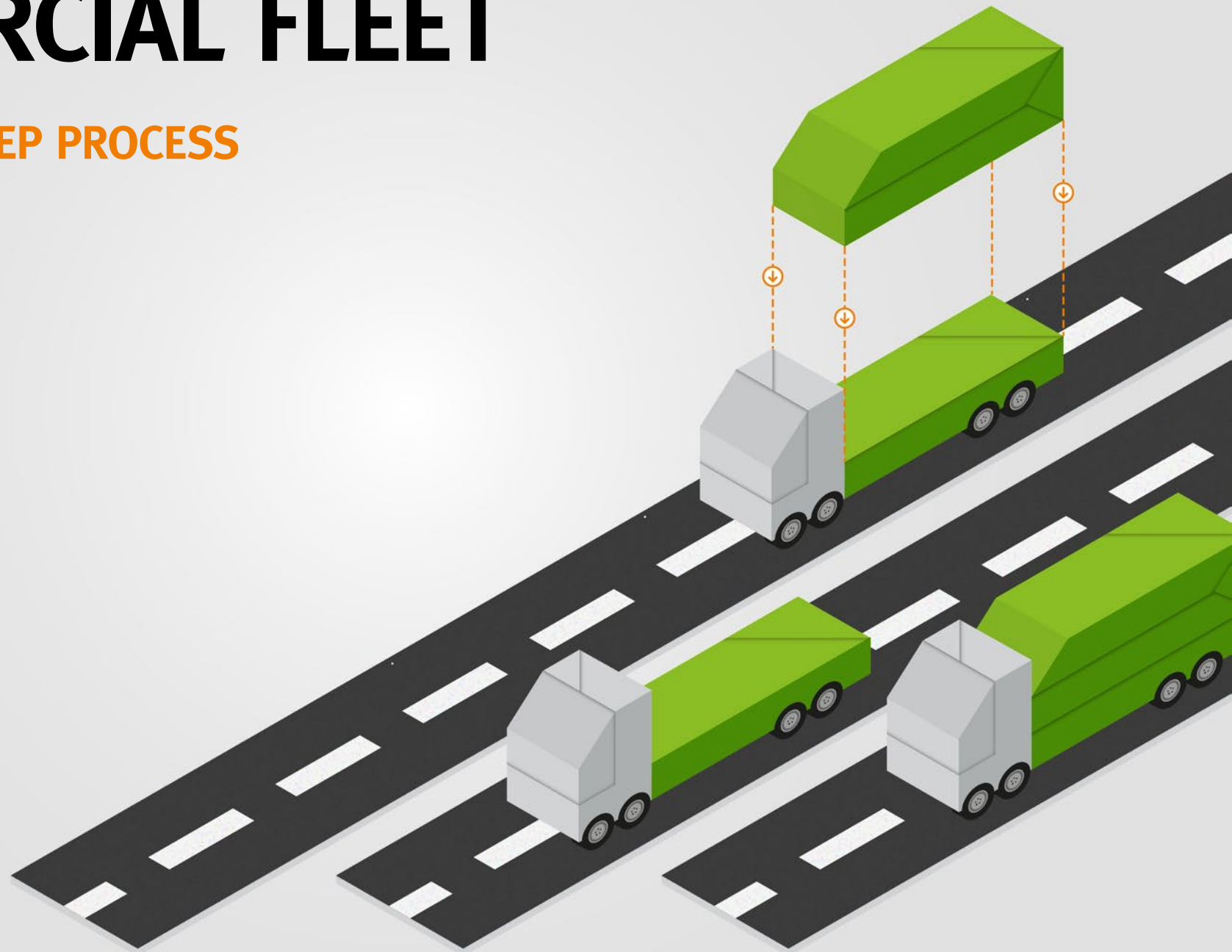


BUILD A WORLD-CLASS COMMERCIAL FLEET

AN EASY FOUR-STEP PROCESS



What does C stand for in your business? C is for... Commercial Vehicle Fleet. But it's also for... complex, costly, consuming and complicated.

We're talking big fleets. Hundreds, even thousands of vehicles. Each costing you over £700 every day it is off the road.

Your fleet is how you take your business to customers: the very front line of your operation and the public face of your brand. What's more, with the ever-increasing need for 'final mile' logistics – booming with the growth of ecommerce and road traffic – the right-sized, lean commercial vehicle fleet will enable you to capture a share of growth markets, find new revenue streams and, above all, run an efficient, cost-effective fleet.

But are you getting the best possible deal? Are you operating your commercial fleet efficiently and keeping downtime to the minimum?

The cost-cutting headache

Cutting your overall spend isn't straight-forward because the big figure is formed of many smaller costs. So it's difficult to introduce measures that increase your operational performance yet decrease your risk.

Sound familiar? Let us help take some of the pain away with a tried-and-tested approach to finding, delivering and managing the performance and savings. The result?

Tangible advantages for our commercial fleet customers, maximising operational efficiency with the best whole-life cost possible.

