



Safe and Secure

Expert tips
on cargo
management
best practices



Brought to you by the editors of
Transportation Media In partnership
with SGI CANADA

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With the North American economy strengthening, Canadian fleets and owner/operators are ready to transition away from just merely surviving towards once again thriving. Key to turning such hopes into reality will be adopting strategies, practices and products that will help them get the most out of every part of their business and differentiate themselves from competitors.

Welcome to our Safe & Secure supplement on cargo management best practices, brought to you in partnership with SGI CANADA. In the following pages you will find expert advice from across the country on how to prevent cargo theft and the best actions to take if you end up a victim of it. You will learn how to minimize your insurance premiums, what to look for in cargo monitoring products and why driver training pays off.

And there is much more to learn. Turn to the Safe & Secure knowledge centre on www.trucknews.com for frequent news, features and informative videos on cargo management best practices.

We hope our multi-media effort creates an enriched educational vehicle that helps you thrive in the years ahead.

Lou Smyrlis
Publisher & Editorial Director
Transportation Media

FROM THE SPONSOR

When we designed Cargo Secure we built it to protect your business and your cargo. We set out to make an insurance product that would be easier to use, more flexible and with fewer exclusions.

You would be surprised to hear that cargo insurance really hasn't changed much in decades but trucking certainly has changed. Which is why we completely overhauled how to look at cargo insurance. Cargo Secure is an advanced, flexible and comprehensive coverage. Fewer exclusions, less fine print and better protection.

You don't have to pay more to get more.





Stop Thief

By Jason Rhyno

What you can do to ensure your fleet is not an easy target for cargo theft



Criminals are paying attention. In fact, they're probably reading this right now. That's the lesson that this particular trucking journalist learned the first time he wrote a story on cargo crime, when a certain member, or wanna-be member, of a notorious crime organization known for riding on two wheels called him up to express disagreement that the organization was, indeed, one of a criminal nature. Then he told the journalist that the carrier mentioned in the story better watch what he says or "they could have his yard cleared out in an hour."

Not that they're a criminal organization or anything.

The magazine that he read the article in was laying around a mechanic's shop somewhere. Whether it was at a dealership or an independent garage or at a carrier's yard is unclear; what is clear is that it was a place where this gentleman was getting his truck fixed. Meaning that he was in the trucking industry, working for a carrier. You may have hired him.

Low-hanging fruit

Garry Robertson, national director of investigations with the Insurance Bureau of Canada (IBC) is right in the middle of the recently launched Cargo Theft Reporting program that seeks to unite carriers, insurers and law enforcement in a coordinated attack on the estimated \$5-billion a year problem. The program, still relatively new, is using the data from reported cargo thefts as a way to better understand the problem.

If you want to minimize the size of the target you have on your fleet for

cargo crime, look internally first, recommends Robertson, especially "if you have ongoing issues, now is the time to look inside your company."

It starts, like most things, at home. Your people, your yard, and how much control you have on your property when it's in transit.

Your people

"Ninety-percent of cargo crimes, I think, are usually generated from internal sources. That's what I believe," says Paul Enright, co-owner of Direct Right, speaking to me from their Brampton, Ont. offices. "We screen drivers before hiring them, making sure they don't have a criminal record. That's critical," he stresses.

Hiring people with clean backgrounds is only the first step. Giving those people tools and education is the next step.

"They gave us a padlock when I started and they said 'when you go for lunch, stop for coffee, whatever, put your pad lock on'," explains B.C.-based owner-operator Dan Dickey. "All of our trucks have GPS, we all have electronic logs. And you can't just wander into one of our terminals because there are codes everywhere."

"Drive around any truck stop," Dickey says when asked if he sees a lot of trailers ripe for the picking. "A guy can pull up to any old trailers. It's constant. A truck breaks-down and sometimes you see that trailer sitting on the side of the road, ready to be stolen."

Padlocks and codes only go so far, however, and this is where education may be just as important as physical

deterrents. Robertson points to “social engineering, where you’ve got people talking to drivers at rest stops, finding out what the loads are, what the transportation routes are — all of that.” Training drivers to be vigilant of the people asking lots of questions is key. So, too, is feedback from drivers, Robertson says. “If there is some information that they have, getting that back to us is helpful,” he explains, pointing to IBC’s recently launched tip line, an anonymous way for drivers to share what they’re seeing.

Your yard and in-transit

Out of the data that IBC has collected so far, an unsecured yard is one of the most prevalent bad habits out there. “The analysis we have right now is the type of yard they are being dropped off at,” he explains. “Some go missing in transit, but a lot has to do with the yard: there’s no security at the front gate, cars can drive in and out and there’s a load sitting there. No pin-lock, not blocked-in, and just sitting out there like low-hanging fruit.”

