

BESTPASS ■ WHITE PAPER

Putting Your Trucking Data to Work

How fleets can overcome data overload to optimize operations and get ahead

KNOWLEDGE IS POWER.

Beyond the type of bumper sticker wisdom that truckers may pass on the road, the saying has never held more application for the trucking industry than now.

In the current trucking landscape, that concept can be seen in action through the abundance of information available from multiple sources:



Yet there is a downside to the always-on availability of data: It's easy to collect more information than you know what to do with, resulting in a kind of information overload where data becomes little more than noise. When this happens, the tasks that data has the potential to simplify can become more complicated, creating a "data beast" that's an obstacle to organization instead of an enabler of efficiency.

Fortunately, there are ways to put all that data to work for you, from using clear organizational benchmarks to better understand data's utility to prioritizing the support of third-party service providers comfortable in the dynamics of data.

Here's a closer look:

Approaching Big Data

You've heard the term "big data," which is used to describe large and complex volumes of information and can be defined by the "three Vs": volume, velocity and variety. Making use of big data becomes more challenging as each of these increases — having a greater volume and a wider variety of available data makes it more difficult to discern what's useful, while a higher velocity of data flow drives the need to respond in real time.





The scope of this challenge is underscored in a recent <u>survey of transportation leaders</u> by Atlanta-based management consulting firm North Highland. While two-thirds noted that utilizing data and analytics enables them to define a clear transformation strategy, a majority cited a lack of organizational readiness as the top barrier to delivering that transformation successfully. Commercial Carrier Journal (CCJ) also <u>estimated</u> that 60 to 73% of all enterprise data goes unused for analytics, noting that data flows are complex — encompassing interactions among partners, suppliers, distribution centers, products, services and (ultimately) customers.

Identifying KPIs

The use of key performance indicators, or <u>KPIs</u>, can be a starting point for unlocking big data's potential. Consider as an example an operational KPI such as a fleet's fuel expenditures. Vehicle-based

sensors produce real-time information on variables with a direct impact on that metric, including traffic patterns and road conditions, the amount of time drivers spend idling, and the proximity of fueling stations. In the current landscape, much of this information typically goes unused — but any one of those data points can be used to drive decisions around specific KPI goals like reducing fuel consumption.

Once the connection between data generated and KPI goals impacted is realized, the possibilities grow. Equipment health data can be used to guide decisions around preventive maintenance; data on driver compliance with speed limits and road rules can be channeled toward reducing violation costs and improving safety scores. In addition to KPIs around operational costs, the "costs of opportunity" can also be positively impacted — using data to guide route optimization, for example, can maximize on-time delivery rates and boost customer perceptions.

Creating a Data Blueprint

These connections can be further organized into a data blueprint, enabling deeper understanding of the data your fleet generates and the opportunities it creates to make improvements. In the early stages, your company's analysis of data may be limited to the descriptive — an understanding of what happened. But as a clearer picture begins to emerge, this understanding will take on a diagnostic quality (i.e., why did something happen?) followed by an ability to be predictive (what happens next?). The latter is increasingly sought as an achievable data-based goal for maintenance, as Fleet Equipment Magazine recently discussed in relation to tire management.

Prescriptive analytics is perhaps the ultimate capability for fleets looking to get more out of the data they collect. Drawing upon advancements such as AI and machine learning, prescriptive analytics not only consider past performance data but also automatically recognize data patterns and learn from trends.



If this vision sounds like a fantasy more than reality, however, you're not alone: Inadequate data capabilities placed third among the barriers to transformation identified in the North Highland survey. This is where data-savvy service providers play a valuable role — one example is <u>Bestpass</u>, with its platform of toll management solutions that offer operational insight and guidance for achieving KPI goals. The leading toll management solution provider continues expanding its data-based capabilities into new areas, including the management of traffic citations and the integration of technology around weigh station bypass eligibility.



Shifting the Culture

A larger barrier to successful business transformation is often resistance among employees and an inability to align around strategy. Fleet managers stuck in information overload will struggle to help others understand the value of using data to drive decision-making — and, in the process, miss a critical window for employee buy-in. This risk underscores the value of third-party service providers to accelerate change within fleets: the sooner that data management can be shown to produce tangible results, the more robustly it can be embraced by the company as a whole.



Seen in this light, tapping into data can be the catalyst for a cultural shift — a move toward an environment where taking cues from analytics-based insights is the norm. Current practices in vehicle maintenance offer an illustration: Many companies already acknowledge the cost-effectiveness of a preventive maintenance approach that incorporates inspection checklists and fixed maintenance intervals over an old-school "reactive" approach, which addresses problems only after breakdowns occur. As data's utility becomes better understood, the move toward data-driven, predictive models for maintenance is the next logical step.

Additional examples of this shift can be seen in violation and citation reduction, stemming from platform intelligence that identifies which drivers have the greatest needs for safety training; route optimization, powered by fleet management software that transforms from fixed routing to real-time dynamic routing; and improved customer experience, a byproduct of meeting goals that help bolster a company's reputation as a reliable partner in the supply chain.

Knowledge as Power

Despite more data being available now than at any time in the past, its true potential as a tool for business transformation can only be unlocked with an approach based on deep understanding and well-defined organization. The use of KPIs offers a solid start, although it's only a starting point. Moving from descriptive to prescriptive is a challenge for all types of businesses.

Just as your company strives to be a reliable partner to customers, service providers like Bestpass provide proven value by supporting your company's journey into the complex world of data. They can help to transform data into results when its potential is greatest.

To learn more, visit Bestpass online.



