Using In-Truck Technology to Cut Costs

Q: What cost factor should shippers prioritize during carrier selection?

A: Invoice price is often the driving factor in carrier selection—which is logical, because everyone operates with very thin margins. But that may be flawed thinking. Instead, consider the total cost of utilizing a carrier. For example, administrative costs are a large part of internal costs, but they can be mitigated using technology.

Q: What types of technology can help achieve these results?

A: Electronic data interchange and XML technology can allow seamless data integration among supply chain partners, resulting in significant processing cost reductions. Real-time status updates reduce or eliminate the need to check on loads via phone or email.

Better yet, exception reporting—where notifications are sent when operations fall outside normal parameters—can mean a quicker response to issues.

Technology can help lower administrative costs—and, in turn, cut overall costs. And exception reporting means less time spent checking routine shipments, and more time available to respond to the inevitable issues.

**Q: How will Automatic Onboard Recording Devices (AOBRD) impact the drayage business?**

A: While common for large, over-the-road carriers, AOBRDs are not widely adopted in the drayage business. Hours-of-Service rules play a less important role for drayage than for trucking in general, so the overall impact will likely not be significant in terms of capacity. But it will represent a significant expense that may be challenging for some carriers.

On the other hand, it will also present an opportunity to use the technology to improve operations. Geofencing and exception reporting can allow dispatchers to more easily track shipments and respond to service issues. GPS tracking will reduce carrier liability for International Registration Plan and International Fuel Tax Agreement audits. So while carriers will incur additional costs, they can also benefit.

Q: What would you like to see when the rules pertaining to AOBRDs are published?

A: It would be hugely beneficial if the rules specified a standard format for data from all providers. Independent contractors play a major role in trucking, and making the systems device-agnostic would allow independent contractors (ICs) to retain their units as they move from one carrier to the next. The truck owner — not the carrier — would own the AOBRD. They would have to address some costs, but overall costs would be lower, because there would be no installation and removal costs as ICs move from carrier to carrier.

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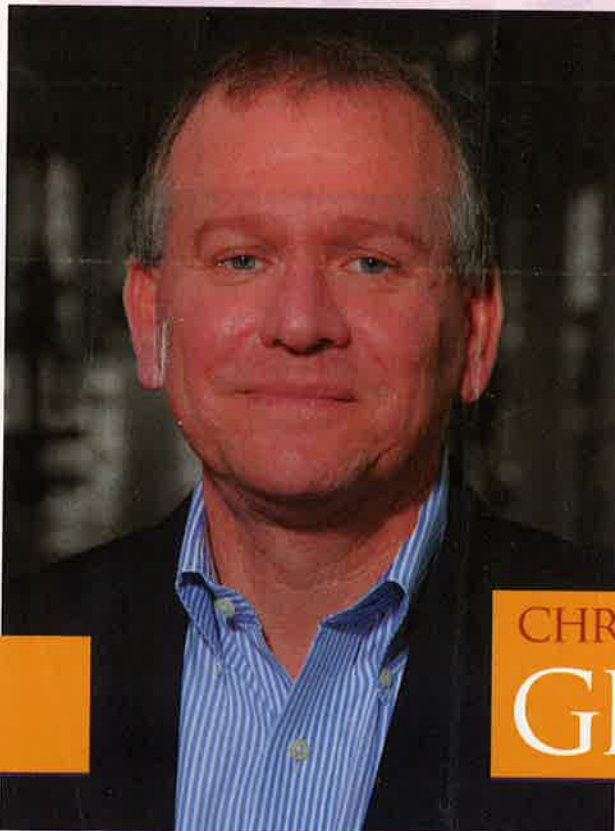
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