“Everyone follows the procedures and policies,” Enright says of his staff. “When we have drivers come in on the weekend, we bring in dock staff to unload that trailer. Nothing, and this is the key, nothing is left in our yard. That policy applies right across the system. If for some reason the customer doesn’t want the freight, it’s in our warehouse under lock and key.”

The last time Direct Right did accidentally leave a trailer in the yard, it went missing, stolen almost on cue. “One of the boxes in that trailer said Panasonic on it, but it was full of rags. So what happened was, somebody broke in to the yard and stole the whole tractor-trailer load. They probably thought they hit the motherload, but then they opened the boxes and just found rags. These guys were bold as heck. They came in the middle of the night, and we got them on camera, but they were smart: they covered their license plate and were running around in masks to steal this trailer. And they went right to that trailer, there was nothing else in the

yard they wanted.”


Direct Right is fortunate in that most of their business is intermodal. “Nothing sits for us. When we pick it up from the rail yard, it goes right to where it has to go. The railways are a safe, clean way to do business. Everything is scanned and I can give you a list of 100 trailers that are on the CN or CP sites right now.”

Regardless of what type of moves your company does, the lesson here is creating a system where every piece of product is locked down and monitored. “I can go online anytime and see the cameras. We can monitor the dock 24/7. If I want to see what’s going on at 10pm on a Friday, I can go look. That’s a real deterrent.”

Get Involved

IBC’s Cargo Theft Reporting program is bringing together the major stakeholders: carriers, insurers, and law enforcement. “We have the insurance working group, the trucking working group, and the law enforcement working group, that are all interconnected. We’re going to be exchanging information and best practices, and working with retailers and shippers,” Robertson explains.

It’s an approach that any carrier can mimic on a local level. “We’re very active in Peel Crime Stoppers. We attend all their golf tournaments, all their functions because it’s a good thing that the police know where we are, what we do.”

Insurers have helpful information, too. “We’ve got prevention methods,” Robertson says. They are able to look at the trends and research and identify patterns in cargo crime. We want people “working with the insurer or the broker, asking ‘can I do this, should I do that’ and working together. We want recommendations going back and forth. You know, O/Os have questions, let’s put those to the insurers and get them answered.” 

THE DECAL TIP-OFF

Nothing says “Steal This Trailer” like a big, shiny decal on your equipment. If you’re a thief, looking at two different tractor-trailers and one happens to have a “Samsung” wrapped on it, which one are you going to steal?

“Some of the customers in this industry will require customer trailers with decals on them, whether it be Fuji or something else. And that’s a real target,” notes Paul Enright, co-owner of Direct Right Cartage.

“I’ve seen some dedicated fleets where you have BMW down the side. That’s a huge indication. We try to limit customers putting stuff on our trailers, we do do it, but we try to limit it. Especially on high-value stuff.”

You may want to consider doing the same.





After the worst has happened

By Carolyn Gruske

The actions taken when a theft is discovered can help aid in a successful cargo recovery

Sometimes, despite precautions and planning, bad things happen, like having a load hijacked or a tractor trailer stolen from your yard in the middle of the night.

Although nobody wants to think about cargo theft, it's a very real problem that costs the Canadian economy \$5 billion per year, according to a study conducted by the Canadian Trucking Alliance (CTA). Although there are no figures on what percentage of stolen cargo is found and returned, there are steps that should be taken to increase the odds for a successful recovery once a load goes missing.

Plan the response

If the worst happens, drivers and companies should know exactly what they need to do to handle the situation effectively. That means having given the possible situation careful consideration, establishing all of the appropriate channels of communication and briefing drivers and dispatchers about what they should do if a theft occurs. Leaving


people to deal with crises on their own creates the potential that important steps will be missed or critical information will be unavailable. It also puts people under unnecessary stress in an already stressful and anxious time.

"Believe it or not, you have to have processes on the front end prior to being victimized. If you're starting with, 'what do I do now?' you've already done your company a huge injustice," said Sal Marino, vice-president of business development for CargoNet, a Jersey City, New Jersey-based cargo security and tracking company.

Marion said there should be not only a standard operating procedure (SOP) that is clearly communicated to any and all employees who could find themselves involved in a "post-event scenario" but there should also be somebody in charge of making sure there is compliance with the SOP.

"And you have to have access to the appropriate contacts within your supply chain to be able to quickly pass data around effectively and efficiently at the drop of a dime. That internal resource needs to be trained and available to jump in post-event. To be fair to that point of contact, that person – whether it is somebody dedicated to security, or the health





and safety person that is doubling as a security person – which is more likely the case than not especially in small-to-mid-sized carriers – needs to be provided the tools and the resources and the education and the training to put them in the best position to help your company,” said Marino.

