

# Want to improve profits in the trucking industry? Focus on safety

 By [Morné Stoltz](#)

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Trucking and trade go together like love and marriage - as the old song goes. On the back of this marriage, truck sales have grown steadily over the years and even during the current economic downturn, are expected to increase by around 3% for 2017<sup>[1]</sup>. Around 86% of freight transported in this country goes by road<sup>[2]</sup>.



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As cross-border trade in Africa continues to develop, it seems likely that we may see even more trucks on our roads in the not so distant future.

As a result, the road freight industry is a major player in the economy. The Road Freight Association of South Africa figures indicate that more than 500,000 commercial vehicles use South African roads, while the South African Transport and Allied Workers Union claims that the sector employs some 300,000 people.<sup>[3]</sup>

## It's not always plain sailing

However, as in love and in marriage, it's not always plain sailing. Freight weights are directly affected by economic activity, and the current recession is hitting the industry hard, with high levels of retrenchments in 2016 and this year.

Many operators are being squeezed out of business owing to competition, price sensitivity and plain lack of business. Rail, too, is making something of a comeback, and this, combined with steps to reduce wear and tear on roads, will place further pressure on the industry.

Against this backdrop, it is easy to see how owners can find themselves taking shortcuts by employing cheaper, less qualified drivers, requiring drivers to work longer hours, and even skimping on servicing and maintenance. Such an approach, however, is extremely dangerous and is likely to increase the pressures that are holding the industry back.

Let's understand why.

“ The first point to make is that, according to the Automobile Association, human error is the single biggest cause of road accidents.<sup>[4]</sup> ”

While trucking accounts for only a small percentage of road deaths — 143 fatalities and 136 injured in 2016 according to the Road Traffic Management Corporation<sup>[5]</sup> — trucks are involved in many more accidents in which there are no fatalities. These accidents, however, have the potential to delay deliveries, destroy goods and cause damage and inconvenience to other drivers.

## Major impact on supply chains

One major impact is on supply chains which, these days, are long, complex and highly time-sensitive. The delays and damage to cargo caused by accidents will slowly but surely cause clients to migrate to companies with better safety records.

Those hauliers that invest in proper driver training and stick to realistic schedules that allow for plenty of rest will reap the benefits. In the short to medium term, this approach will help to reduce the impact of accidents on insurance premiums as well as avoid hefty damage claims and penalties for late/partial delivery and possible medical expenses.

In the longer term, too, reputation as a responsible employer and business partner will mean attracting top-notch drivers and retaining clients will become automatic.

Just as in marriage, taking a long-term view is critical to building a profitable, sustainable road-freight business.

[1] [Riante Naidoo, “What’s needed to drive freight industry after downgrade”, \*Infrastructure News\*, 7 April 2017.](#)

[2] [Roy Cockayne, “SA’s trucking industry is in trouble”, \*IOL\*, 26 October 2016.](#)

[3] Ibid.

[4] [“South Africa’s shocking road death numbers at highest level in 10 years”, \*Business Tech\*, 9 June 2017.](#)

[5] [Phila Mzamo, “Two main causes of truck accidents on our roads”, \*Transport World Africa\*, 4 July 2017.](#)

## ABOUT MORNÉ STOLTZ

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