools that make it easy for management to quickly identify what the issues are and what needs to be done. Also, most of the heavy lifting occurs in the first few weeks when driver coaching begins. This workload drops dramatically as drivers quickly improve and there are far fewer risky driving incidents to require coaching. It is common for clients to see risky events and the subsequent workload drop by 50 percent just one month after program launch.

Some companies wonder if their culture meshes with a solution like this. It's a good question. Looking at the vast array of cultures within our 500+ clients, we've come to realize this is the wrong question to ask. Instead, the question should be, "can this solution be adapted so it meshes with our company culture?" Our clients adjust the program in many ways to align with their culture –

- Some only coach, others tie in discipline when errors are more serious
- Some have drivers "self-coach"
- Some work closely with labor to review and adjust the program on an on-going basis
- Some tie in manager bonuses to risk reduction

- Some leave expectations and oversight at the local level; others design corporate oversight that cascades down through the organization

Another common concern or challenge is how a program such as this will be received by labor. If the driver force is unionized, this concern is usually higher. The key is to have open, early communication with union leaders and employees long before equipment is installed in vehicles. We find there is more push back from labor when early communication did not occur.

Most of the concerns are due to misconception, misinformation or lack of experience with the program and relate to two issues:

1. *The technology*: Drivers mistakenly think the technology has the ability to record everything, all the time, or that management can trigger it remotely to record or look in live. It doesn't have these capabilities. An event is only triggered when a vehicle experiences unusual force or is excessively speeding.
2. *The video will be used against them*: It's important to emphasize that the intent of the program is to improve driving behavior through coaching and training. Statistics prove that drivers do become safer with this solution. Safer drivers have fewer accidents than drivers who are having problems, and therefore their jobs are more secure, not less. It's also important to recognize that video may protect the driver in an incident that may otherwise be blamed on him/her.

The Perdue Farms Story

Perdue Farms is the third largest producer of poultry food products in the U.S. The Perdue Family of Companies includes Perdue Farms, Perdue AgriBusiness, and shared services organizations. Since its beginning on Arthur Perdue's farm in 1920, through expansion into agribusiness and the introduction of the PERDUE® brand of chicken and turkey under Frank Perdue, to today's third-generation of family leadership with Chairman Jim Perdue, the company has remained a family-owned entity dedicated to making Perdue the most trusted name in food and agricultural products.

Dedicated equally to the safety of its associates as to its product, Perdue recognized a need to improve upon its fleet safety process in order to decrease associate injuries, and reduce operational costs from crashes that were negatively impacting the bottom line. In order to leverage current staffing while allowing that staff to become more effective, Perdue sought to develop a fleet-driven, behavioral based safety (BBS) process. The company was looking to leverage a technology solution to help achieve those objectives.

As with most companies, staff was already stretched. "We were stretched for people, time and resources, and with a mixed fleet of 1,200 commercial and non-commercial vehicles, we knew the only way we would be able to make an impact with our drivers and improve driver behavior without adding staff would be to leverage technology," said Frank Cruice, senior director corporate safety and security for Perdue.

Perdue had employed driving simulators in the past and has strategically installed various vehicle-based safety systems, such as lane departure warning systems, on-board diagnostics,

blind-side sensing systems, and front-facing radar. These tools were valuable, but ultimately Perdue decided to implement a driver risk management solution at two sites where risky driving incidents were highest, in an effort to truly change driver behaviors.

Now that a need had been established for a Driver Risk Management solution, both Frank Cruice and Tommy Pollard, corporate fleet safety manager at Perdue, conducted an assessment of available service providers. Once service providers were sourced, they conducted vendor presentations to the implementing staff in order for them to take ownership in the decision as to what product/vendor they felt could deliver and provide the most value for their investment. Ownership by a site in selecting a service provider is paramount to ensuring a successful beta test within your organization. Based on the presentation and capability of its global driver risk management system, DriveCam was selected to implement their technology solution within Perdue's pilot fleet of 37 commercial vehicles dispersed within three separate types of short haul operations.

DriveCam combines audio and video event capture with expert analysis and driver coaching to identify and correct risky driving behavior before a collision occurs. DriveCam's palm-sized, exception-based video event recorder is mounted in vehicles behind the rearview mirror and captures sights and sounds inside and outside the vehicle. Exceptional forces trigger the video event recorder to save critical seconds immediately before and after the triggering event. Saved events are downloaded, reviewed, assigned a risk score and used to coach drivers to operate more safely. DriveCam's driver risk management solution has helped more than 1,500 fleets reduce vehicle damages, workers' compensation, personal injury and claims cost by as much as 50 percent in nearly 100,000 vehicles.