He explained that the supply chain contacts are going to be the people who have all of the information about the missing cargo – the lot numbers, the product descriptions, the SKUs, the packaging markings, the ship counts and the value of the missing goods – the police will need for reports and investigations.

The first post-event steps

When the theft is first discovered, what Marino calls the “a-ha moment” there is one step that needs to be taken right away: calling 9-1-1. Using the emergency number as soon as possible gets the ball rolling on the investigation immediately. Waiting to call the police, or calling them after calling head office, puts an unnecessary impediment in the recovery efforts.

“The movement of this [stolen] property is so fast,” said Garry Robertson, national director of investigative services for the Insurance Bureau of Canada, the Toronto-based industry association that represents insurers across the country. “A lot of the thefts are taking place in close proximity to major highways and they want to get the stolen cargo mixed into the flow of other goods and onto other transportation routes instantly. The faster you can get the law enforcement agency notified, the faster they can start putting bulletins out, be it for the theft of the tractor trailer or the load.”

Robertson said that sometimes there is confusion about where to report a theft. If the cargo was being transported from one part of the country to another, the theft should be reported where it occurred (or where it was discovered). It is during this phone call that the basic information will be taken: make, model, VIN and licence of the tractor and trailer (if the vehicle was taken) and the type of cargo stolen.

Talking to the 9-1-1 operator is only the first point of contact with law enforcement for the day. It is not the last for the day. The typical process after reporting a cargo theft is that a police officer will be dispatched to speak with the person reporting the incident – be it a driver at a truck stop or a facility manager at a yard. It is during this interview that the driver or trucking company representative has the opportunity to fully share the details of what happened, and although members of law enforcement organizations are trained to ask questions, given the size and location of the department, the responding officer may not be completely familiar with cargo thefts.

“This is what you need to be talking to the driver about,” said Robertson. “The driver may well have a copy of the manifest of the information. Often it’s not asked for because they don’t think about doing that. As a truck driver, be able to tell them, ‘I have a manifest.’ Don’t just assume they’re going to ask you the question. Make them aware you have this information.”

The same type of advice applies if a load of cargo has been stolen from a trucking yard. If there is surveillance footage available, let the officers know. If there has been an oppor-

tunity to review it before the police arrive and the theft (or the thieves) have been caught on camera, have the footage queued up ready for the officer to view. Having the footage already downloaded or copied for the officer, is a helpful time-saver.

A NEW IDENTITY

Although cargo theft is often called a ‘victimless crime’ (because typically nobody is hurt, and the value of the stolen property can be reimbursed by insurance), any driver or company that has suffered a loss is definitely a victim, and that reality should be acknowledged and remembered throughout the course of the investigation.

Detective sergeant Paul LaSalle of the York Regional Police’s auto and cargo theft unit said that the role of the victim is one that needs to be taken seriously.

“The driver, or any victim, should make themselves the best victim they can be. If they were stopped at a truck stop, obviously they can do their own canvassing [of the other drivers to ask if they noticed anything] prior to the police getting there, because there are going to be other truckers that have pulled in and pulled out,” he said. “Other than that, the driver should just gather his thoughts and paperwork, preparing for the questions from the officer, getting as many details as he can.”

The role of the victim is one that needs to be played until the end, since the victim is an integral part of the justice process. If the police do eventually find the stolen cargo or the people who took it they will need the victim’s co-operation as the case progresses to and through the courts.



"It's very important that they know right from the get-go, that we need them and they're very important in the process. For the most part a lot of their involvement in the court process can be done through affidavit if they're not very involved witnesses," Det. Sgt. LaSalle explained. "Say you witness something – you saw the guy taking off in the truck – then you would probably have to go to court and testify to what you saw, whereas the owner of a trucking yard that comes in on Monday morning, opens up and finds his truck stolen and a week later we arrest somebody with the truck, a lot of that testimony is minor in nature, so much of that can be done through affidavit and we can save him the process of actually going to court."

Forensics

In most circumstances, the thieves only want the cargo. They have no interest in the tractor or trailer, so if the vehicle is stolen, it is usually dumped somewhere very quickly. Often it is left abandoned in an industrial parking lot. When that happens, it is common for the owner or manager of the industrial property to call the phone number on the side of the truck and ask the trucking company to remove the truck from the property. Det. Sgt. LaSalle warned trucking companies and owner/operators not to do that.

"My one piece of advice is if you ever get word where your truck is, call the police and let them investi-

gate it prior to you racing over there to pick up your truck. We can, and have, gotten forensic evidence from inside a tractor."

