Trailer-Tracking Technology Increases Efficiency, Cuts Costs

By Mindy Long
Contributing Writer

At Covenant Transport, trailer tracking is not only improving routing and security, it’s also saving employees time and allowing the carrier to pull 400 trailers out of its fleet.

“When you look at the capital cost of $25,000 a trailer, you’re talking about $10 million of equipment savings over the next couple of years by not having to replace those trailers,” said Scott Flierl, director of asset management for Covenant Transportation Group, based in Chattanooga, Tennessee, and which ranks No. 43 on the Trucker严谨 Top 100 list of the largest U.S. and Canadian for-hire carriers.

Covenant has FleetLocate trailer tracking from Spireon installed on half of its fleet and plans to have it on all 8,000 trailers by July 2015. “It makes managing the fleet so much easier,” Flierl said, adding that the company has also reduced the amount of equipment that is simply lost. “In the old scenario, you had 15 to 20 trailers a year you would lose. We’ve reduced that down to just a couple here or there. There is a huge value. Even the oldest trailer is still worth $7,000 to $8,000.”

Today’s trailer tracking is no longer just about following dots on a map. Now trailer-tracking technology allows carriers to create benchmarks, improve contract negotiations, refine route planning and increase efficiency. “Both on the reefer and the dry van, carriers can take slack out of the system,” said Craig Montgomery, senior vice president of marketing at trailer-tracking provider Orbcorn, in Rochelle Park, New Jersey. “If you are able to see all of your trailers and all of your lots, you’re able to either not acquire as many trailers, not buy additional trailers or sell trailers that are excess.”

Alan Smith, CEO of TrackPoint Systems, said use of trailer-tracking systems is growing. “Shippers used to say, ‘Do you have in-cab tracking? Now they are asking, ‘Can you track my cargo? That’s putting pressure on the carriers,” he said.

Bennett Adelson, president of Cleveland-based Macropoint, said, “The shipper is demanding more timely and more accurate data and in larger quantities. You really can’t keep up with that manually.”

Trailer-tracking technology uses either satellite or cellular communications to transmit the position and even the status of the trailer, such as whether it is loaded or empty or when the doors were last opened. As the costs to transmit data have dropped, carriers have been able to receive detailed data more frequently.

Technology providers are also doing more with the data, creating a wide range of automated reports. “Data is just data. You have to package it in a way that it becomes information so it allows the customer to make better decisions,” said Norman Thomas, vice president of commercial operations at trailer-tracking provider CarrierWeb.

Today’s systems offer carriers a variety of built-in reports. For example, Omnitracs offers reports that provide utilization, load status and list events, such as door openings. But most users rely on the querying tools that allow them to ask specific questions, said Jim Sassen, vice president of marketing and sales.

Continued on page A14

Darrell Parke, SkyBlitz engineering service manager, installs a GTX3000 unit in a battery-powered GPS product.

Keeping Track of Trailers Helps Keep Drivers, Fleets Say

Carriers and trailer-tracking technology manufacturers said the systems can boost driver retention, which is becoming more important as the shortage worsens.

Drivers don’t need a lot of reasons to quit you and go somewhere else,” said Scott Flierl, director of asset management for Covenant Transportation Group, based in Chattanooga, Tennessee. “Sometimes it isn’t one thing that makes them leave, but it is a lot of little things.”

One of those little things can be the hunt for a trailer. “We’ve heard drivers say over and over that they were wasting time looking for trailers,” Flierl said.

With real-time information and a cargo sensor, an ultrasonic device that reports whether a trailer is empty or full, drivers can find one in less time.

Roni Taylor, vice president of product management for Spireon, said, “Without trailer tracking you could send a driver to many locations looking for a trailer, but you don’t actually know the trailer is there, and you don’t know if it is empty.”

Not only does hunting for a trailer waste a driver’s time, it costs money. “Every mile the driver has to drive looking for a trailer costs $0.10 to $0.17 cents in wear and tear, plus when drivers are driving around, they aren’t getting paid,” Taylor said.

Don Crowe, vice president of Tri-Nations Express, in McAllen, Texas, said drivers out for a day and having to drive a long way to find their load or to see the load when they arrive can cost more in pay than the cost of the fuel. “It could take them the exact location of the load and people have to physically come see it. They can go right when they arrive,” Crowe said.

Alan Smith, president of TrackPoint Systems, said a growing number of customers have trailer tracking systems that help make a decision is factoring into that decision.
Trailer Tracking

Continued from page A11
Senior manager of product marketing for trailer-tracking vendor Omnitrac, based in San Diego.

Omnitrac provides fuel-reporting capabilities for reefer and lets carriers compare and analyze which routes burn the most fuel.

Trailer tracking also can give drivers more control. For example, with its reefer product, CarrierWeb allows drivers to turn the reefer on, create set points and do a pre-chill, Thomas said.

In addition to its built-in reports, trailer-tracking provider SkyBitz gives carriers the opportunity to benchmark themselves against their peers.

“We monitor about 247,000 assets every day. We look at a group of companies with a similar profile and amalgamate the data to give them a view of how the best companies are operating,” said Henry Popplewell, senior vice president and general manager.

