The top landmines for the impending ELD 2019 deadline

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Key trucking industry findings every Fleet Manager needs to know

Forward

It seemed so simple, a noble endeavor that would improve the daily lives of millions of truckers. Transitioning from paper logbooks to the new digital age with an Electronic Logging Device known as ELD. Looking back, it seems like it was a million years ago when the industry started talking about ELD in 2014. The phased milestones were set by the Federal Motor Carrier Safety Administration (FMCSA). All applicable drivers and carriers subject to the rule must use self-certified ELDs that are registered with FMCSA on or before December 16th, 2019. The race was on, for both solution providers and fleet managers to equip truckers with a simple solution.

Overview

As we near the deadline it is time for reflection. Over the past three years, the Suntech research team has been focused on the implementation of ELD. By creating use cases and strategies that require real-world feedback from truckers and fleet managers our team has helped drive the ELD roadmap for solution providers. As with the adoption of any new technology, there have been wins and misses, but with this journey we have gained valuable insight. Based on our research and findings, it is our goal to share what we view as the top landmines for ELD. The goal of this report is to summarize our research and findings; to help Fleet Managers and Solution providers avoid the most prevalent ELD landmines and improve the daily digital lives of truckers across America.

If you have any additional questions or would like to continue the dialog, please feel free to reach out directly to any of the authors listed at the end of this report.

The top landmines for the impending ELD 2019 deadline.

1.   Not in my Truck!

2.   The Great Price War of 2020: Are you Ready?

3.   Zero-Day Plans: Key to the Longevity of your Solution

4.   Hardware is Not "Fine Wine"

5.   Going Commando

1. Not in my Truck!

With the race to get ELD solutions to market, many providers forgot the most essential technological component to their solution - their customer, the trucker.

From our interviews, truckers are much more tech savvy than one might think. They are hungry to learn anything that involves technology and their truck. Don't be fooled by their aggressive exterior. When there is a problem with their ELD solution, truckers are first to blame THEMSELVES for the issue. Being on the road, they will spend countless hours trying to resolve the issue before contacting the ELD solution provider.

2 A.M. and alone in the Cloud.

There are primarily two different scenarios when truckers can't resolve ELD problems themselves, with and without duress. "With" duress is clearly worse. It is 2 A.M. on a lonely road in the middle of nowhere, and they have been pulled over. They need to provide their electronic log quickly, and there is an issue. The clock starts ticking. The police officer's patience wears thinner every second. The trucker tries to contact the ELD Solution provider's 24-hour support line. In some cases, they receive a busy signal, and in others, someone who has no idea how to resolve their issue, offering the smirky response of "call back tomorrow." Time's up! Truckers receive a ticket and a significant delay to their schedule.

The second scenario, "without" duress, is a different recipe with similar ingredients. Truckers have a detailed question and reach out to the solution provider. They are accustomed to finding their way through the maze of options in the phone tree jungle and waiting on hold for what seems to be an eternity. Once they do get a live person and figure out what the problem was, that's where the fun begins.

1. Not in my Truck!

Findings: It was the Solution Provider's problem, not a User issue.

Root Cause: 'the device was out of network,' 'there was an API issue that was not documented in the SDK,' 'we need to push a software update,' 'one of our servers was down in the cloud,' etc.

Result: Not in my Truck!

It is a simple equation. A maximum of three problems equals "not in my truck." When truckers run into an error that was not caused by them, they must have an immediate quality resolution, or their brand loyalty will fade before the next truck stop. This has long-lasting brand equity consequences. When discussing key new features from particular name brand solution providers, it is shocking how many truckers slammed the door in our face just by mentioning a specific "brand name." In a rush to deliver ELD solutions many providers had a blind eye to customer support.

How to avoid this Landmine:

Fleet Managers - Conduct a survey with your drivers on the quality of your ELD solution. Better yet, take a ride with one of your truckers to live their experience. If your findings are not up to par, it may be time to explore other ELD suppliers or options.

ELD Solution Providers - Time to do a 360-degree review of your support touchpoints. Conduct a formal user survey, at least once per year, to track and improve the overall quality of your solution. Based on the feedback, openly discuss the root causes of the problem (UI, Platform, Hardware) and take action to improve immediately.

2. The Great Price War of 2020: Are you Ready?

Ah, the good old days. When early adopter ELD providers could get away with a solution costing over a thousand dollars that a hungry audience of technology evangelists were eager and willing to devour. Today as we speed into mass adoption and near 100% compliance, $99 solutions are now available at truck stops from coast to coast. We have been racing toward mass implementation, so now providers will need to be extremely cost conscious while offering a rich feature menu to keep and grow their share during the next maturity stage of 2020.