While it can be hard to collect physical evidence where the theft occurred, Det. Sgt. LaSalle said victims should still avoid contaminating the scene of the crime. "You want to preserve the scene as much as you can. It's going to be difficult in a yard to gather much forensic evidence, but there still could be things like tire prints. They're not going to be of great value because truck tires are very similar, but there can be evidence gained from cut locks and other things from the scene."

Recovering the property

The reason why it's so critical to report stolen loads is that police departments often come across warehouses of merchandise they suspect is stolen, but without reports or descriptions or serial numbers, they have no way of tracing the goods back to the companies that lost them. When they do have enough information about the cargo to figure out who owns (or is responsible for) it, then they can attempt to return it. Det. Sgt. LaSalle said while some cargo will be retained as evidence, much of it can be returned. If descriptions, or SKUs match or there are other ways of proving ownership,

then the police can ask a justice for a return-to-justice authorization, which allows the stolen property to be returned.

Prevention

While it's important to know what to do if cargo is stolen, Det. Sgt. LaSalle, Robertson and Marino all agree that it is better not to become a victim in the first place if at all possible. Robertson said that all trucking companies should engage in risk mitigation, a process which can include working with their insurance companies to determine what changes and security improvements can be made that will not only help prevent thefts but that can also have a positive effect on insurance rates.

As for whether it's worth it to invest time, effort and resources in beefing up security procedures and processes, Marino said the numbers make a strong case.

"We did a self-insured ratio impact study several years back that was based on a container load of Nikon cameras. Basically, the results were a 10:1 ratio. So for every \$100,000 of loss value, your need to generate an additional \$1 million in new, incremental sales to offset the cost of that \$100,000, based on indirect impact," he said.

"The way we see it, the best way to handle a recovery is to prevent it." ❧❧

Stolen cargo database developed

In order to better help police track and trace stolen cargo, the Canadian Trucking Alliance and the Insurance Bureau of Canada have partnered to create a national database of stolen cargo. The database, which grew out of a pilot project, will have an online tool companies can use to report the details of the items stolen. Once the information has been entered, police departments across the country will be able to query it about any stolen goods they find. In addition to acting as a recovery tool, some of the repository's key data will be analyzed and shared, providing the industry more insights into the nature of the cargo security across the country.

**Minimizing insurance premiums is more a matter of
commitment, consistency and vigilance.**

Is your strategy keeping up?

RISKY BUSINESS

By Jim Bray

How can you keep your insurance premiums as low as possible? Run a safe and efficient operation, pay attention to the little things, hire well, and do what you say you will.

That's the advice from Barry Peabody, Cargo Secure specialist with SGI CANADA, whose guidance starts with this tongue-in-cheek bit of common sense: "Stay out of the ditch!" Perhaps less obvious, but just as important, is his advice to concentrate on how you operate your business and to make your insurance broker a partner. Insurance brokers have their fingers on the pulse of the industry and can show you things that can help control insurance costs.

Take staffing, for example. "We're spending more time talking to our carriers about things like how they hire – what type of due diligence do they do," Peabody said, pointing to things such as checking drivers' references. "If (your recruit) has driven for two or three other companies, give them a call and find out what they say about him. Why is he leaving? Is he not getting the miles he wants, does he want to be home on the weekends, (are they) glad he's gone? What's the story?"

This is one of the strategies used by Rosenau Transport, a family-owned business with terminals across Saskatchewan, Alberta, and the B.C. interior. "We...have very stringent hiring practices," Saskatoon terminal manager Tim Rosenau says, noting "we've got drug screening,

we've got low tolerance on moving violations." Rosenau credits this and other practices for contributing to what he says are rates that have been stable over the past decade or so, despite the company having grown substantially.

Jennifer Singer, who runs Calgary's Demon Water Hauling, agrees. "You have to do reference checks, look at their past employers and the time they've spent at these employers," she said, "and then you send them for different tickets – WHMIS, first aid, etc."

Bob Hill, of Hill Bros Expressways, echoed the sentiment, saying his company also has "very strict policies in regards to hiring and safety and as such we have a very good premium."

Yet many carriers don't do such due diligence.

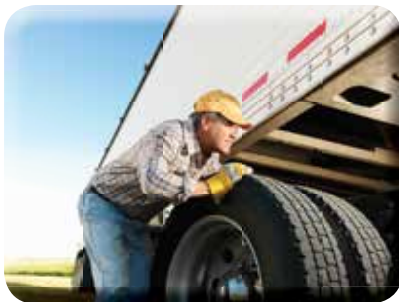
"I understand that everyone is very busy these days and there's lots of processes and demands and deadlines and things slip through the cracks," Peabody said, "but a lot of times it's the little things that really can come back and bite you." He mentioned a carrier who would take his recruits on a road drive with him, "just (for) a casual chat, see what his driving habits are like. See if he's courteous on the highway, if he rolls through stop signs, what his S turns are like – is he running over curbs?" That may take up your valuable time, but Peabody said it gives you "a sense of what you're getting. And if he's not great when he's on his best behavior, can you imagine what he's going to be like when he's a thousand miles away from home?"

