

GPS: COST OR INVESTMENT?

There is no doubt about it – when you first discover the cost of GPS Systems, you take a breath and wonder why so many companies have signed up.

GPS Fleet Management Systems are about visibility and control. What other industries have at least 90% of the work done out of the sight and direct control of its managers? It is not getting any easier to turn a profit from a transport operation according to the text books, to improve your productivity and reduce your costs you need to:

- Monitor your business activities
- Assess individual staff performance
- Understand which suppliers and customers help or hinder your profitability
- Take a proactive stance towards legislative compliance
- Streamline administration

Traditionally, for transport, this has meant that administration and dispatch processes come under close scrutiny as they are in the line of sight. The next course of action may be to put in additional controls to check up on driver activity using their delivery paperwork and logbooks to determine revenue per kilometre, average speed (distance divided by driving time), deliveries per hour etc. In short, an additional administration role is created to monitor operational performance based on circumstantial evidence after the event.

The new generation of technology is opening the door and letting the light in to help you better understand and manage that significant part of your business which you can't see.

This isn't about spying on your drivers, it is about controlling your costs so that your business remains competitive and both you and your drivers continue to make money.

Here are some of the options -

Compliance

Manage RUC Purchase:

- The GPS tracking monitors how many kilometres you have travelled since you last bought RUC and reports back to you when you need to buy more RUC's
- Track trucks and trailers separately; confirm to LTNZ when a trailer has and hasn't been behind a truck, justifying the difference in RUC's bought for each

Vehicle Speed:

- Digital mapping includes the speed limit of each section of the road so the speed of your vehicles is monitored against the limit not just the open road speed. Help your drivers to avoid speeding fines through awareness, reduce fuel consumption and improve your fleets image

Maintenance Scheduling:

- The new Operator Rating System will bring focus to maintenance schedules. By setting up your maintenance schedule in the fleet management, you receive a report or an alert reminding you when the next service is due. Copy the report to your maintenance provider to allow them to arrange the service booking for you.

Direct Costs

Off Road RUC Reclaims:

- Not only can the GPS Tracking automatically record when your vehicles go "off road", if you manage your RUC purchases through the system, it can produce a simulated RUC reclaim form allocating each off road journey against the relevant RUC license

Maintenance Costs:

- Is your repair and maintenance or tyres charged on a cents per kilometre basis? Schedule a report to be automatically sent to your maintenance provider to calculate the bill

Productivity

- Customer of Supplier site turnaround monitor how long your vehicles spend on site – who is holding you up? If you cost the work on a 20 minute turnaround but you are regularly on site for 40 minutes, you are losing money. Take the emotion out of the discussion by sharing the turnaround reports
- Depot Time – How much time do your drivers spend in the depot at the beginning or the end of the day? Use the new information to find out which drivers are most affected; are their trucks not loaded on time, their paperwork not ready or their first customer not open yet?
- Idle Time – This is the curse of all operators whose machines are maintained according to engine hours not kilometres, servicing costs escalate even when the machine is unproductive. However, times have moved on with freight vehicles too, since the days when the vehicle needed to be left running or face a 10 minute start up time to build air back up. Who are the drivers who needlessly contribute to your fuel bill?

Mapping

- Of course one of the features of GPS fleet tracking is the ability to see where your vehicles are, on a street level map or satellite photo from Google Earth. Reduce your communications checking up on drivers as your customers request an ETA or place a new order, or to guide a driver into their delivery point
- If you receive a customer or road user complaint, easily confirm if you had a vehicle in the area at the time, and if so, which one?

So here is your homework; If you could save 5% on your fuel bill, 5% on your wages bill, 2 hours per week on administration plus any potential maintenance savings and Off Road RUC claims, how much is that worth to your business?

If the number is big enough, the next stage is to find out how to make sure that you are able to actually recoup these costs using your chosen provider. Having the reports available is only useful if you know how you will use them.