Pollard knew nothing could compare to the power of sight and sound when reviewing an incident and determining the root cause of a collision or risky driving event. "Nothing affords us the data and insight that video does," said Pollard. "As we evaluated alternative solutions, it became very clear that DriveCam gave us the best data to get into the dugout with the driver and change that behavior for the better. How can you beat video? As the adage goes, a picture is worth 1,000 words... especially when that picture happens to be video."

Cruice secured approval from senior management to test the DriveCam solution at the pilot sites that were experiencing a higher than usual number of risky driving incidents. Perdue deployed the solution in three different types of vehicles: hatchery, dry bulk feed and live haul trucks. Prior to deployment, Pollard brought the solution to the site managers and the drivers themselves. He introduced DriveCam and discussed the benefits of the solution for each driver, allaying any concerns and misperceptions they might have had. Pollard shared video clips with the drivers and discussed the benefit of incident exoneration. Local managers would be responsible for reviewing video from the DriveCam Risky Driving Analysts, and then coaching drivers accordingly. They supported the program and were instrumental in the selection process because they felt a sense of ownership and involvement from the outset. This also helped impact overall driver acceptance.

Perdue saw a distinct reduction in the number of incidents incurred among fleets outfitted with the DriveCam solution. The company experienced an 88 percent reduction in vehicle incidents compared to the previous year without DriveCam. Additionally, the first collision that occurred following implementation of the DriveCam solution was one in which the video

evidence exonerated the driver. This immediately justified the need for the solution in the Perdue fleet.

By implementing the DriveCam solution, Pollard feels that drivers have the much-needed reminder to make conscious decisions while driving, as if he was in the vehicle with them.

“How do you be there without really being there?” Pollard asks. “Our commercial drivers are out there alone, but DriveCam helps them make conscious decisions about their driving because they know the event recorder is there.”

The data gathered from each recorder is used to decide where to focus training time, and has helped Pollard determine why incidents are occurring.

Pollard reports that drivers have been receptive to the coaching and appreciate the evidence exonerating them and helping them maintain their safety records. In the case of Perdue’s short-haul fleet, often the roads that drivers travel are winding with little to no shoulder or room for error. As these particular vehicles often travel at night, Perdue relies on its drivers to be alert and aware, to keep both themselves and their vehicles safe. Implementing the DriveCam solution allowed Perdue to identify the riskiest behaviors seen on these types of roads and coach drivers to safely operate their vehicles.

Initially, Perdue recognized that one of their largest motor vehicle losses came from single vehicle accidents classified as “run off road and rollover.” Nearly 1/3 of these types of accidents were stemming from the selected project site. The DriveCam solution validated that the root cause of these incidents was driver distraction. This evidence showed the company what the leading indicators were and, consequently, Perdue was able to strategize a Crash Reduction Plan based on facts. Pollard says, “In the past, we spent over 80 percent of our time on investigating and debating what happened, and now with the naturalistic data that the camera produces, we spend less than 20 percent of the time on that. Most all of our time is spent on preventing reoccurrence. The camera inverts this equation and puts the emphasis on preventing reoccurrence versus trying to figure out why!”

“Bottom line is, the DriveCam solution gives us the feedback as to why, and provides the data to help us understand what’s going on and where to focus our efforts,” said Pollard.

While reviewing incidents for coaching, Perdue began to revise other areas of its safety policies, including seat belt and cell phone usage. The camera evidence allowed Perdue to take direct action under its driver policies for these types of violations and turn their focus towards changing driver behavior through a behavioral management approach versus a “discipline” approach. Using the DriveCam solution, Perdue managers monitor severity and repeat behaviors. When a driver reaches a predetermined level, managers step in and develop a performance improvement plan, or PIP, for that driver instead of punitive measures and disciplines. This reinforces the process by showing the driver the company is not just looking to discipline, but rather to create a culture of safety and driver improvement.

“The DriveCam solution became a hub for the driver safety process,” said Pollard. “It brought all entities—drivers, managers and senior management—to the same table, allowing us to review our safety processes comprehensively and identify the areas in need of attention.”

Through the use of this technology, Perdue continues to embed a culture of safe driving behavior within its company. They have begun a journey to level the playing field between the drivers and managers by instituting a parallel using defensive driving education as the coaching platform for managers. When managers see the videos and in turn coach their drivers, they use defensive driving as the primary communication. Pollard says, “It’s not about right or wrong, it’s about, did we have an opportunity to drive defensively to prevent the incident?” Using the defensive driving platform during coaching also puts the manager and driver on the same level. Pollard says that whether you are driving a scooter, car, SUV or the big truck, defensive driving is still defensive driving. “Yes, stopping distances may vary between the big truck and car but following distance is the coaching moment,” said Pollard. Using the data from the DriveCam solution and the defensive driving platform, the focus turns away from the big truck and onto following distance. Thus, both manager and driver are on equal footing. The bottom line is that you don’t have to have big-truck experience to coach big-truck drivers.