“Where the savings come in on insurance costs is in your day-to-day operations, the things you do when people aren’t looking.”



Rosenau Transport is not only picky about whom it hires, it backs its drivers up with good working conditions. “We’ve spent millions on modern and new equipment which we feel should attract the crème de la crème, the better drivers,” Rosenau said. “Good equipment should attract good drivers, and good drivers deserve good equipment. We could order trailers that cost \$23,000 but we end up paying \$27-29,000, we put on the super singles, we put on the air management systems for the tire inflation, the skirts for fuel economy, the disc brakes.”

Singer also recommends treating your employees right. “If you talk to your employees one-on-one every day, they care more,” she said, “they’re willing to do a better



job for you.” She noted that Demon also has a safety and performance bonus plan for its people.

Beyond hiring, Peabody said one of the best things you can do is to set – and maintain – high performance standards for your company. “You have to walk the walk,” he said. This means having written policies in place that address everything from drugs and alcohol, logbook infractions and moving violations to talking and driving or texting while driving. “Make sure you’ve got a formal policy in place to ensure everybody’s on the same page about what you will accept and what you will not accept,”

he said. “Have formal incident reporting processes and make sure (they) address who, what, when, where and why.”

Peabody said you shouldn’t just write things down in books, either; you must live them. “Where the savings come in on insurance costs is in your day-to-day operations, the things you do when people aren’t looking,” he said. “Have regular safety meetings and reward the folks that are doing extraordinarily good jobs for you. All that adds up to lower costs.” He advises keeping a

paper trail so your insurance partners can see that you’re doing what you claim.

And get your drivers more involved in their loads. “Their job responsibility’s not

only safe operating on the streets and arriving on time and meeting all the conditions and requirements,” Peabody said. “You also need them there to supervise the loading and the unloading of your trailer, actually being aware of what’s going on and protecting your interests – especially if you’re an owner operator.” He said that if you aren’t paying attention, you can be held responsible and your insurance costs “will start to creep up.”

Singer noted that all of Demon’s vehicles have a disposable camera and a notepad on board “so the driver can write down all the information - plate, VIN number, all that kind

of stuff – if there’s an incident to make sure that all the information is taken down at that time.” Having a camera on hand – even on the driver’s cell phone – could also help ensure you have evidence in any damage or shortage issues between shipping company and receiver.

It can be hard to have a paper trail if you’re just a startup, but Peabody said that doesn’t necessarily mean you’ll be paying high premiums through the proboscis until you have a track record. “A number of underwriters nowadays are asking companies if they have written procedures, what their claim circumstances are,” he said, “and if you have some policies in place that you can share with the underwriter, that gives them a sense of confidence that at least – even on day one of your operation – you’ve put some thought into what happens when you’re rolling down the highway.” He noted that as a business gets more experienced, those rules will undoubtedly change and evolve, but “even for a brand-new operation, put some thought into it, and then share that information,” he said.

Murphy’s Law is still in force, however, and sometimes stuff happens.

Peabody advises that if you’ve made mistakes that could lead to higher premiums, “have your broker over to review your operation and talk about some of the changes you’re contemplating. Bounce them off your broker, get a sense which ones will resonate with underwriters and which ones will not.” Brokers, he said, will

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Creating a new cargo insurance product

A discussion with Barry Peabody, Cargo Insurance consultant with SGI CANADA

Q. Is cargo insurance meeting the needs of today's truckers and shippers/receivers?

Peabody: Many cargo insurance policies were developed decades ago around the idea of insuring only the minimum requirement of the law, and had very little to do with addressing the actual needs of the trucking industry. Often forgotten in the equation is that the trucking company is buying cargo insurance to not only protect their interests but to also protect their customers' interests. It's wise to buy an insurance product that's been updated to specifically meet the needs and requirements of the trucking industry as it is today.

Q. What approach did you take in creating SGI CANADA's new product, Cargo Secure?

Peabody: We started by listening to the person who matters the most – the trucking customer. We went directly to them to find out what they needed. What did they want in an insurance product? They told us they wanted broader coverage and less fine print. They didn't want to worry so much about being covered if they switched commodities or added new equipment to their fleet. They wanted to protect their own interests as well as their customers' interests.

Q. What did you do with that information?

Peabody: We started with a critical review of the motor truck cargo product from the point of view of the customer. The key was to be both flexible and innovative. We were able to eliminate a number of exclusions often found in other cargo insurance policies – these were fine print roadblocks for the customer causing nothing but confusion and frustration. We broadened the coverage considerably and added in a number of innovative, value-added benefits to make the motor truck cargo product more customer and business friendly.