This ebook offers a four-step guide to the stages that count when it comes to creating an optimum commercial vehicle fleet profile tailored just to you. Importantly, this is not just about keeping you on the road but managing both your performance and costs on an ongoing basis too.

Let's get going.

Commercial vehicle fleet costs you need to consider

We all know commercial vehicle fleets are complex. Running a lean, efficient commercial fleet is completely different to running a passenger car fleet.

There are costs associated with running a fleet at less than optimum performance – from simple repair costs to fines you incur for missing critical customer SLAs.

Legislation and Duty of Care are vital considerations in the world of the commercial vehicle fleet – with severe penalties for operators who fail to comply. Today, ‘I didn’t know’ doesn’t cut it – the responsibility for keeping up with changing requirements and laws is all yours and yours alone.

Consider the list of key factors for commercial vehicle fleet providers on the next page. Some will look familiar, some might give you pause for thought, and some might not be on your radar at all.



What you know	What you know you don't know	What you don't know you don't know
<p>Contract purchase or contract hire? Funding your fleet is a given – but what's the best way to do it?</p>	<p>Truck broken down? It's going to happen – what you need to know is whether you can get a replacement vehicle on the road in 30 minutes or 24 hours.</p>	<p>Maximum vehicle payloads, changing Duty of Care requirements... Are you on top of all the regulatory obligations and restrictions that apply to your commercial fleet and drivers?</p>
<p>Fuel costs are huge – the largest cost you're likely to face.</p>	<p>Of course, precisely how huge is uncertain and difficult to budget for.</p>	<p>How can you optimise journeys, driver behaviour and vehicle choice to minimise costs?</p>
<p>A van that's unexpectedly off the road means you'll need to reschedule work.</p>	<p>You may then face penalty costs for failing against agreed schedules.</p>	<p>You may also suffer less immediately tangible (but no less costly) damage to your brand reputation.</p>
<p>Quickly replacing an unavailable van will incur daily rental costs.</p>	<p>But rental vans, of course, will not have the tools your people need on board, leading to further delays.</p>	<p>And an un-branded replacement vehicle can make you look less professional, undermining your marketing efforts.</p>
<p>Failing to provide a vehicle that can handle the task at hand is both inefficient and risks breaching Duty of Care requirements.</p>	<p>All too often, fleet operators don't know if their vehicles are being overloaded and need to ensure drivers are educated on safety, fuel consumption and route planning.</p>	<p>With spot checks increasing, overloaded, unsafe vehicles run the risk of attracting legal penalties – ignorance is no defence.</p>

There's a lot to think about. Unexpected knock-on costs. A whole world of regulation and restrictions. And best practice insider knowledge that can save you both time and money.

It's time you got to know the four-stage approach to optimising your commercial vehicle fleet.

DISCOVERING WHAT YOU'VE GOT (VS WHAT YOU ACTUALLY NEED)

Does your current fleet do the job? When it's time to renew, of course it's easiest simply to stick with what you know.

But here's the good news (one of the things you already know). It's completely possible to get the full picture of the shape and size of your current fleet, see how it measures up against the fleet that you need, and finally get an idea of what your best, most productive fleet profile looks like.

Using real information and data is the best way to get the full picture of your fleet. At one level this is about understanding what you've got, how you're using it and where there are opportunities to improve.

At another, it's about putting your data into a wider context, helping you benchmark your business against others in the market. You can't do this by focusing on the cost of your fleet.

You do it by understanding your drivers, the tasks they need to perform and whether they can do them efficiently.

