HERE Technologies helps DKV build a data economy within Europe’s trucking industry
No industry is immune to the effects of the digital age. Long-held paradigms in traditional sectors of the economy are transforming in the face of a big data ecosystem driven by the deployment of sensors and connected devices across IoT networks. Trucking and transportation industry players, for example, hold massive volumes of real-time location data and collect more every second. The most progressive among them are adopting an innovation mindset, exploiting data as raw material for improving existing products and services and for building new services. More recently, they’ve begun to understand that data itself can be a product to be shared and monetized within broad location-centric ecosystems.

DKV Euro Service has been service provider to logistics and transport businesses for over 80 years. With a customer base of 200,000 small fleet operators throughout Europe – totaling approximately 20% of the market – the company epitomizes a mature business with a well-established, market-leading brand finding its equilibrium amid tectonic shifts in a business landscape transformed by data.

DKV operates the industry’s largest supply network in Europe. With a DKV card, truck drivers can pay at over 100,000 fueling, maintenance, repair and tolling points. Fleet operators then receive an itemized invoice for all service, fuel and tolling charges incurred by the driver on his or her tour. For the past 30 years, DKV has contracted with fleet operators to optimize driver routes from a fueling and toll perspective, fuel and tolls accounting for 40% of the hauler’s operating costs.
A HERE location technology-driven innovation agenda

From his seat at the helm of DKV’s ‘innovation agenda,’ Chief Digital Officer Dr. Hendrik Rosenboom recognized that HERE Technologies’ location technology provided DKV with an opportunity to reach beyond that 40%. “As I look at improving our existing products with digital features, I realize that this has been a static business in the past. We would meet with a customer on an annual basis to design an optimal route or network for their drivers, based on fueling and tolling locations, which are pretty much fixed. However, we realized that we don’t have to stop at optimizing 40%. We can be our customers’ real-time cost manager. For example, we can use real-time location, time and map data to help drivers immediately adapt their routes to accidents or traffic, road and weather conditions.”

Dr. Rosenboom says this change in DKV’s business model, from providing static to dynamic route optimization, reinforces the vital and evolving role truck drivers and HERE’s location technology play as his company utilizes real-time location data to improve its core offerings. “We model our digital activities within the context of the truck and the tour. That means we need location data, and because the truck is moving, we need to see precise position data - within meters - in a per-second interval of time.” He points out that drivers are continually making micro-decisions in real-time - when to brake, where to rest, where to fuel or whether to drive around a traffic jam or stay in it, for example. As it transitions into a data-centered organization, DKV can extend its optimization capabilities to the drivers, helping them make the right decisions moment-to-moment.

“We’re not looking to disrupt what we have entirely. What we’ve done is add a layer, which makes use of the data and the customer relationships we have already. Going digital, while it certainly represents change and innovation, is more just a natural extension of what we’ve always done. We’re reshaping the value we deliver to our customers,” Dr. Rosenboom says. “Can DKV do that on our own? No chance. Our innovation paradigm is to understand the pain of our customer, understand the innovator supplier market and then align the customer plan with the best capabilities. When it comes to accessing the location data that sustains our value proposition, we work with HERE Technologies, because we perceive them as the leader in mapping and real-time, location-based services.”
Creating a data ecosystem

Research conducted into Europe's transportation industry shows that efficiency gains of up to 40% are possible. Trucks running half-full or waiting for hours in front of warehouses are commonplace, mainly due to the industry's fragmentation and dependence on outdated tools and technologies. In short, it's an industry ripe for digital disruption.

Dr. Rosenboom believes nobody in the industry has a complete set of data and everyone can benefit from data sharing. Furthermore, he's made creating a data ecosystem among industry players a central element of his digital strategy.

"When I arrived at DKV we threw data away after the transaction settled; it was just a by-product that had no value because nobody could use it. Everybody viewed data within the context of a transaction. Nobody was thinking about ways to exploit the data," he says. "We capture 130 million data sets every year, and now we're treating those data sets as raw material for new services. We're talking with quite a few players in the industry with transport platforms – even competitors - and we're brainstorming our business models and exploring possibilities for data sharing, seeing where we might cooperate to offer new location-based services jointly." It's called 'coopetition', and DKV uses HERE Technologies' neutral and scalable OLP (Open Location Platform) Marketplace as a hub to facilitate it.

Dr. Rosenboom sees no distinction between DKV's heritage and its future. The company has been and always will be grounded in transport execution, optimizing the journey from Point-A to Point-B. But, as the journey gets more complex – more traffic, hyper-accelerated delivery cycles, tighter delivery windows, mandated driver rests, for example – the optimization challenge gets more granular, sophisticated and dependent upon real-time location data.

"All we're doing now is building a parallel business for the digital age," he says, while pointing out that DKV's inherited business is still growing double digits each year, and will remain the company's primary source of revenue in the coming years. "We are certainly doing more from a digital standpoint to make our legacy business more efficient, like providing access to services online or perhaps replacing our plastic card with an app on your smartphone in the future. However, that's not disruption; it's just improving the business we have."

Disruption comes in the form of new services and capabilities made possible by location technology and data. Part of Dr. Rosenboom's job is to make sure the company dedicates a fair share of its resources to innovation. "I am determined to make sure DKV, with our market-leadership position, is a shaper of digital disruption and not one of the disrupted."
About HERE Technologies

HERE, the Open Location Platform company, enables people, enterprises and cities to harness the power of location. By making sense of the world through the lens of location we empower our customers to achieve better outcomes – from helping a city manage its infrastructure or an enterprise optimize its assets to guiding drivers to their destination safely. To learn more about HERE, including our new generation of cloud-based location platform services, visit 360.here.com and here.com

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