Carriers are looking for data to do more, and Montgomery said carriers want to integrate existing platforms or applications into their trailer-tracking solution. Omnitrac and SkyBitz are able to communicate with a trailer’s tire-pressure-monitoring system and alert carriers through the trailer-tracking system when inflation is off.

Matt Harris, executive vice president of sales for I.D. Systems, which makes the Veri-Wise tracking system, said that with tracking, it is not only the event that matters, but where the event took place. Carriers can create geo-fences to enhance the data. “You expect door open and close to occur at shipper’s, receivers’ and customers’ locations. If it is a high-value or high-risk load, and a door open or close occurs outside of these locations, you can get a notification,” he explained.

At Birmingham, Alabama-based SNL Distribution Services, Shawn Zerges, director of information technology, has landmarked all of the locations where the company has trailers, including his customers’ locations, delivery locations and drop locations. He can list his trailers by number, location and the last time they moved. “Then if I want to get robust, I can see the route that trailer has been on for that day or go back a couple of days,” he said.

Fieri uses geofencing to alert customers when a trailer has arrived, which certain customers require. “We are taking the human element out of it and saving time for our people to do other things,” he said.

Fieri estimated that Covenant Transport saves six hours a week which was previously spent looking for equipment.

Roni Taylor, vice president of product development for Spireon, said trucking companies typically spend $15,000 to $17,000 a year on yard checks. “Our customers have been able to improve that, on average by 50%,” she said. “Before trailer tracking, you used to send somebody out with a clipboard. The problem with yard checks is that it is continually outdated.”

With most systems, carriers can dictate how often they want the system to provide updates, with some transmitting data every five or 10 minutes.

Don Crowe, vice president of Tri-Nation Express in McAllen, Texas, said that importance of real-time reporting is growing as more companies rely on just-in-time inventory. “I can print out an Excel spreadsheet and outline the trailer’s movement and anticipated arrival time,” he said.

Tracking Technology Helps Carriers Document When Shippers Use Trailers for Storage

Trailer tracking gives carriers a way to document detention by shippers and to check on whether shippers are using a carrier’s trailers for storage.

After installing tracking, some carriers found that shippers were using the trailers for their own purposes. “When shippers and receivers have limited space, they like to improve their warehouse capacity by storing product in trailers. That isn’t as good for the trailer providers,” said Matt Harris, executive vice president of sales for I.D. Systems.

Spireon’s cargo sensors, which use ultrasonic technology to detect goods, let carriers know if their trailer has been unloaded and then reloaded at a shipper’s site. “In some cases, that might mean it is being used for storage,” said Roni Taylor, vice president of product management for Spireon.

Royal Jones, CEO of Maleta Valley Transportation, has used SkyBitz for 10 years. “It lets us track trailers and gives us the ability to actually collect trailer-detention fees from customers who ordinarily deny claims that they have our trailers for extended periods of time. In some cases, they are actually using them to move freight locally,” he said.

Billing for detention can be difficult without proof. Alan Smith, president of TrackPoint Systems, said, “Now it is as simple as pulling a PDF off the system and send it to the client and it is indisputable.”

— Mindy Long
Crowes uses technology from TrackPoint Systems, based in Nash-ville, Tennessee, on the fleet's 44 trailers. He hasn't reduced the num-
ber of trailers he has, and he is able to haul more cargo. "We are utilizing them better, because we don't have to buy more," he said.

He said I.D. Systems' goal is to reduce a carrier's capital expenditure by at least 10%.

"That is either reducing what you have today or avoiding capital expenditures in the future," he said. "If you can execute the same operation with fewer assets, you have the ability to reduce capital, labor and taxes."

Omnitracs' Hassett says, "The benefits permeate through the business because there are so many touch points."

Zerges said trailer tracking has helped the company improve routing and manage drivers' time better. "If traffic is a concern or there is a de-
lay, our managers see it and make adjustments on the way things go out to get our deliveries done quickly," he said.

SNL Distribution Services has 300 of its 1,000 trailers equipped with trailer track-
ing from CarrierWeb. It is continuing to add the units to its fleet.

"With the tracking, I can go on any route, and quite honestly, the drivers are on my customers' lots right now. And, as far as I need 40 trailers, I can see the location of all 35 trailers there. I can do it in a few minutes rather than having to send some-
one over just to count," Zerges said.

Carriers told T&O that trailer data can be useful when negoti-
ating contracts.

Chris MacDonald, vice presi-
dent of sales at StarTrack, an Om-
nitracs company, said trailer tracking also lets carriers see which trips are the most profitable and which can help them identify new opportunities where stronger rates are available.

Flerf said reviewing existing trailer locations helps with pricing models when the company is re-
viewing a potential client. "If it will be a new location to get a trailer to, we can build that cost into the pricing," he said.

Spencer's Taylor said, "There are some areas of the country where it is more expensive to drop a trailer and then drive it back because you have to send a tractor in deadhead to get a trailer back into circula-
tion. You can see where these areas are and work to have your drivers not drop trailers there."

