Worksheet

Telematics – The Future of Logistics

Instructions:

Read the article “Truck Telematics: The Future of the Logistics Industry”. Then answer the following questions:

1. What are the benefits of truck telematics?
2. What kind of information do telematics systems collect?
3. How are the systems different from other fleet types or individual users?
4. In which areas are truck telematics used within fleet owners and how?
5. What is “contextual utilization”?

Time: about 15 minutes

Truck Telematics: The Future of the Logistics Industry - https://www.telematics.com/truck-telematics-the-future-of-the-logistics-industry/

Source: Lam, P. K. (2018): Truck Telematics: The Future of the Logistics Industry, available at: https://www.telematics.com/truck-telematics-the-future-of-the-logistics-industry/, access on 08.02.2019

Notes:

Truck Telematics: The Future of the Logistics Industry

by Peter K. Lam, on June 7, 2018

Those who work in the trucking industry are likely very familiar with truck telematics. As the years have gone by, telematics has become more and more important to the industry, making fleets interconnected in ways that were impossible before. The technology is so useful that it simply can't be ignored. Telematics is here to stay, and the industry is marching toward universal adoption.

Telematics has improved the maintenance and repair of fleet vehicles along with fuel efficiency, road safety, communication and navigation. In addition, employers have reported lower driver turnover since the introduction of telematics; in the past decade, turnover rates have hit historic lows. There's no doubt that the use of telematics has improved working conditions and business efficiency for the trucking and logistics industry.

The Value of Telematics in the Logistics Industry

Telematics is invaluable to the logistics industry because of its ability to collect information on a vehicle's route, fuel level, location, amount of engine idling and delivery status. Telematics can help fleet managers monitor their drivers' safety and manage emergency situations. This technology can also allow you to take proactive measures to protect goods and drivers.

Planning the best route for your vehicles is a key method of saving money that can be achieved using telematics. Route planning is a major asset to fuel efficiency and can lead to a timelier delivery and safer passage. Timely deliveries make for happier customers. One of the biggest frustrations that occurs at any level of the delivery process is an unawareness of when a delivery will occur, but thanks to the power of telematics, deliveries can be more carefully planned, delays can be avoided and everyone involved can receive updates on the status of the cargo and driver. Telematics offers the opportunity to track a shipment in real time and give companies sound data on proof of delivery.

How Are the Needs of the Trucking Industry Different?

The telematics needs within the trucking industry can be quite different from what's needed for other types of fleets or individual users. The data collected generally have a different focus that skews toward fuel costs, machine health, road taxes, hours of service and vehicle utilization. Another key difference is in the physical equipment. Generally, telematics devices for trucking are larger and more heavy-duty than the equipment installed in other types of vehicles. They are made to withstand bouncing and jostling, have a longer battery life and typically plug into a J1939 connector. The final aspect that tends to set apart a commercial truck telematics system from the rest is a router system to communicate data over a shared network. The strength of the signal needs to hold up across borders and in remote areas.

Important Uses of a Truck Telematics System

Truck telematics systems are beneficial to fleet owners in three crucial areas: transportation management systems integration, compliance with the International Fuel Tax Agreement (IFTA) and vehicle maintenance.

Transportation Management Systems (TMS) Integration

A TMS acts as a way to manage accounting, dispatching, customer service, customer orders and billing. The information collected helps fleet management operations to run smoothly.

IFTA Compliance

IFTA records are important to fleet managers who need to ensure the collection and distribution of taxes based on this fuel tax agreement. Collecting this data protects fleets from tax penalties. Telematics systems provide GPS travel data to calculate fees for fuel transactions.

Vehicle Maintenance

Maintenance records are important when keeping up to date with the servicing needs of a vehicle. These records help determine vehicle resale value and can be used to prevent trucks from breaking down and prolong a vehicle's life.

The Future of Telematics and Trucking

It's clear that telematics has established a place in the industry. The only question is how the technology will change moving forward.

Fleets are exploring ways to get as many benefits as possible from using a truck telematics system. One trend to look out for is "contextual utilization." This means that vehicles will be monitored to only receive servicing as needed rather than on a set schedule. This leads to safer driving and better efficiency as vehicles are maintained on an as-needed basis.

Another focus will likely be on reducing costs to make telematics as affordable as possible. This will also involve improving telematics so that the technology delivers the most valuable information possible to the consumer. It's also likely that we will see telematics have a greater emphasis on usability, making it more accessible to the average consumer.

The benefits of using telematics are clear, and they are helping to shape the future of the trucking and logistics industry. We may see the use of telematics become more standardized, but we are sure to see the technology become more finely tuned to maximize the potential advantages.

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