

Road transport

## Manage your transportation risks correctly

Transporting goods by road through the African continent can prove daunting for South African businesses. Risks of all types need to be understood and assessed well before contemplating border crossings for any business purpose. Beyond our borders, political risk becomes a major consideration. In some African countries, civil war is a constant threat while in others, invasion or the threat of invasion makes headlines every day. While one can be adequately covered in South Africa, the moment a loaded truck crosses a border different insurance risks come into

play. Transporters have evolved to managing risk actively in response to the dynamic nature and rapid changes that happen in the emerging markets.

According to Brendan Horan, General Manager Sales and Marketing for MiX Telematics, trading in the global village has a very different set of dynamics to those governing the unique African village and businesses have had to adjust to the demands that an unstable and unpredictable environment presents.

The improvement in cell phone network coverage in Africa and subsequent roll out of GPRS and GSM has created a demand for higher-end fleet management.

"Customers want to have access to live-tracking facilities where they are able to monitor their vehicles on a real-time basis. Where there is no cellular coverage, MiX Telematics makes use of satellite communication to track vehicles. The satellite solution is more expensive so GPS positioning communicated via GPRS is first prize. Our technology makes use of least cost routing to optimise the cost of satellite communication and GPRS," says Horan.

Horan says as living standards improve, however, the need to advance technologically grows too and since fixed lines are so limited many Africans have laptops and 3G access which has facilitated the growth in fleet management.

MiX Telematics offers fleet managers two unique feature-rich products to not only reduce fleet costs but to track and trace your fleet anywhere in the world. One of which is the FM Communicator – specially designed for high-end fleet management. It is a full-package solution starting with a driver identification feature and including driver performance monitoring, advanced movement management and vehicle utilisation features.

The FM Tracer is scaled down in terms of its features and is ideal for entry level fleet management or smaller fleets when cost to function is crucial. It offers limited but essential features including tracking and utilisation and is suitable for managing your fleet with real-time or historical vehicle and driver information from any internet-enabled computer anywhere in the world.



Assessing the risks: Brendan Horan, General Manager Sales and Marketing for MiX Telematics

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Data for both systems is hosted at Mix Telematics' hosting centre in Cape Town, including all data pertaining to Africa. Horan says MiX Telematics offers a stand-alone or home-based solution but experience has proved that customers in emerging countries cannot source the skills to do the administration themselves so are more likely to do the fleet management side and leave the data hosting and delivery capabilities to the MiX Telematics team.

Horan says he believes the current increase in cargo versus vehicle theft is expected to continue. "Fuel theft is also a major challenge in the industry. There is an understanding that it is far more lucrative to hijack trucks than cars which has led to an increase in this type of crime. We are working on solutions to combat this growing trend," he says.

Last year's economic downturn resulted in a noticeable drop in the activity of line haulage and transportation and a reduction in fleet sizes or a stagnation fleet growth. He anticipates this trend will stabilise but the impact of the recession is still being felt. "However, as long as there is a poor rail infrastructure in SA and parts of Africa there will always be a need for trucks and there will always be a need to protect them," he concludes. ♦