

LOWER COST

INCREASE SAFETY

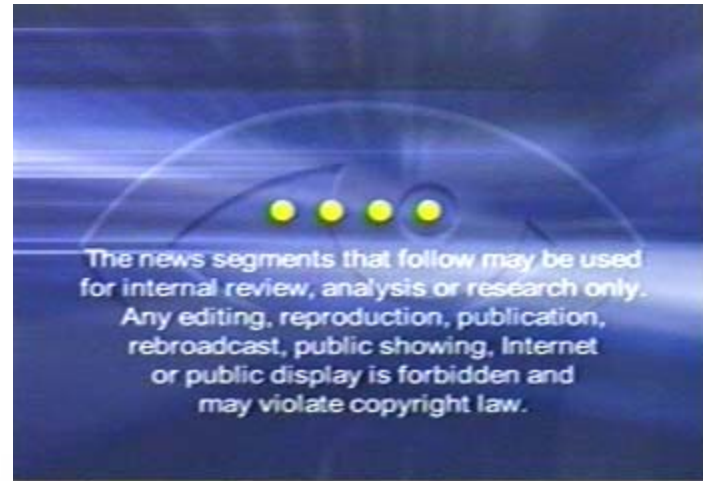
REDUCE RISK



**2005 International Telecommunications Safety  
Conference  
September 12<sup>th</sup> 2005  
11:15 to 12:00**

# Good Morning America

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# DriveCam Behavior Modification System

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Camera and Software serve as exception based behavior observation module



Exception-based Event Recording

# DriveCam Behavior Modification System

Software provides frame by frame analysis



Event Review and Analysis Software

# Driving Behavior is a Hot Topic



- ABC World News Tonight, Good Morning America, MSNBC, NPR, Washington Post, Dateline, 60 minutes, Fox' Road Wars, HBO, CNN, CBS Miami, New York, Philadelphia, ABC Cincinnati, Pittsburgh, NBC Albany, Fox Kansas City etc.
- 43,000 fatalities ( every 12 minutes )
- Over 11 million vehicles collide every 5 seconds ( but not all at once)
- 5,200,000 near misses every day
- 59,883,379 citations issued
- Lotsa mis-behavin' goin' on out there
- \$ 245 Billion dollars in loss and casualty



# Taking Risk Out of Driving

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*The DriveCam system dramatically improves a company's bottom line by reducing risk and the costs associated with unsafe driving behaviors.*



# Market Evolution

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- Inventor was a victim of road rage
- Company founded in 1998 with government grant funding, and Tech Coast Angels
- Defining and educating market slow at first
- Sales tripled in 2004
- Sales doubling on the triple in 2005
- Currently installed in over 22,000 vehicles at 1000 commercial fleets

# Market Potential- Likely Adopters

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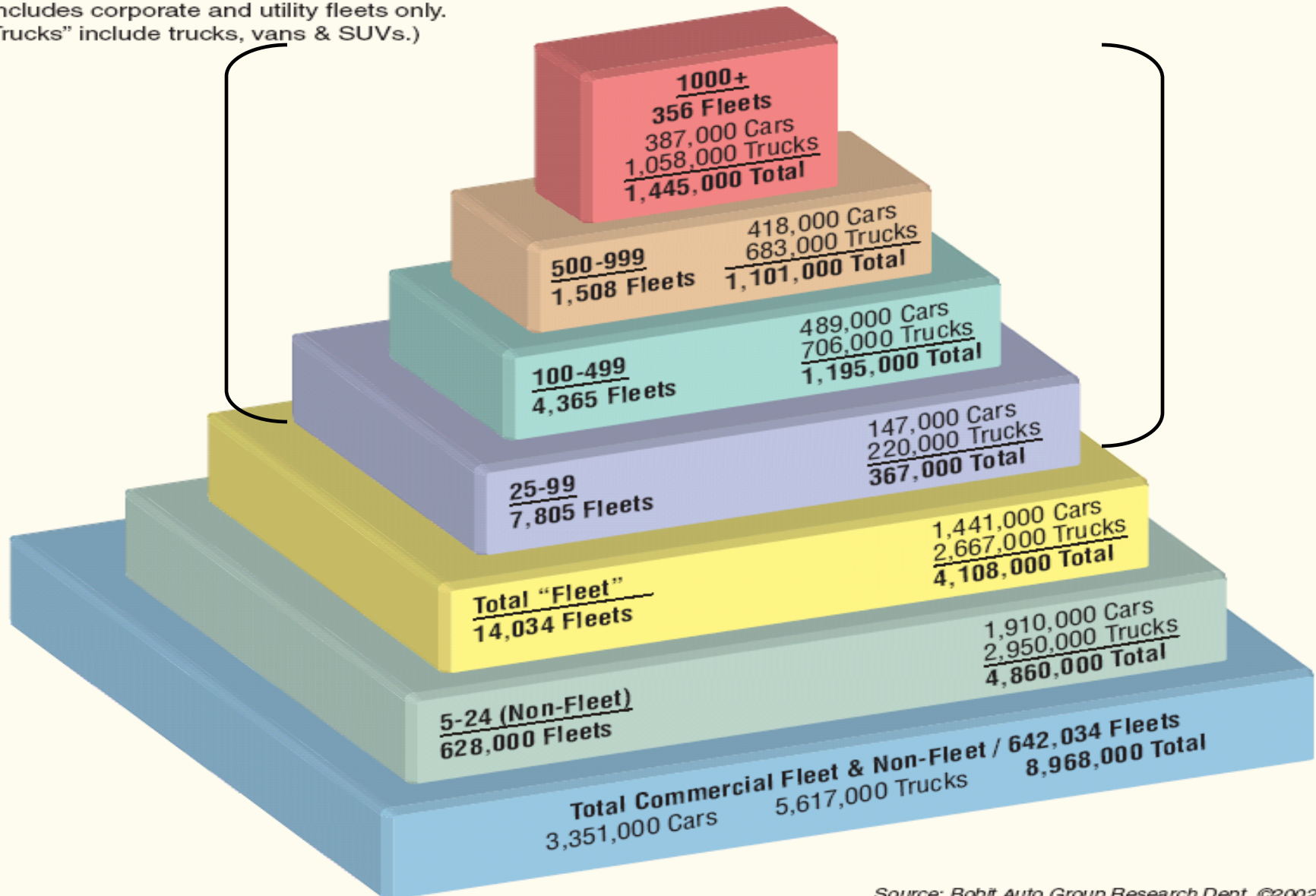
Potential: 4.5 million vehicles in U.S.

