

Telematics technology key to transport sector's survival

The fleet industry, like many others, is in a constant state of flux with the recent economic downturn and pressure on businesses to remain profitable. According to Brendan Horan, managing director of MiX Telematics Africa, operational expenses continue to rise and market players are continuously looking at ways to remain competitive. This raises the question of how transport-reliant businesses are going to survive in these tough economic times.



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“It is all about ensuring optimal operating efficiency, smart decisions and dynamic business strategies. We are already seeing that many businesses are attempting to absorb increased costs by encouraging intelligent driving behaviour, making use of advanced route mapping and planning, as well as cutting back on routes where warranted,” says Horan.

Says Ken Bailey, executive divisional director of Compass Fleet Management, a division of MiX Telematics: “Companies will also need to find ways in which to best manage fuel costs and mitigate theft, as well as ensuring vehicle longevity. A strategy to consider in order to reduce fuel and maintenance costs is intensive driver behaviour management.”

Reducing operating costs

The recent fuel hike could have severe financial implications on existing transport businesses and their ability to survive tough economic times. Fuel tends to be the largest expense for many fleets, accounting for approximately 40% of the total operational cost within the average large fleet and approximately 22% of the total operational costs for a small fleet.

Telematics technology will play a key role in ensuring optimal operating efficiency. This technology empowers transport operators to actively manage, monitor and measure the performance of their drivers and mobile assets – from trucks to buses, vans, motor cars, motorbikes and trailers. Telematics solutions will ensure that operators enhance safety, reduce risk, optimise utilisation of the fleet and become more profitable. A fleet management system can have profound effects on the bottom line, for example, it can reduce maintenance costs by 15% and fuel costs between 7% and 15%.

Reducing hijackings and theft

Another prominent challenge facing the transport industry is vehicle and cargo theft, as well as hijackings. Crime statistics, published in September 2015, revealed an alarming increase of 29% in reported truck hijackings over the past year. The incidents where signal jamming devices are being used during hijackings is also on the increase.

“Telematics technology is an effective tool to reduce the incidence of hijackings and theft – it is proven to reduce risk by detecting potentially risky situations. While no company can commit to negating hijacking and theft completely, telematics provides the fleet industry with solutions that maximise visibility to ensure that quick action can be taken,” concludes Horan.

As the Platinum Sponsor of the [1st Annual Fleet Management Conference](#) on 4 and 5 May 2016, Horan and Bailey will be presenting strategic frameworks to address these challenges. The conference is aimed at providing key insights, best practice and strategies for continued sustainability in the fleet sector. The Fleet Management Conference will be hosted by ITC at The Indaba Hotel and Conference Centre in Fourways.

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