Q. Where should I go to get answers to my cargo insurance questions?

Peabody: An independent insurance broker is always your best source of information for your insurance questions. You may also want to visit www.cargosecure.ca for more information.



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come up with suggestions for how you can manage risk better, including opting for higher deductibles “to assume more of the risk yourself, to prove to the underwriter that you’ve got skin in the game. If you’re looking for just a low deductible, you really don’t have much to risk.”

Rosenau agrees. “What we’ve done is we’ve taken on a higher

off your insurance broker; see if they can provide you any guidance. Cargo Secure, for example, is a product that has broad coverage for all kinds of scenarios you may not have considered.” At the end of the day, if there’s nothing you could’ve done differently – and your broker agrees with you – chances are “that type of claim is not going to affect your pricing as much

what insurance company would insure these types of companies?”

Brokers can also be excellent learning resources, whether you’re a new or a veteran operator. “There’s risk managers that insurance companies have, there’s lots of claims people you can talk scenarios through,” Peabody said. “There’s all types of resources available – what you

need to keep your records straight, what you need to do to make sure you got proper load security, what have you done and what can we do to help you?”

“If you’ve had one or two or a few bad years, face it, talk it through with your insurance advisors and see if you can figure out a strategy.”



deductible, made ourselves more responsible for the damage we do to our vehicles,” he said, noting that the company also has “a risk manager in Carl Cave, who has 25 years experience with insurance and claims adjusting to help prevent issues. All this stuff makes it very attractive for insurance companies, when you buy into it both with policies and procedures and back it up with equipment.”

It might also help to choose your claims wisely. “You need to decide if it’s better to claim or to pay it out,” Singer said.

“Weigh the pros and the cons of paying. If it really, truly isn’t your fault, then fine, but decide if it’s better to take the hit now or let the insurance company deal with it.”

Even if you’ve had a couple of claims, your premiums won’t necessarily skyrocket. “What’s best is to do a review after post mortem on every claim and look at what you could have done differently,” Peabody said. “Again, bounce the scenario

as you might think. It’s why you buy insurance in the first place.”

But if there’s something you could’ve done, “own up to it and try to fix it,” Peabody said. “If you’ve had one or two or a few bad years, face it, talk it through with your insurance advisors and see if you can figure out a strategy.” He said underwriters are happy to see customers trying to find solutions, because “that’s what the underwriter is trying to do, too. Increasing premiums is not necessarily an underwriter’s first decision; they’re happier finding ways to improve a bad situation. You save money and the insurance company stakeholders make more money if losses just don’t happen, so that’s obviously the first line of defense.”



Hill noted that companies can be their own worst enemies when it comes to walking the talk. “I look in some of the trucking yards and see all of their severely damaged trucks lined up against the back fence and I laugh,” he said. “I also ask myself

While a broker can be an excellent ally, you shouldn’t just choose the first one in the phone book. Peabody’s advice is to look for one who is experienced and has a lot of clients in the trucking industry, a sentiment echoed by Singer. “Make sure your broker already insures other firms in your industry and has access to several larger insurance companies,” she said.

The bottom line in controlling your insurance costs is that it isn’t much different from all the other things you need to do to ensure your business succeeds. It all comes down to having and maintaining good hiring practices, ensuring you have good policies, and being transparent about your operations – with a little, old fashioned blowing of your own horn thrown in for good measure. “Promote yourself to your insurance company,” Singer said. “Show them your track record, your policies and procedures, what kind of company you are. If you have a safety program and letters of reference from your customers and people know you, they actually give you a rate based on that instead of just plugging you into a computer.” ~~SES~~



Tag, you're it

Trucks and cargo can tell a story – with help from advanced telematics

By John G. Smith

By many measures, the bottle-sized device from Telogis is much like the individual containers of juice which surround it. The dimensions and freezing point are identical. But instead of holding a drink, it is a sensor which monitors the exact temperature of a beverage hauler's liquid cargo in the middle of a trailer.

That kind of information – just one example of the data available through business-transforming telematics – can mean the difference between a happy customer and the insurance claim for a rejected load.

As impressive as this can appear, a sensor will make a bigger difference when part of a system that tracks and communicates several pieces of related information. "It's all about trying to take more than one data point and really allowing the customer to look at everything from a business perspective," explains Mark Wallin, Telogis' vice president – product management.

In this particular case, the temperature data feeds a broader system which also monitors the chilling work of a reefer and the trailer's

physical location. Should the reefer fail, dispatchers will have enough information to decide whether the trailer can continue to its destination, needs to be rerouted to a nearby temperature-controlled warehouse, or requires a roadside repair.

