



Myth 1- It reduces cost using automatic penalties

"This is an excerpt of the publication based on the conversations between CEO – Jagmeet Singh and Telematics Wire."



Executive Summary:-

The epidemic has accelerated digitalization in Indian logistics. Information about oxygen, medicine, vaccination tracking, involving air, rail, and road established that digital maturity was not just a hype but a new disruption to embrace. However, acceleration has also given rise to some myths and misconceptions. Challenging and debunking myths is a need of time and give digital its rightful place in Indian Logistics.



Myth – Automated Driver/Transporter Penalties using digital data would save cost!

Impact Focus – Man

Advice – Digital data only provides the picture, not the whole story!

As per business case understanding, the digital need is for automatic deduction of freight cost and eventually putting cost penalty on the driver/transporter, for a trip, where there has been backward unloading(s) or forward unloading(s). Depending on the type of material being shipped, the penalty may vary. At the outset, it may look like the right thing to do as it would bring transparency and discipline. However, the interpretation of data also matters. One wrong interpretation could result in bad decision-making.

In a country where the driver to truck ratio is 750 per 1000 [1], making an average of 20–30% of trucks lying idle at any given point of time, any level of automation if not done correctly, could do more harm than benefit.

The right way would be to find answers to key questions, like: –

- Is my data (destination, lead data) correct?
- Did the customer change the destination while en-route?
- Was such a change captured by the system?
- Was the route blocked/a new route introduced and there was a detour?
- What is the number of such occurrences over a period?
- Has the device behavior (jump issues, hang, etc.) been considered?

and so on.

We need to be mindful that it is human who is at the center of getting the job done. So, any decision-making would have a direct impact on the business relationship with the driver/transporter and may increase cost than reduce it.



Case in Point

A leading cement manufacturer wanted to penalize drivers due to a rise in unloading discrepancies. It was initially termed as driver behavior and was speculated to have hand-in-glove arrangements with the receiving party. However, post-analysis and investigation, it turned out to be a new route introduction that had resulted in unloading deviations. This prompted a change in the customer's database for lead distance records. A correction in data resulted in direct freight costs savings and improved relationships with driver/transporters. Instead of automated rules for penalizing, recommendation insights are obtained based on the analytical data using digital platforms, and next-level conversations are then initiated with respective parties.

In Summary

Cost-saving needs long-term thinking and deriving digital benefits would come with experience and maturity.

Footnote:-

1- Save Life Foundation, Truck Drivers Survey – India, <https://savelifefoundation.org/wp-content/uploads/2020/02/design-single-page-27th-feb-2020.pdf>



About Axestrack

Axestrack envisions, develops, and deploys end-to-end digital logistics solutions to revolutionise the transportation and logistics industry. We are embarking on a unified and increasingly connected logistics ecosystem, by infusing Artificial Intelligence, the Internet of Things, Machine Learning, and other breakthrough technologies to unlock the exponential value of the supply chain. Our technology is creating the next-generation business models that fuel logistics power and agility with a synchronised transport network.



1,30000+
Commercial
Vehicles



100+
Cities



250+
Partners



6
Top Industry
Awards



20+
Industry
Sectors

LEGAL NOTICE

The company cannot assume any liability or issue any guarantee for the information provided in this publication being current, correct or complete. The same applies to all other sources to which a person might be directed by hyperlinks or otherwise referenced in this publication.

Axestrack is not responsible for the content of the webpages reached via this type of link or any other referenced content (like in footnotes). Furthermore, Axestrack reserves the right to change or supplement the information provided.

The content and structure of this publication is under copyright protection. None of the information or data, particularly not the texts, portions thereof, or pictures, may be reproduced without the prior consent of Axestrack Software Solutions Pvt. Ltd.