

THE 5 KEYS TO TELEMATICS

TELEMATICS CAN MAXIMISE EFFICIENCY, YET MANY SYSTEMS ARE UNDER-UTILISED

Transport fleets are under ever-greater pressure to perform, squeezed by efficiency and always rising customer expectations, yet many transport operators aren't properly using the technology available.

Telematics systems, which use GPS to track goods and vehicles, are nothing new but research shows many Australian transport fleets do not have any systems in place and are missing out on an opportunity to improve efficiency, keep customers happy and protect themselves from misplaced deliveries.

A 2015 survey by ACA Research showed the telematics take-up rate among large truck fleets of more than 25 vehicles was 76 per cent. Take up fell dramatically for fleets between six and 25 vehicles, with only 49 per cent using telematics. For fleets with fewer than six trucks the take-up was a miserable 18 per cent.

This doesn't tell the full story. From many years' experience analysing transport fleets for efficiency and developing telematics systems such as Overtime Earth and the Gopher app, I know many fleets which do employ telematics aren't enjoying the full benefits of the technology. For some, it's a bit like a gym membership – they are enthusiastic at first, but they stop paying attention to it after three months.

Telematics is not a 'set and forget' deal. The full benefit from deploying telematics occurs when you treat it like a muscle and keep exercising it. Few businesses have fixed scenarios on their delivery runs, which means there are always opportunities to improve efficiency by leveraging the information collated by this technology.

Some fleet operators have a perception that telematics is expensive, yet set-up costs have plummeted, with systems now available via smartphone starting from \$150, meaning any sized fleet can benefit from features such as vehicle tracking and proof of delivery (ongoing costs for Overtime Group's own Gopher app are as little as \$20 a month).

What is the cost of not getting the most out of telematics?

We all need to put ourselves in the mindset of the 'want-it-now' shopper. Consumers see innovations like next-day or half-day delivery, or parcel delivery tracking, and it becomes a standard expectation. Can same-day delivery become same-hour delivery? This is a B2C and B2B issue. If customers come to expect it, we will need to figure it out.

The wrong transport option fundamentally affects a product's cost viability to market, and customer satisfaction, which determines future sales. How do we measure the performance? No matter what the method, you need a mentality to continually question and analyse to get results.

Getting the most from your telematics system comes down to five main keys:

1. Make it transparent for your customers

Telematics increase transparency and customers love that because they can promptly get an answer on how far away their item or customer service person is.

Supply chains across the board benefit from telematics and RFID technology to track deliveries – it doesn't even have to be the latest technology. Just being prepared to use existing tech more openly is a good start.

Technology plays a big role in customer service by automatically updating customers on a parcel's delivery status, location and estimated time of delivery.

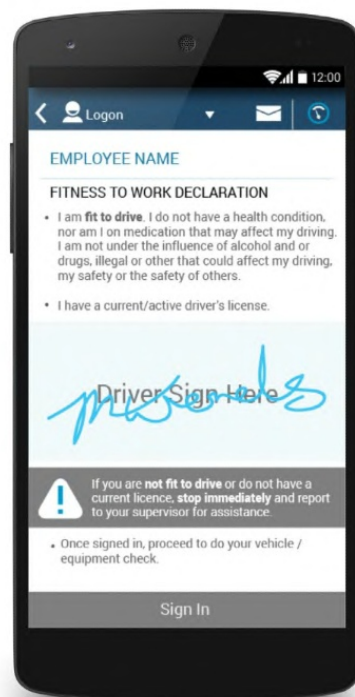
2. Be vigilant on your efficiency

We know of businesses that have used telematics to achieve more deliveries with the same number of vehicles. The technology strengthens communication between managers and the fleet, which therefore lifts efficiency.

Unless they are being monitored, it can be difficult to measure the efficiency of a fleet. Once you see your delivery runs shown on a map, areas for improvement quickly become obvious. But the biggest enemy to this breakthrough is to become complacent – the transport divisions that are most efficient keep monitoring, keep measuring.

Transport costs and inefficiencies have traditionally been difficult to pin down with true accuracy, but more organisations are digging deeper and seeing the benefits of understanding their full transport costs, and measuring them constantly for efficiency.

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3. Employ proof-of-delivery systems

Being lax on the proof-of-delivery process can result in enormous risk if you are unable to prove the whereabouts of supposed lost or misplaced parcels, which may cause arguments with customers and ultimately cost you.

Having your telematics system properly set-up to record proof-of-delivery is critical – both you and your customers will appreciate this transparency.

4. Ensure vehicles and equipment aren't being misused

Telematics can employ geo-fencing, which alerts you when a vehicle has left a designated area. There have been many cases of misused vehicles, or drivers dropping in at home when they are not supposed to. If one of your drivers is doing a bit of freelancing on the side using one of your vehicles, will you know about it? Telematics is a proven way of detecting these issues.

5. Manage driver performance and fatigue. Telematics is a great tool for assessing driver performance and keeping them safe, by assisting with compliance of chain of responsibility legislation.

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