"Shipper contracts often dictate how many carriers have to keep at a certain location, and fleets often pad that number so they are in compliance.

"If carriers have good visibility into how they're using the trailers and where they are, carriers may find there are four trailers at the fa-
cility that haven't moved in three months. They can go back to the customers and renegotiate using the data," said Tom Dorazio, se-
nior product manager for People-
Net, which also makes a

T

rail-tracker software for carriers that use its mobile communica-
tions system.

Tracker-tracking reports on a trailer's odometer also can benefit maintenance practices, carriers said. Flerf said that it will allow him to manage trailers more like trac-
ters. "We will move away from a calendar-based maintenance mo-
del and go to mileage-based main-
tenance like we do for the trucks," Taylor estimated that better scheduling of preventive mainte-
nance checks will reduce cost by 10%, and Smith said odometer readings also help carriers ensure equal wear on their equipment.

"'Tracker tracking also lets carriers see which trips are the most profitable.'

— Chris MacDonald, Vice President, StarTrack

Manufacturers said systems can be installed in 10 to 30 minutes. However, not all tracking technology relies on a device that is at-
tached to the actual trailer. Macropoint uses the driver's cell-
phone to track each load, which means it can be deployed by a car-
ier, a broker or a third-party logis-
tics company.

"Before, the shipper couldn't dictate what was tracked, when it was tracked," Adelson said. "It isn't just trailer tracking, it is general freight tracking."

The driver's number is at-
tached to the shipment number, and the driver activates Macropoint by calling an 800 number. "We provision the software over the air to their phone. It takes less than 15 seconds," Adelson said.

Carriers that are PeopleNet cli-
ents can use the existing system to communicate with the trailer.

"When the trailer is plugged into the tractor, we send a message to the automatic brake system; it will tell us the serial number and trailer odometer. We'll link that to a trailer ID," Dorazio said.

"Tracker-tracking systems can run on solar power, battery power or tap into the trailer's power source through the seven-way connection that brings power from the truck to the trailer," said Chris MacDonald, vice president of sales at StarTrack, an Omnitracs company, said trailer tracking also lets carriers see which trips are the most profitable and which can help them identify new opportunities where stronger rates are available.

Flerf said reviewing existing trailer locations helps with pricing models when the company is reviewing a potential client. "If it will be a new location to get a trailer to, we can build that cost into the pricing," he said.

Spencer's Taylor said, "There are some areas of the country where it is more expensive to drop a trailer and then drive it back because you have to send a tractor in deadhead to get a trailer back into circula-
tion. You can see where these areas are and work to have your drivers not drop trailers there."

"Shipper contracts often dictate how many carriers have to keep at a certain location, and fleets often pad that number so they are in compliance.

"If carriers have good visibility into how they're using the trailers and where they are, (carriers) may find there are four trailers at the fa-
cility that haven't moved in three months. They can go back to the customers and renegotiate using the data," said Tom Dorazio, se-
nior product manager for People-
Net, which also makes a

The wisest decision you can make for the long haul.

The wisest decision you can make for the long haul.

DC HIGHWAY™ is designed to deliver rapid ROI for tracking by reducing costs, improving safety and delivering a competitive advantage, all while protecting the most valuable part of every fleet—its drivers.

Get more information:
Call 866.419.5861 or go to LYTX.com

October/November 2014 MTO A15

Solar-Powered Sensors Help Track Intermodal Units

T

he use of solar-powered trailer-tracking sensors is allowing the technology's users and chassis. Phil Shook, director of intermodal at C.H. Robinson, said the company uses trailer-tracking sensors from I.D. Systems on 1,000 intermodal containers and has seen internal as well as customer-facing benefits.

While the railroads offer tracking for the rail portion of a con-
tainer's journey, the Eden Prairie, Minnesota-based firm wanted to gain visibility into the final miles.

"The drayage of intermodal can be anywhere from 5 miles to 350 miles, and we found we would lose visibility," Shook said. "We wanted to close the black hole of intermodal when the con-
tainers are on the street."

The system also allow C.H. Robinson to manage dwell times, mini-
imize freight miles and keep velocity high. "Our data tells us that our velocity is 10.20.25% better than that of the industry average," Shook said. C.H. Robinson uses geofencing with the devices to so it can manage the equipment in a first-in, first-out basis, which can reduce certain inventory costs, such as chassis rental.

The tracking can be particularly useful on high-value commodi-
ties. "There are certain commodities where having continual line of sight of the containers provides additional security," Shook said, adding that customers appreciate the value the system adds.

— Mindy Long

Starting at $12, which includes the hardware in the monthly fee.

Skybitz also offers carriers a monthly fee, which lets them avoid upfront capital costs. "It matches how people are accustomed to buying. People want to buy services over time," Poppelew said. Orbcorn offers financing through various partners to help limit the upfront capital costs and rolls it into a monthly plan.

Orbcorn's Thomas said the hardware costs are comparable with others in the industry and monthly service costs start at $8. Macropoint charges users on a per-load basis that usually runs a few dollars.

For those using PeopleNet, there is an additional cost of $25 and a monthly fee, Dorazio said. •