

MOBILE TRACKING BECOMES THE NORM

LOCATION-BASED SERVICES AND PERSONAL TRACKING IS ALSO A TREND.

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Tracking vehicles in a fleet via GPS has become ubiquitous. Logistics companies are able to pinpoint exact locations of vehicles in real time, not only for security purposes, but also for roadside services, efficiency, as well as offence management. The full audit trail offers huge benefits for corporates.

Technology is being used by fleet companies to track the odometer reading reported by on-board computers to bill their customers on a pay-as-you-go or per-kilometre basis, ensuring fairness and objectivity.

There are specialist applications where customers in the cold chain, for example, are able to measure temperatures in real time. In the broader logistics industry, the application of ICT systems allows companies to safeguard vehicles and drivers, improve customer communication and fuel economy, lower maintenance costs, tighten regulatory compliance, increase asset utilisation and reduce their carbon footprint.

Local company MiX Telematics has pioneered the leveraging of the technology

platform onto mobile devices. MiX Mobile is available for the iPhone, BlackBerry and Android devices.

It's the first telematics company globally to enter the mobile app market, and "with its existing installed base of over 500 000 fleet management and vehicle tracking units worldwide", this was the next logical step.

The applications allow users to find vehicles and "determine whether they are moving, at what speed and their exact location". Users also have the ability to track a vehicle directly via text messages.

Using built-in GPS, users are able to determine the phone's position relative to a specific vehicle.

"Historical information is available in trip reports that display the total mileage a vehicle has driven within the past 48 hours. Trips are plotted on a map in order to view an entire route, or just start and end points," the company says.

Mobile operator SK Telecom launched its mobile telematics service, Mobile in Vehicle (MIV), last year. This service enables remote control of vehicles via mobile phones.

SK Telecom sees services in four areas: vehicle diagnosis and control, safety and security, route guidance, and entertainment services.

While mobile applications are a strong trend, Charles Tasker, MD of MiX Telematics, sees a number of other themes becoming prominent in 2010.

The reduction of carbon emissions is critical, he says. Fleet owners will use technology in order to have a clear understanding of the carbon footprint of their vehicles, in order to reduce it.

Location-based services (LBS) and personal tracking is another important trend, he adds, and is being driven by the adoption of the technology in the consumer space.

Tasker also sees a trend towards the substitution of "traditional" on-board computers by "fancy mobile devices that can communicate

with vehicles as effectively".

And, he sees more sophisticated, faster applications which put more control in the hands of users. Tasker believes this will be a key differentiator between telematics services.

The experience during the downturn in 2008 and 2009 meant that fleet owners were forced to increase their focus on the efficient management of their vehicles.

Tasker expects this trend to continue: "The efficient usage of existing fleets is driven by cost savings that can be achieved through the implementation of intelligent telematics, vehicle tracking and fleet management solutions."

Across the continent

Transport Management Systems (TMS) is a growing software segment in the US and Western Europe. But



with fragmented infrastructure in Africa, if and when will it become viable in Africa is the question.

Transport management systems are software-based solutions for managing transport. TMS can increase fleet utilisation and transport availability while reducing costs and the size of a fleet. Because TMS reduces costs, this segment grew more than other software segments in 2009.

Adrian Gonzalez, director of Logistics Viewpoints for ARC Advisory Group, says the market will grow 5.6 percent globally over the next five years, but this is down from a seven percent projection prior to the economic crisis.

TMS has been around for several decades, but it has been fragmented. More recently, TMS applications have become more process-oriented in line with enterprise resource planning (ERP) systems. The primary global markets for TMS are first the US, then Western Europe. Key vendors include Manhattan Associates, RedPrairie, MercuryGate, and Descartes. SAP and Oracle have also en-

tered the market, hoping to leverage their ERP customer base, according to Gonzalez.

The TMS market in Africa, except for South Africa, almost doesn't exist. Gonzalez says there are several reasons why this could be the case. First, the US and European markets are rife with opportunities. Second, Africa's lack of infrastructure means that transport is very

fragmented. Third, vendors have to dedicate resources to adapt their offerings to a new region. One vendor said that they receive inquiries from Africa, but do not have live clients.

How can the TMS market develop in Africa?

First, understanding of transport management has to grow. Vendors can educate and develop processes through the implementation of the software while increasing revenues by offering consulting services.

Second, TMS started as land-based transport management systems, but evolved to include air, sea, and rail. So vendors have a larger variety of transport sectors to work within. Logistics firms like the Bollore Group are prime targets. However, there are many other logistics firms and networks, as well as private and public fleets, of smaller size in Africa.

or increase its viability? Another advantage to working with ecosystems like this is that transport can become a profit centre for the provider other than just providing the service to clients. The amalgamation of clients becomes a transport system on its own.

TMS can even be applied to more basic forms of transport. Transaid, a UK-based

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Third, vendors can innovate. A key trend in TMS globally is providing a software as a service platform, which, according to Gonzalez, has allowed a broader market to take advantage of TMS at a much lower entry price point.

In countries like Kenya, Ghana, and South Africa with better ICT infrastructure, vendors can create their own markets. However, it will take some creativity.

Imagine modernising the South African taxi industry, perhaps helping it to maintain

NGO, helps organisations develop non-software transport management systems. For example, they helped develop a bicycle-based patient ambulance system in Zambia. Imagine adding TMS tools that can be run across the mobile and mobile internet platforms.

TMS as we know it today has a long-term horizon before it becomes prevalent in Africa, but software as a service platforms and innovative business models may change that. **B**