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# Investing in technology

The challenges for trucking operations have never been greater — a general economic slowdown means depressed freight volumes and consequently lower revenues. Simultaneously, cost pressures are mounting, including record high fuel prices and rising expenses for everything from maintenance to labor, insurance and even business processes.

At the same time, transportation operations working hard to weather this storm are finding that one of the most effective approaches is to invest in technologies that can boost productivity and efficiency.

## Enhancing communication

It's no longer a question of whether to invest in on-board communications and tracking systems, notes Scott Lemon, vice president of DriverTech ([www.drivertech.com](http://www.drivertech.com)). "Today," he says, "mobile communications systems are a necessity, a part of the cost of doing business. Justifying the expense of purchasing the technology isn't the issue. The question is how to reduce your monthly communications bill because that's where real savings are found."

Built around offering fleets a choice so they can pay only for the airtime and services they need, DriverTech's DT4000 onboard computing system allows for a wide range of application choices, including integrated in-vehicle scanning, electronic logs and video-based driver training. The Tri-Mode system (Satellite, Cellular and Wi-Fi) has the

ability to connect these wireless networks simultaneously and then use a least-cost algorithm to automatically route data via the lowest cost option.

## Managing maintenance

"The inability to access vehicle, part and fleet-specific information and communicate effectively at the point of service costs the commercial truck industry hundreds of millions of dollars in unnecessary costs and vehicle downtime," says Dick Hyatt, president of Decisiv, Inc. ([www.decisiv.com](http://www.decisiv.com)). "The development of an electronic bridge between fleets, service locations and truck and component manufacturers, however, improves workflow and communication, and leads to enhanced vehicle uptime, lower operating costs and streamlined business processes."

For transportation fleets and fleet service providers, the Decisiv Service Management Platform's Fleet Portal captures and maintains inspection, maintenance and repair requirements, including pre-write up instructions, authorization limits and approval processes, and provides it electronically at the point of the service write up. Fleets benefit from reductions in maintenance and repair costs and improvements in asset utilization. The web-based service management platform is now in place at more than 800 subscribing locations including a growing number of fleets, and under the brand names Diamond Estimating System and ServicePartner at

International dealerships, MVASIST at Volvo and Mack truck dealers, DecisivPricing at Freightliner service locations and Prevost.ASIST at Prevost repair facilities.

### **Reducing risk**

Technology can reduce risks associated with operating one of the riskiest, litigation-prone businesses in the country, notes Steven G. Bryan, CEO of Vigillo LLC ([www.vigillo.com](http://www.vigillo.com)). "Trucking presents many unique risk management challenges," he states. "Web-based software can help lower operating costs by enabling managers to be proactive and better prepared and to respond to accidents, litigation, audits and insurance renewals."

The Vigillo Software as a Service (SaaS) application, designed specifically to meet the needs of the trucking industry, organizes and monitors the policies, forms, training, assessments and reports needed to prepare for, and respond to, risks, and help firms eliminate compliance related paperwork. Recently, Vigillo also began working with a provider of leased drivers to develop a workflow process for managing the numerous documents required when new drivers are hired. The company, which leases about 5,000 drivers to roughly 150 fleets, is expecting to eliminate the time and cost associated with clerical work and mailing documents by using the technology to streamline processes.

### **Improving health and safety**

While improving driver health can lower the cost of insurance, it can also have an impact on retention, which leads to lower expenses for fleets, and improved highway safety as well. That, says Mark B. Berger, M.D., president of Precision Pulmonary Diagnostics ([www.precisionpulmonary.com](http://www.precisionpulmonary.com)), is exactly the case at Schneider National Inc. There, he notes, PPD's employer-driven sleep apnea diagnosis and treatment program is being credited with reducing health care costs an average of 58 percent, or roughly \$500 to \$780 per treated driver per month. In addition, among drivers treated for sleep apnea at Schneider, there has been a 1.9-times improvement in retention, a factor that could possibly be related to helping drivers feel and work better.

PPD's patent-pending programs allow administration of employer-driven sleep apnea programs that include web-based screening tools, diagnosis, treatment and monitoring of this highly prevalent condition. Diagnosis and treatment of sleep apnea in commercial drivers results in improved driver health and safety and a significant return on investment for their employers.

### **Analyzing costs**

By knowing exactly how much profit or loss was generated on each individual load, says Jack Jones, vice president of Transportation Costing Group ([www.tcgcis.com](http://www.tcgcis.com)), fleets can make more effective plans for business improvement that can positively impact their bottom line. The key is a simple and accurate tool to benefit from better cost analysis and profitability measurement capabilities.

TCG's activity-based profitability and cost analysis tools for the transportation industry include its Truckload Cost Information System (TL/CIS) and its Less-Than-Truckload Cost Information System (LTL/CIS). The systems analyze customer and lane profitability using actual costs. This helps carriers make the right choices for improved earnings by determining the costs and profitability of each customer, market and lane. That information is then tied back to the general ledger to determine the exact bottom line impact.

### **Staying ahead of the game**

In today's trucking environment, growth and even survival have become dependent on being able to closely analyze every business aspect effectively. With revenue growth nearly impossible and costs that are skyrocketing, making careful, effective investments in productivity and efficiency-enhancing technologies may be the only way to stay ahead of the game for the foreseeable future. ¶