- Passenger carrying fleets
- High mileage operations
- Driven in busy, congested traffic
- Expensive vehicles and/or high vehicle weight
- High collision/insurance costs
- High community visibility



# Commercial Fleet Census

(Includes corporate and utility fleets only.  
"Trucks" include trucks, vans & SUVs.)



Source: Bobit Auto Group Research Dept. ©2002.

# Customer Results

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- Time Warner Cable
  - Reduced preventable collisions by 41%
- AMPCO System Parking
  - At-fault collisions reduced by 56%
- Classic Transportation
  - 50% (\$200,000) reduction in losses
- American Residential Services
  - 90% reduction in accidents, 43% reduction in claims costs, 15% reduction in crash events



# Customer Results

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## Ambulance Fleet 6 Month Insurance Study

- Property Damage
  - Reduced frequency of accidents by 50%; Reduced severity by 79%
- Maintenance
  - 22% reduction in cost per mile; 88% decrease in number of repairs
- Driver Behavior
  - Reduction of 75% in violations and accidents
- Savings in maintenance alone paid for DriveCam

# Limitations of “*Dance With the One Who Brought You*” Theory.

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- Rick Sutcliffe might have gotten the Cubs to the Playoffs in 1984, but he was exhausted in the sixth inning of Game Five
- Steve Trout was warmed up and ready.
- Frey stayed with Sutcliffe until it was too late.
- You don't have to accept risky behaviors; they can be assessed, patterned, and modified before it's too late.
- Some people are “an accident waiting to happen” and if you can predict it, you can prevent it.

# Behavior Modification

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- Behavioral Science is as simple as ABC
- A= Antecedent or Stimulus
- B= Behavior or response to stimulus
- C= Consequences which are the effects from the behavior responding to the stimulus



# Antecedents

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- Almost all Companies focus almost all their energy almost all the time on the Antecedent or the Stimulus
- Training
- Memos
- Talking
- Pleading
- Yelling
- Threatening



# Behavior Observations

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- The missing link
- For the first time ever, behavior can be objectively observed on an exception basis
- Now you can measure objectively, if, when, whether, how, how much, where, and who is responding to all of your hard fought stimulus
- It's a Miracle! No, it's the Hawthorne Effect



# The Hawthorne Effect

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- Western Electric Plant on Cicero Ave. in Chicago
- New Supervisor wants to raise productivity and sees dingy lighting
- Lights go up; so does productivity. Lights go down, productivity still goes up.
- It's not the lights; it's the fact that if someone cares enough to watch and to measure, it must be important, so it matters and humans will pay more attention and perform better.



# The Hawthorne Effect

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- This is great for DriveCam and its customers, in the short run.
- In the long run, the presence of the A and the B will stop producing results in the absence of the C
- Consequences are what actually drive behavior modification. Don't think so? Try to get a child to stop touching a stove if they never get burned?

# Consequences

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- Positive
- Negative
- Immediate
- Future
- Certain
- Uncertain



# Ancillary Services Available

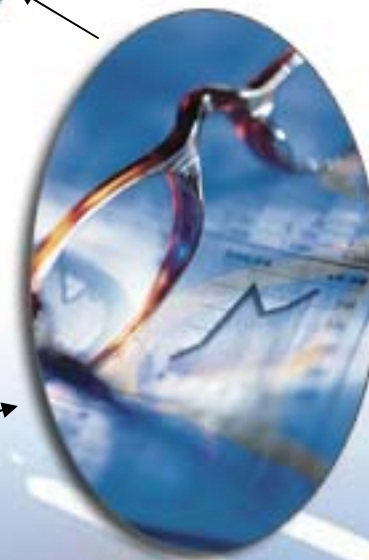
Recurring Monthly Revenue



Fleet  
Monitoring



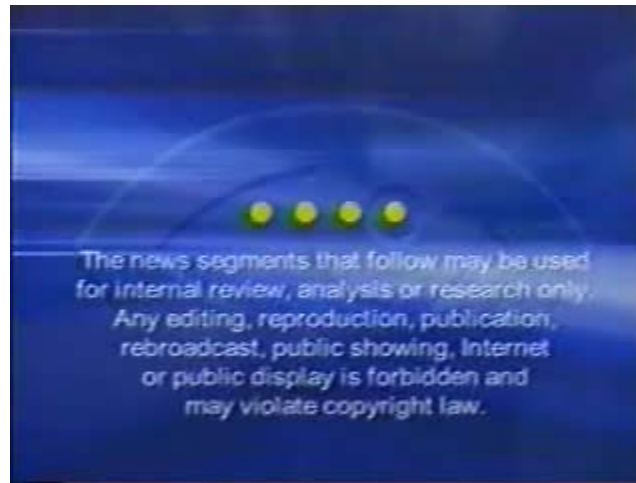
Detailed  
reports



Driver Evaluation

# ABC World News Tonight

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DRIVECAM.

THANK YOU