Complex is cheap, but simple can be expensive. In 2020, ELD solution providers are at a crossroads. The first path is the race to the bottom. Focusing on an ever-decreasing price point that demands more features to meet the ever-increasing competition. In this scenario, it is an all-out war for a price, while support, service, and brand loyalty take a back seat or are left on the side of the road. No one likes the first path. Fewer competitors in the market guarantee to users of their feature set an unacceptable level of support. The result? Moving the power from the user to the provider with a solution that everyone is not happy with.

The second path provides value for both the solution provider and the user. Truckers are now experienced with their ELD solution, and for those who are not, they will be forced to choose before the end of the year. Why would a trucker or fleet manager change their existing ELD for a new one in 2020 and beyond? The reason is apparent: simplicity! They have experienced the horrors of "Not in my Truck" and are ready to invest in a real solution that provides simplicity (or complexity if needed,) and reliability with support rather than just the lowest price.

How to avoid this Landmine:

Fleet Managers - Are you happy with your ELD solution? Which path do you want to take in 2020: 1. No change 2. Lower cost 3. Simple and reliable solutions for the long-term.

ELD Solution Providers - You need to stake out your position for 2020 and beyond. Not all solution providers will make it through in 2020. Those who do will need to provide a simple solution, with robust support for which users will be willing to pay more to improve their IOT experience.

Zero-Day is not just for hackers anymore.

The term is used to define any vulnerabilities that can be manipulated in your solution. This can be from software, firmware, platform or hardware. It might sound like a bad sci-fi movie, but the threats are real and broader than the hacker community. We live in a world of sanctions, tariffs, and threats to any electronic solution. Do you really know where your hardware comes from? What if that company is placed on a sanction list banning the product from entering the United States? Better yet, imagine if that hardware needs to be deactivated or recalled due to sanctions placed on a foreign company. No one wants to wake up to a Day Zero and the aftermath it brings. There are steps you can take now to protect yourself and limit your liability.

Farm to Table IOT.

It is the latest rage in culinary dining. Young chefs are actively engaging farmers in providing ingredients that not only make great entrees but bring social awareness to the impact on the environment. In other words, supply chain management. Let's face it, your local chef is more in tune with the supply chain for your food than you are with your ELD solution. Is all of your programming done by in-house talent? Do you know where your cloud services are indeed hosted? Do you know the country of origin for your hardware? In the immortal words of Douglas Adams, don't panic.

Currently, there is a 17% tariff on hardware from China entering the United States, but not from South Korea.

Two friends are better than one.

To avoid this landmine, the solution is logical. Always have a strategic backup. Because of the time it takes, many of us view creating or selecting an ELD solution as linear. In reality, to ensure you do not have a Day Zero, you need to work with multiple strategic suppliers continuously. If all of your programming is done in the United States, have an alternate programming supplier that is based in Ireland. If all of your hardware is manufactured in China, have a strategic hardware supplier based in South Korea. This will not only improve your security from a Zero-Day, it is also just good business, allowing you to keep your competitive edge.

How to avoid this Landmine:

Fleet Managers - Practice farm to table IOT, and always have a strategic backup solution provider. Know the source of significant segments of your solution and have a backup plan in case one or all of the components become vulnerable.

ELD Solution Providers - You are providing more than a solution: you are giving peace of mind to your customers. Ensure you have a strategic, multiple-partner approach for all aspects of your solution. More importantly, keep an eye on your hardware supply chain so you can continue to provide a solution regardless of what the world may do tomorrow.

4. Hardware is Not "Fine Wine"

I know, making a solution is tough. You spent endless nights and weekends sourcing hardware, making sure it integrates with your platform, and that it is working somewhat bug-free before you launch. The reality is your hardware solution was outdated the minute you deployed it. Unlike fine wine that increases in value and robustness as time goes on, your hardware solution does not. Your hardware is locked in place while the relentless pace of technology marches on.

This impact is far beyond technological improvements for features. Your hardware roadmap needs to evolve to meet the changing competitive landscape continually. There is only so much you can achieve by updating firmware or software. Those that do not have an evolving hardware roadmap will be at a potentially deadly disadvantage, which will impact the longevity of their solution. The other fundamental impact of not evolving your hardware solution is financial.

