



RECESSION OR NOT; PROACTIVE INVESTMENT PAYS OFF

Preventative Maintenance. It's a lesson we've all learnt; regular servicing beats the pants off a breakdown, disappointed customers and a replacement vehicle during that long wait for the critical part which is invariably on backorder.

The fact remains that the freight must keep moving and if you can't maintain your margins, you won't be there to move it. There are three principal options and if you don't use any of them, your successor will.

1. Keep working on rates –

When it's cheaper to send freight across town than it is to take a taxi, something has to give. It is now more critical than ever that your customer understands the value of transport (what if it didn't get there?) and the costs which you have to cover just keep the truck moving.

2. Proactive investment to reduce total costs –

Preventative maintenance and driver training can make a positive difference to your outgoings. A driver who appreciates the importance of load dynamics, following distances, corner planning (don't cross that white line...) mechanical sympathy and the safety of other road users will save you money on damage claims, vehicle repairs, additional maintenance and roadside compliance stops. You can't change the cost of road user charges or fuel, and drivers wages and the cost of vehicle ownership are nearly as inflexible. Other outgoings which can be controlled also keep building up though so whilst it hurts to spend a dollar on training or maintenance, the larger bill which **doesn't** follow for damaged goods, running gear or bodywork is good news for your bottom line.

3. Increase revenue faster than your costs –

Now that your GPS fleet management system has given you back options to manage your fleet you can:

- **Capture all revenue**; all jobs are logged in the system and updated by the driver so lost dockets no longer mean lost revenue
- **Save time lost** through confusion because the driver has the right order number or release number at his fingertips
- Review how long your trucks spend being turned around at the depot – do you need to address depot activity, freight flow, driver or dispatcher start times to **reduce dead time during the day?**
- Which customer sites are slowing you down? Even if you can't persuade the customer to pay more for your service, you can now show them how they or their suppliers are costing you money in **unnecessary holdups** when you could have fitted in another load
- Which vehicles work hardest; more kms, more loads, more revenue? How can you bring the other vehicles up to the same level of productivity?

You wouldn't agree a cents-per-kilometre rate with your tyre supplier and continue to run your tyres within an inch of their life, so don't pay for a GPS system then ignore the valuable information which it offers you.

We're part of a great industry that works hard to do a good job. Spending a little time looking inside your operation can be very profitable time. As ever, we're here to help if you need help to get started.