

The financial benefits of a telematics fitted fleet

Transport owners are turning to telematics to reduce costs in an industry where overheads are rising and profit margins are being squeezed. According to Toni Fritz, executive head of vehicle and asset finance, Business at Standard Bank, the benefits are being felt in the optimisation of fleets and rebates in services such as insurance.



[Image Source: LinkedIn](#) - Toni Fritz

In addition, such mechanisms provide a sense of comfort to banks when advancing loans for trucks as these measures indicate good management of assets which ultimately lead to better residual values for future trade-ins or sales.

“With telematics covering virtually every aspect of a vehicle’s operations and security, trucks are becoming safer, driver behaviour is improving and accidents are being brought under control - all to the benefit of owners who are seeing advantages when dealing with insurance and financial services providers,” according to Fritz.

Concurring with Fritz, MD of Ctrack Fleet Management Solutions, Hein Jordt says telematics has changed dramatically since the days when control of vehicles was limited to the use of paper-based tachographs that had to be analysed by owners – a process that was not only tedious and absorbed administration time, but was also unable to immediately address concerns regarding misuse of vehicles by drivers.

“Increasingly, the insurance industry is turning to telematics to assess the use of vehicles and the behaviour of drivers through devices that can record and report on up to 32 inputs simultaneously. The advantage is that these inputs can be managed and inspected from a central point by fleet managers. In addition, instructions can be sent from a remote site to a vehicle anywhere in the country by a supervisor who can then control certain responses of the vehicle,” says Jordt.

Telematics transformed

Advances in communication and information technology have seen telematics being transformed from a ‘grudge’ insurance product to a service that has become an ally for fleet operators wishing to maximise their operations and keep a tight rein on costs. In times when cost, particularly fuel costs, are rising and margins come under pressure, some fleet owners try to cut corners where vehicle maintenance is concerned.

“Operators using telematics are seeing the benefits. Their trucks are constantly monitored and assessed, so these precautions are being rewarded with reductions in their insurance costs. In addition, as these systems help schedule and monitor routes, telematics users have been able to reduce the number of vehicles in their fleets without compromising service,” Jordt adds.

Correcting bad driver behaviour

Top of the range telematics systems installed in heavy commercial and mining vehicles now enable devices such as driver behaviour indicators to show in real time how a driver is behaving in the cab of a truck. Linked to voice, this means that a driver can be cautioned immediately if he is speeding, braking too harsh, taking corners too fast or leaving the vehicle to idle for long periods.”

Linking the results delivered by these services has also enabled owners to take corrective action through the use of driver training academies. Drivers with bad habits are now often referred to academies for refresher courses where they can improve their vehicle handling skills. This ensures that drivers remain aware, the quality of driving is enhanced and road safety is improved for all road users.



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Hindsight, insight, and foresight

Whilst the driver is being monitored, systems can also control routing and scheduling options that can integrate with warehousing facilities and weighbridges. The progress of a vehicle along a pre-ordained route, its distance from a warehouse and estimated time of arrival allow for better logistic and turn-around benefits.

Live activity-dashboards enable owners to log in at any time and obtain information on where exactly vehicles are, how many are on the road and how many are parked. The emphasis is on supplying information that allows clients to have the hindsight, insight, and foresight to plan for fleet optimisation.

Typically, says Jordt, services can begin monitoring a vehicle even before it has left its allotted parking bay at a depot. Driver identification tools enable a fleet manager to see exactly which driver is at the wheel of each vehicle in the fleet. A driver unauthorised to use a vehicle will be stopped from doing so as the vehicle system will not recognise his driver 'terminal pin.' Seatbelt and open-door sensors make sure that basic safety functions are adhered to before a vehicle gets underway.

Other features include:

- Route optimisation to help drivers identify and follow the quickest and most efficient route.
- Geo-zone management that provides waypoints for drivers so that routes are adhered to. Entering a 'no-go' zone means that the fleet manager is immediately notified of a transgression.
- Incident alerts and alarms detect accidents or rollovers. System tampering, loss of power and vehicle movements taking place while a vehicle is turned off are all detected. Alerts can also be activated to warn a fleet owner that their vehicle is approaching a border post.
- Drivers can raise an alarm through a remote or wired panic button, or by pressing an e-panic button on a mobile phone.
- Cameras, cargo scanners, temperature probes, on-board weighing systems and fare collection systems that integrate with third party systems give ongoing information about a fleet and its cargo.
- Fuel consumption, odometer reading, throttle position, engine load, fuel levels and engine temperature can constantly be monitored to provide savings on fuel and maintenance.
- Warning a driver that a defined time on the road is about to expire and that he must pull over at a suitable spot for a mandatory rest.
- Monitoring in cab and other activities through a system of cameras.

Protecting your investment

Truck hijacking remains a problem especially on isolated roads. Devices like panic buttons can relay a vehicle's exact position to response teams. A control room operator can then remotely slow down the vehicle, activate hooters and set lights flashing, to draw attention to the truck. These actions have proven to be massive deterrents to potential hijackers.

"Trucks today represent a massive investment with operators often spending more than R1,000,000 on a single horse and trailer unit. It, therefore, makes sense to take the necessary steps to safeguard vehicles, make the driver's task an easy one and also ensure the safety of others on our highways and byways," Jordt concludes.

Fritz adds: "Fleet managers often experience operational redundancies, a spiraling workload, and high costs, but telematics can help you to increase your efficiency and bring down costs. When your fleet is fitted with telematics systems, you can save on your fleet insurance costs. Investing in telematics can also be useful in the case of an accident, as data collected during accidents can help with the process of increasing the speed and accuracy with which insurance claims are managed."

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