We've clearly come a long way from the era when cargo vanished from view once a truck pulled out of a fleet yard.

Sensors and the telematics systems which wirelessly transfer their data can now be used to monitor everything from temperatures to locations, pressures, acceleration and shock loads. The related devices are also smaller than ever, costs have dropped on everything from chips to GPS receivers, and advancing short-range communications technologies allow sensors to seamlessly share packets of data within a trailer itself.

"People are able to intelligently monitor what's going on," says Craig Montgomery, senior vice-president product management and marketing at Orbcomm. "Five years ago [that] really wasn't happening except for on extremely expensive devices."

Cold tracking, crime fighters

Consider the way multiple information sources can support everyday business decisions.

In the case of a reefer, temperatures are established by everyone from government regulators to customers. Multiple sensors can give fleets insight into why actual temperatures might be shifting as the products are being delivered. Alarms can be sounded if a compressor fails or a trailer door is left open. Reefers can be adjusted remotely to account for changing environmental factors like an unusually hot summer day. In other cases, the running time might be limited to comply with anti-idling rules at a customer location, or even to support corporate sustainability pledges.

Granted, many fleets have yet to adopt the rapidly advancing telematic tools. Loads are monitored and managed remotely on just 15% of refrigerated trucks, says Shawn Allaway, president of Cooltrax. "That puts nearly 85% of all units at risk of catastrophic consequences as fleet managers resort to trial and error or outdated processes to discover problems." Data loggers which store information to be downloaded upon a truck's return offer little support when trying to avoid real-time risks, he adds. "Knowledge is king, and data is the ultimate proof of a company's ability to properly care for food and adhere to both internal or external regulations."

In other cases, the data collected from a vehicle and its cargo can help to fight crime. Sensors which monitor locking and unlocking doors, or are even tied directly into a bolt seal, can be coupled with "geofencing" systems which tell when a truck deviates from its assigned route. These two pieces of information certainly tell a troubling story if the truck has strayed into a known high-crime area – par-

ticularly at a time when an estimated \$5 billion in Canadian cargo goes missing every year.

“Cargo theft is much more than an insurance problem. It’s a dangerous, expensive, global threat that puts individuals, communities and businesses at risk,” Insurance Bureau of Canada Atlantic vice president Amanda Dean observed during a recent training session in Dieppe, NB.

Internal antennas in hidden RFID tags are able to communicate with Global Positioning Systems and cellular networks, helping to track pallets and containers of stolen goods. Today’s models will even store enough power to travel as far as a load, or recharge themselves through solar panels.

The power of data is not limited to fighting external threats, either. It can also help to improve productivity. Telematics offer fleets a competitive advantage, whether it involves reducing costs or protecting freight, Wallin insists.

The sensors which determine if a trailer is full or empty, for example, eliminate the need for physical yard checks and make it possible to move equipment into service more quickly. The same cargo sensors can even be used to better manage detention bills when working with customers who use trailers for extra storage. Other options include sensors which ensure tractors are connected to the right trailers in the first place.

Construction and utility companies are certainly enhancing productivity by using location-related data to coordinate different vehicles. Telo-gis clients who shared their system data in the wake of Hurricane Sandy were able to ensure that damaged trees were cleared by Asplundh Tree Experts before Pepco’s utility trucks were dispatched.

“We’re taking data from your work orders, from your jobs, from your truck, from your mobile worker, and

we’re bringing that together in a way in which our customers can help change their business,” Wallin adds.

The right choices

The choice of the sensors themselves will depend on the information to be communicated and how it will be accessed.

“Every platform has its own pros and cons,” says Montgomery, referring to different wireless communications standards such as ZigBee and Bluetooth. “Some of them are more power-efficient, some of them are more communications efficient. But [with] this explosion in short-range communications capabilities and the efficiencies that are starting to be gained in those technologies – coupled with the increased technology,

“You want a device that’s going to be durable and last as long as you expect your trailers to last.”

sophistication of the physical devices themselves, the shrinkage of their size, and the integration of those technologies – you really start to create this explosion of devices that are able to truly leverage sensors.”

“Dual-mode” devices that use different communications standards, for example, can be particularly important in an intermodal supply chain. Where the cellular capabilities might be used to communicate data when a load is on the road, sending reports just when the freight passes defined points in a geofence, the same device can switch to weekly reports communicated by satellite when the cargo is at sea.

Decisions about communications will involve a combination of coverage, cost and quality, Montgomery says. The platform itself will be judged on flexibility and durability.

“You want a device that’s going to be durable and last as long as you expect your trailers to last, for one. You want it to have extremely low cost of ownership and a low touch when it comes to preventive maintenance. You want it to have the flexibility to communicate as needed and not restrict you versus being one-way versus two-way, or limit you in terms of the amount of messages. But you also want the solution to have a platform associated with it so you can use it in various different scenarios.”