Summary

Driver safety efforts tend to go through periods where one issue reaches a critical mass in awareness and goes viral. This is a positive phenomenon in that it draws many different stakeholders into the issue and causes changes to happen more quickly than they may otherwise have. But it can also lull fleet operators into thinking they’ve solved the problem. Some may overlook other crucial safety issues and will later be disappointed when the results they were expecting don’t follow.

Until the day when technology takes driving decisions out of the hands of the operator, a key focus of safety efforts needs to be on insuring drivers are using the fundamental safe driving skills that have separated the “good driver” from the “bad driver” since the invention of the automobile. Vehicles and technology have changed dramatically over the years, but the underlying causes for people making mistakes behind the wheel have not.

In the case of Perdue Farms, it was one specific facility where critical mass got the attention of fleet safety, which led to a technology solution deployment at that facility, and ultimately to fleet-wide deployment. ***Perdue measured an ROI of 406% after the first two years and an 88 percent reduction in vehicle incidents compared to the previous year without DriveCam. Frequency and severity were measured for the three (3) years prior and after implementation and returned extremely favorable results.*** Best seen in the chart below, Perdue measured the longevity of the process and experienced fewer accidents and less cost because driving behaviors were addressed. The frequency was reduced by 60 percent, and severity was reduced by 86 percent.

- Frequency at three (3) years prior to implementation of DriveCam averaged 15.3 incidents /year; (vs.) three (3) year post implementation averaged 6.3 incidents / year.
- The project site had been averaging \$420,716 in accident costs for the three prior fiscal years. Since implementation, vehicle accident costs have been reduced to an average of \$59,671 per year.

History

For (37) cameras covering Short Haul Operations, (Feed & Livestock tractor trailer.)
 Includes all commercial vehicle accidents for periods measured (excluding animal strikes & Off Hwy non-serious incidents)
 Cost are estimated, based on available maintenance records & Insurance data sources (paid & accrued)
 Does not include W/C dollars

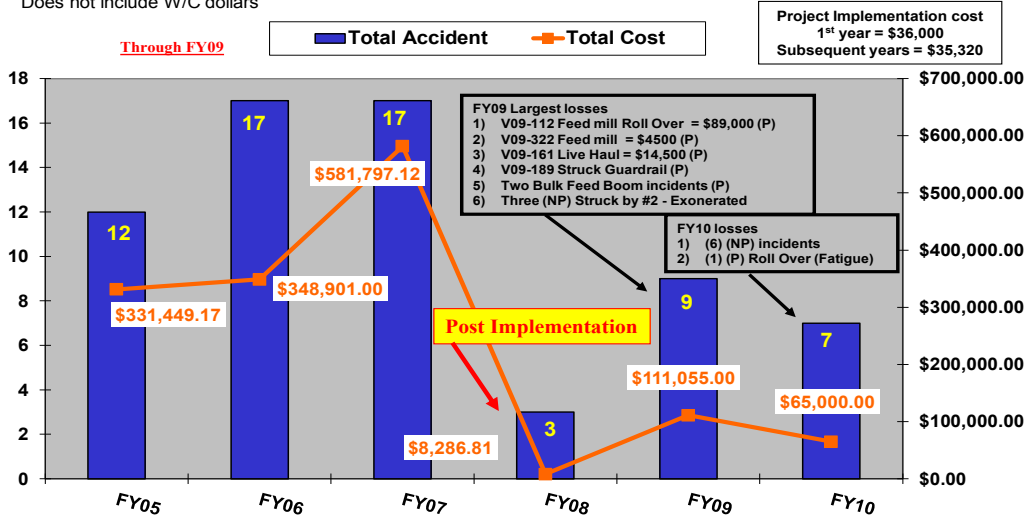


Exhibit 2. Truck Mounted Camera Pilot Project: Total Accident & Total Cost Before/After Implementation

As an advocate for safety across the company, Cruice is always looking for a new process to maintain Perdue's high standard of safety. He believes the DriveCam solution supports and enhances the company's existing process.

“At Perdue, we measure the four P's – People, Products, Profitability and Planet,” said Cruice. “DriveCam is an integral part of our corporate behavioral-based safety process, and is used to constantly to monitor, coach and improve our driver's behaviors. Thus keeping Perdue a company deeply engaged in employee safety that always puts its associates—and those we share the roads with—first.”