

BEYOND FINANCE

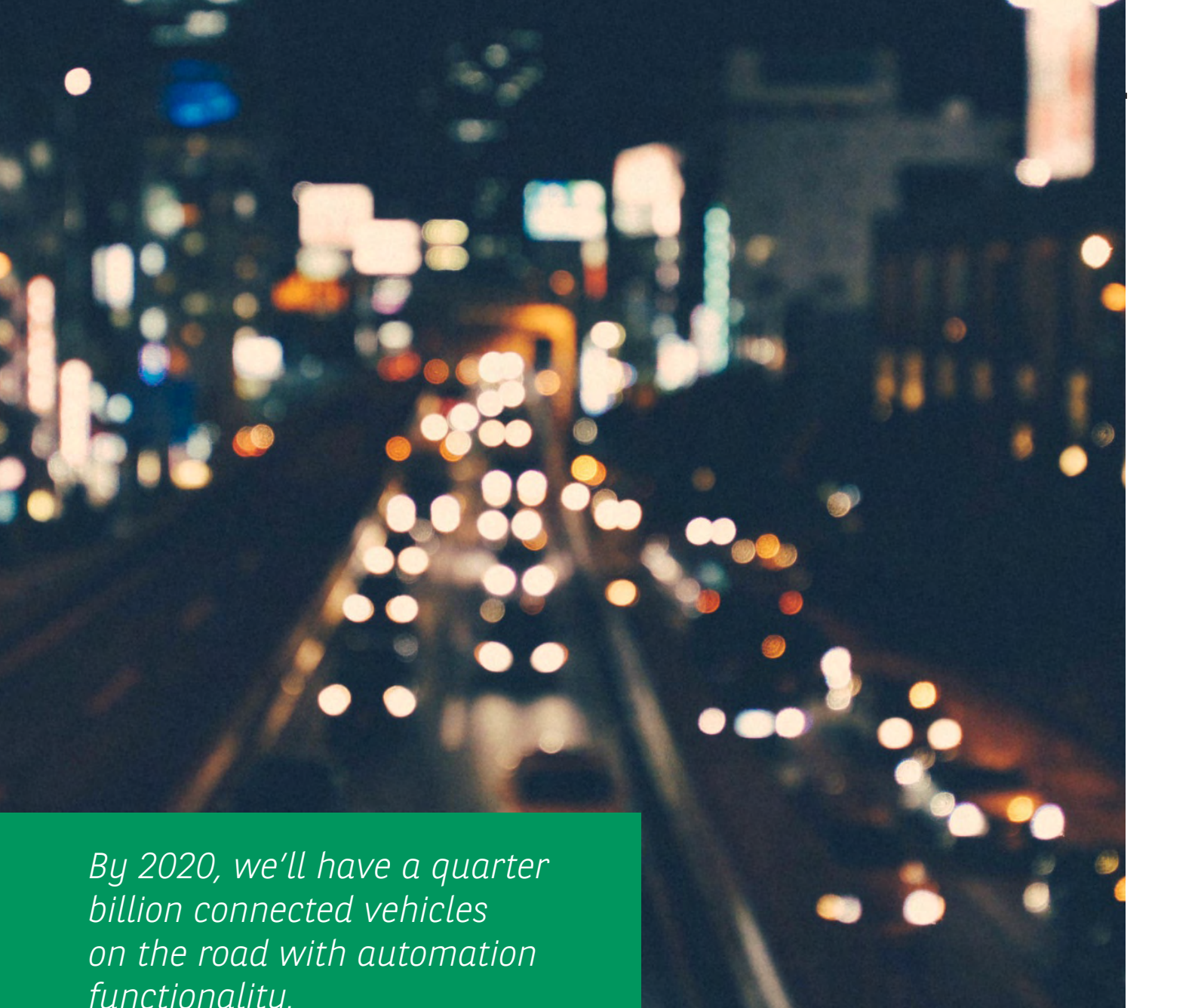
CUTTING EDGE RESEARCH AND INSIGHT FROM BNP PARIBAS LEASING SOLUTIONS

WHAT THE INTERNET OF THINGS MEANS FOR THE COMMERCIAL VEHICLE SECTOR



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As featured in **AW**
Automotive World



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A degree of scepticism about the Internet of Things (IoT) is healthy. Popular narratives about the technology tend to focus on gadgets: smart kettles, colour-changing lightbulbs, and ice cubes that can send text messages. The commercial vehicle (CV) sector is an old market, and it isn't in any danger of obsolescence. Why mess with something that works?

But the IoT isn't just about gizmos. In the next few years, it will provide real benefits for the global CV sector.

By Tristan Watkins

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1. SELF-DRIVING VEHICLES

If the driverless automobile is not the most useful IoT innovation for the CV market, then it is certainly the flashiest and most futuristic. It's also closer than you might think. One Gartner report indicates that by 2020, we'll have a quarter billion connected vehicles on the road with automation functionality, and Google's AI system has received legal recognition in the US as the "driver" of their test cars.

If vehicles can reliably drive themselves, the implications for the global CV industry could be huge – and go way beyond getting a van or truck to go from A to B. An AI will certainly be able to navigate the route of a long-haul journey well enough, but when it's fed real-time, contextual information from sensors it'll be able to make adjustments for weather, terrain, traffic congestion, and safety.

And because it never needs to eat, rest, or accommodate any other needs, gains in speed and efficiency could be huge.

2. MINIMISING FUEL COSTS

Reducing fuel costs is a significant budgetary goal for many fleet managers, and one that is particularly hard to achieve. There are a number of ways to make inefficient use of petrol or diesel: idle time, poor routing, and inadequately maintained machines are only a few contributing factors. Lack of visibility doesn't help – it's not always easy to know how an individual vehicle is consuming fuel, let alone a fleet.

With the IoT, each driver's dashboard can act as a node connecting to the wider network. This will provide up-to-the-minute data explaining how each vehicle and its operator is performing: if there's a particular habit that's negatively influencing performance, you'll know about it; if there's a fleet-wide process that's inflating everyone's fuel consumption, you'll have the information you need to implement less wasteful practices.

3. INSTANT INSIGHT

Another enduring operational challenge is making sure machines run smoothly. Commercial vehicles undertake long journeys every day, and need to have oil, brakes, tyres, and more checked regularly. Organising maintenance can be an administrative nightmare.

Using "smart valves" with sensors attached, it will be possible to gain immediate, accurate information about things like tyre tread and air levels through an IoT-based fleet management system. You can then adjust maintenance schedules according to what needs the most attention – pre-empting breakdowns and eliminating inefficiencies.

There are valid reasons to be concerned about the IoT – job losses, for example, will be a short-term concern when self-driving cars are rolled out – but they are outweighed by the advantages. The entire CV industry will feel the benefits of the IoT eventually; some parts are enjoying them already. One thing's for sure: any impact will only be stronger for early adopters.



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