

# Partnering with a risk management specialist is key



By Matthew van den Heuvel, Joint Group CEO at Econorisk (pictured right)

The commercial transport industry is steered by a string of events – some more controllable than others. While the economy may be tough and directly impacting the transport market, through partnerships we can navigate it and manage the risks that may occur.

It is important to find a partner with a deep understanding of the industry and transporters' unique requirements. For example, we understand the value and impact a driver has on your business and our policies offer a tailor-made health-care plan for your drivers.

Your insurance requirements should also be tailored to your business. Our offering ensures that your cover is structured to suit your needs. Our partnerships ensure that your assets and drivers are covered, as well as protecting your consolidated fleet data and utilising it to manage your risks.

In navigating this environment there are steps that you can take to manage the risks your business may be exposed to, in order to smooth out the road ahead. All businesses face risks. In today's world risk shouldn't be holding you back – but rather driving you forward.

Road freight businesses should



aim to remain flexible, responsive and continually reassess how they address the challenges in the environment. A distribution model that's flexible and highly responsive to market challenges also gives a company the chance to flourish in a volatile economy.

Operating in several industries, such as retail, healthcare, chemicals, oil and gas, automotive, mining, manufacturing, engineering, and defence and aerospace, a company's road freight division can spread its reach as opposed to hedging its bets on one industry alone. A point too regarding diversification is that each of these sectors will contain risks that should be individually assessed with your risk management partner.

Hybrid distribution networks can correct the imbalance of empty return

loads. The idea is to reduce non-revenue-earning legs, which cut into the profitability of running a road-freight business. This can also allow a business to grow its less-than-a-truckload operation to maximise payloads, preventing vehicles from running under-utilised.

Decentralising means that daily operations and decision-making responsibilities are delegated to middle- and lower-level managers. This enables far quicker and more efficient responses and frees up senior management to tackle the bigger, long-term issues.

It also allows various business units within the organisation to support each other during market ups and downs using outsourced assets, depending on the needs of a job and market conditions.

Road-freight business owners are battling to establish themselves in a highly contested industry. Ongoing training, acquiring the right assets for a job, managing variable costs, and not shying away from technology are prerequisites for survival.

The right technology, in particular, will ensure operators are able to manage issues proactively and not be caught unaware by changes/risks that present themselves. Business intelligence and analytics platforms can consolidate your data from a number of sources, including vehicle telematics, third-party devices, financial and ERP systems data.