Soft touch robotics are making it rain with savings. Finally, hardware manufacturing is continually improving, not only to provide better quality but also to drastically increase savings. It is common knowledge that electronic components become more affordable over time. This coupled with advancements in robotic production equates to increased savings for those solution providers that are evolving their hardware. Production line robotics are now upgrading into soft touch applications. This allows the majority of the production line to be automated, resulting in new hardware savings year over year between 10 and 15%.

How to avoid this Landmine:

Fleet Managers - You may think the game is over when you have 100% ELD compliance with your fleet, but the game does not stop there. You should always have 5-10% of your fleet devoted to testing new ELD solutions. This practice will help you diminish the impact of several of these landlines, but more importantly, you will gain knowledge. Knowledge of additional savings and/or feature sets you can transition to your entire fleet allowing for you to create a continuous improvement scenario.

ELD Solution Providers - Can you afford to be locked to one hardware solution? If the competitive disadvantages do not shock you into action, then do this simple math. Take your total yearly revenue multiplied by 10%. Imagine how you can improve your business yearly with these savings. Always be communicating with new hardware suppliers to ensure your financial and competitive position.

5. Going Commando

"I can get away with it," no one will ever notice. Compliance with the ELD regulation is not an option - it is mandatory. For those who believe they can get away with it, think again. Tickets will be in the thousands of dollars not to mention the loss of productivity. Make sure you are up to date with the details of all the phases by contacting the Federal Motor Carrier Safety Administration (FMCSA) or visiting their site at www.fmcsa.dot.gov.

Is your solution worth the price of a ticket? For solution providers searching for the remaining trucks that are not currently compliant, don't be discouraged by the $99 solutions that are out on the market. Use this as a critical selling point to help promote the value of your solution. You will need to spend more time educating your consumer but start from a position of strength, making them aware the goal is to avoid getting a $1,000 ticket. It is vital to present the simplicity and reliability of your solution and attach significant value in the minds of your consumer.

How to avoid this Landmine:

Fleet Managers - Being out of compliance is not an option. To optimize your fleet, make sure you are up to date with the latest information by visiting www.fmcsa.dot.gov.

ELD Solution Providers - Promote your solution from a position of strength, educating your customers on the goal avoiding a $1,000+ ticket. Reinforce the simplicity and reliability of your solution, which will add to your customers' peace of mind if they are considering a $99 solution.

In closing

We hope these summarized research findings help motivate you and your team to provide the best ELD Solution possible. Over the last five years, we have gained valuable insight into ELD to help define our roadmap moving forward.

ELD made Simple

It was our goal from the start to take the complexity out of ELD, and we believe we have obtained this goal with the Suntech ST20.

The ST20 is an easy to install, inexpensive, direct connect solution. Required vehicle data is received through a cable (J-1939/J-1708/OBDii) and transmitted with an RS232 interface to a partner's service platform on any Android device, which also provides the data and charging connection.

If after reading this report if you find yourself questioning your current ELD solution, we are here to help. Suntech prides itself as being a business partner first, and will help guide you through your options. Feel free to contact any of the authors listed below to help continue the conversation, as we move together toward 100% ELD compliance.

Authors:

With over 50 years of combined experience in Telematics, our team has seen it all. From implementing robust international solutions for millions of customers to creating a custom solution for a fleet of three trucks. We work closely with all our partners to create extraordinary solutions that meet their demanding and unique requirements. Have a question? Feel free to contact us:

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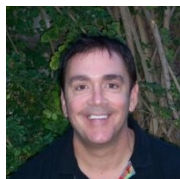
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Based in the epicenter of Telematics for North America, Suntech U.S. is focused on providing advanced technology for its growing number of solution providers. Established in 2017, Suntech U.S. enables turnkey mobile asset and best-in-class vehicle fleet management through its partners across the USA and Canada. Suntech U.S. prides itself for the ability to offer the best product quality, competitive pricing, quick time to market, and customizable configurations.

About Suntech International

Parent company of Suntech U.S.

Global leader: founded in 2001 in South Korea and growing steadily, now the definitive market leader across Latin America. Has shipped over 3 million devices so far worldwide.

High quality: proven process engineering and manufacturing within the renowned IT-sector of Seoul, using the most cost-effective and reliable technologies available.

Industry First: The first company to introduce a chip-based design for GPS tracking that allows devices to be compact, low-cost, and with feature-rich solutions created to meet the specific needs of telematics service providers in the industry.

With its headquarters in South Korea and global offices worldwide including Hong Kong, Mexico, Brazil, Columbia, and the United States. For more information visit www.suntechint.com