Consider preventive maintenance issues as just one potential challenge that could be overcome. A battery-powered device might require workers to climb onto a trailer to change the power source. If the screws are not properly retightened, water can also seep into the device. But in most cases a rugged solar-powered option would not need to be touched for the life of a trailer.

Wallin stresses that any successful rollout of a telematics system will include different phases. Fleets have to take the time to understand what they hope to achieve, and see how the information can be used to change business activities, he says. For one fleet, the main purpose might be to tackle rising insurance claims; in another operation, the primary goal might be to reduce fuel costs by refining routes or limiting idling.

“The key is for them to understand what they’re looking to get out of it,” says Wallin. “How are they looking to change their business?”

Even the software interface will vary depending on whether it will be used by the driver, dispatcher, manager or executive. Different roles require different functionality, he says. “Software that can be tailored to help with that is going to give you a really good chance for success.”

The business case for investing in driver training

By James Menzies

Some carriers consider driver training an unnecessary expense they're unwilling to incur; others consider it essential to a profitable organization. What separates the two?

Carriers that provide industry-leading driver training programs don't do so because they have money to burn; they see it as an investment that pays back in the form of: reduced accident costs; lower driver turnover; improved fuel efficiency; and increased business from safety-conscious customers.

A defensive driver is a fuel-efficient driver

'It isn't in the budget,' may be the most commonly recited excuse for not providing ongoing driver training. While teaching defensive driving techniques may reduce accident frequency, it's tricky to pinpoint an ROI since you can't measure the costs of the crashes that never happened.

But more carriers are realizing there's a correlation between defensive driving training and improved fuel economy.

A case in point is Hill's Pet Nutrition, a private fleet in the US operating 220 delivery trucks. When the company taught its drivers the Smith System for defensive driving, it couldn't have imagined it would save a million dollars in fuel annually within six years, but that's exactly what happened. The company trimmed its fuel spend by a million dollars in 2013 and has seen its fleet-wide fuel economy climb from 7.1 to 8.66 mpg.

Bill Perry, safety and compliance manager with Hill's, said "With a little bit of training, a little bit of encouragement and a little bit of technology, you're going to see numbers very similar to that without a whole lot of effort."

Changing driver behaviour

Even experienced drivers can develop bad habits over time. Identifying these habits early can provide fuel economy benefits and reduce the likelihood of a collision.

"Behavioural modifications are available with little to no capital investment," Dwayne Haug of Werner Enterprises said during a recent panel discussion on fuel efficiency at the Technology & Maintenance Council meetings in Nashville, Tenn.

Telematics allows carriers to monitor driver behaviour and address troubling patterns early. Scott Webb, an executive with Mesilla Valley Transportation, attributes 50% of the fuel savings his company has achieved in recent years to adjustments in driver behaviour. "About half of our fuel efficiency comes from technological improvements and half from how drivers drive the truck," Webb said.

Mesilla Valley began training drivers on fuel-efficient driving techniques in 1981, when the fleet-wide fuel economy averaged just 4 mpg (in February 2014, it averaged 8.5 mpg).

Beyond the driver's seat

Successful carriers provide training that extends well beyond driving, especially if they transport dangerous goods or other specialty commodities. Marcel Pouliot, vice-president of safety and industrial services with Trimac, says driving comprises just one element of a comprehensive training program. At Trimac, drivers are also required to become product-handling experts. They're given Product Stewardship Manuals specific to the commodity they're hauling and are trained on the proper use of each type of equipment they'll encounter on the job. Even a driver who has been fully trained does not escape ongoing scrutiny. Trimac's drivers are required to undergo a Job Task Observation - during which they're observed on the job by a member of Trimac's safety department - at least once a year. Pouliot said the company conducted 3,482 such JTOs across its team of 1,150 drivers in 2013.

Troy Stimpson, director of safety and compliance with TimeLine Logistic International, a Saskatoon, Sask.-based carrier that serves the nuclear and oil and gas industries, rhymes off a laundry list of topics the company provides training on, beyond driving. This includes: Workplace Hazardous Materials Information System (WHMIS); cargo securement; practical vehicle inspections; defensive driving; hours-of-service; and even wellness topics such as healthy eating and getting enough sleep.

Most of the training provided by TimeLine is not required by law, but Stimpson said there's a definite benefit to the bottom line. He said safety-conscious oil and gas companies have turned to TimeLine because they know the company employs a comprehensive health and safety program and that its drivers are well trained. But he said the same rules should apply to every trucking company, regardless of what's in the wagon.

"Defensive driving is defensive driving, whether you're hauling a load of diapers or a load of uranium," he said.

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