



CANADIAN TRUCKING INDUSTRY: JUNE 2022 TELEMATICS DEADLINE

The trucking sector is facing many challenges such as driver shortages, rising fuel costs, vaccine mandates while striving for optimal fleet maintenance, a strong safety culture, and high customer satisfaction. We recognize some of those are complex, industry-wide challenges requiring policy change; however, much of the rest can be addressed via technology, specifically via electronic logging device (ELD). In Canada, there is a deadline of June 2022 for all trucking companies to get onboard with ELD telematics. According to Mike Millian of Private Motor Truck Council of Canada (PMTCC), due to the lack of devices currently, it may not be possible to achieve 100% compliance by the June deadline, but he remains hopeful.

WHAT IS ELD TELEMATICS?

At the core, telematics is a set of telecommunications tools paired with informatics to track vehicle performance and improve various operational aspects, primarily safety.

WHAT DOES TELEMATICS PROVIDE?

1. A monitoring system for safe driving

Your truck drivers represent your company on the road every day. The use of telematics allows you to manage a positive company reputation via your driver workforce because any unsafe driving practices are recorded, analyzed, and alerted. You can then use the available data to improve driver behaviour via additional training.

2. GPS tracking and route planning

GPS tracking allows complete fleet visibility to optimize routes and ensure timely delivery to your customers. The system can also issue alerts to the receiving party, notifying them of the estimated arrival time.

3. Asset management data

ELD can improve a company's understanding of asset performance. With ELD data, carriers can be proactive about truck maintenance instead of

being blindsided by costly repairs.

4. Improved truck security

Telematics offers the monitoring of the truck itself but also the trailer. Various sensors can alert about open doors, or in the case of reefers, they can provide security alerts for temperature irregularities. Security is highly enhanced to the point where a stolen or missing truck can be easily located.

Overall, the trucking sector is set out to benefit from this technology implementation by becoming more competitive in the market. Market conditions in 2022 are expected to remain favourable, with high rates and strong demand for last-mile trucking spurred by the COVID-19 pandemic and the explosion in online shopping. Nonetheless, rising fuel costs pose a significant risk because they can put pressure on a company's bottom line.

Source: *Truck News*, TCA upbeat about 2022, November 2021



HOW TO GET CUSTOMERS WHO PAY ON TIME

"Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver."-- Ayn Rand

Before banks extend credit, they go through a process of due diligence to ensure the applicant's ability to repay the debt. When you sell on credit and extend 30/60/90 day terms, you are practically lending money as part of the trade finance industry. The same practice of assessing creditworthiness should be applied in this sector as well, but that is unfortunately not the norm. As a result, it is too familiar for companies to find themselves with bad debts and losses on their invoice receivables.

In this month's InfoPays, we are listing a few suggestions that you can implement in your business to ensure that you minimize any losses when selling on credit:

1. Check trade references.

Trade references are for trade finance what reference checks are for job applications. It should be a good indication of financial stability if the business can come up with at least three or four clients who can attest to their payment habits. Otherwise, the lack of references may indicate a lousy payer and therefore serve as a warning.

2. Do your research.

There is a vast amount of public information available out there. Research a potential client by visiting their website, checking industry forums, or asking around in the business community.

3. Access credit agencies' data.

Credit agencies provide financial history including any critical information. By tapping into their database, you

can access information about potential risks through graphs and predictive software. Companies that offer this type of credit monitoring service include DnB, Equifax and TransUnion.

Source: *entrepreneur.com*

At IPS, our current clients can access the IPS Payment Index (PI) free of charge. Through dealing with thousands of companies across North America, the IPS PI provides the average Days Sales Outstanding (DSO), or the average number of days a company takes to pay its receivables. We encourage anyone seeking to extend credit to a new customer to check with us for information from our growing database as this can offer some information about a company's credit standing. A PI of 120 days will at the very least give you an alert, whereas a PI of 36 days will provide you with the much-needed reassurance to go ahead with the opportunity.



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