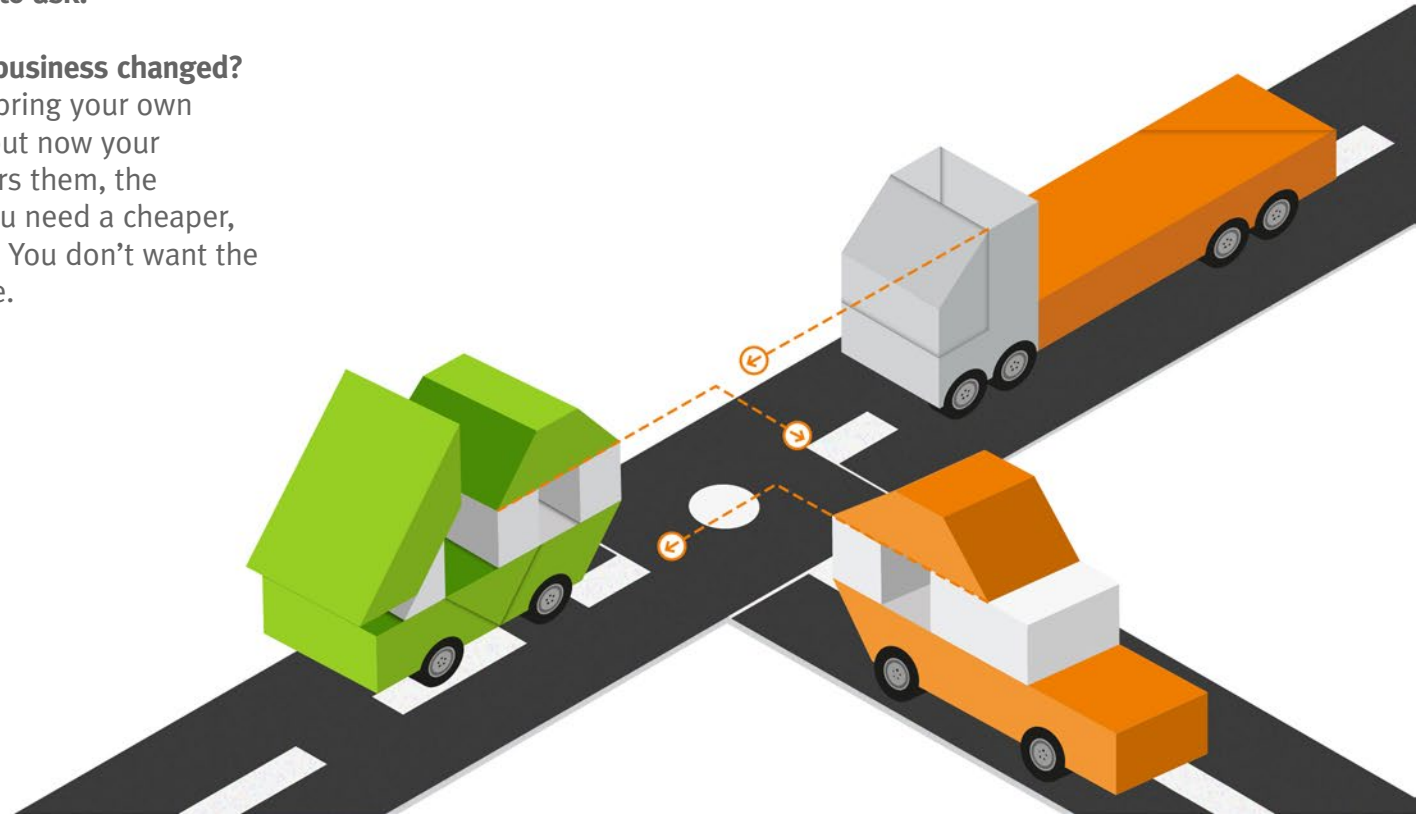
Ask the right questions and you'll get the fleet that best fits your needs and, of course, your customers' needs.

Some questions to ask:

- **How has your business changed?**
If you used to bring your own goods to site but now your supplier delivers them, the chances are you need a cheaper, sleeker option. You don't want the same as before.

- **What kind of goods are you carrying?**

It's not necessarily about loading and unloading. You might find that you need ancillary tools to make the job quicker and more efficient.



DISCOVERING WHAT YOU'VE GOT (VS WHAT YOU ACTUALLY NEED)

- **What are your expectations?**

You might believe you've a good service level agreement. But you might not have the specialist skills you need to get your team back on the road in time to meet your customer's tough demands.

- **How do you remunerate your drivers?**

You might be happy to reward your team for more deliveries. But if the consequence is higher fuel costs, more risk taking and law-bending then your hidden costs are likely to explode.

- **How do you qualify drivers?**

The rules for commercial vehicle driving are stringent. Many fleets employ drivers "secure" in the knowledge they are approved and licenced. Only to find out they're not.

- **Is your team aware of the law?**

It's a complex legal environment from loading limits to seat belt rules. If people don't know the law, they don't know when they're breaking it.

With an operational focus you can take care of the things that count with your fleet choice: duty of care, time on the road, safety...

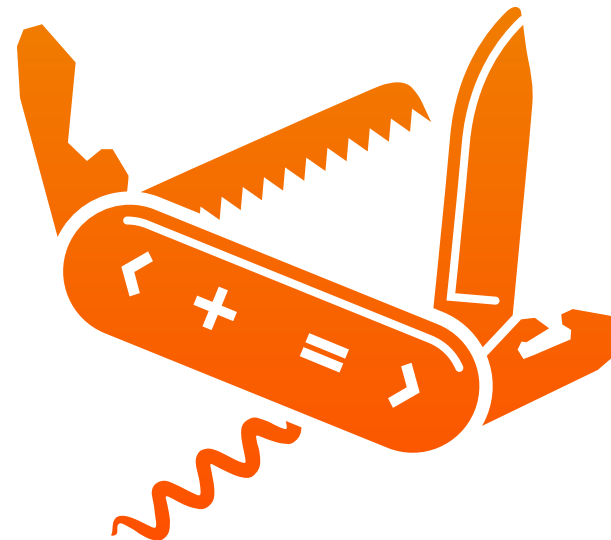
You need to pick a van that's right for your business. And, to do that, you need to start by understanding how the fleet supports your business.

THE PROBLEM:

Improving fleet productivity and efficiency is the goal – but it's hard for non-specialists to get the whole picture or the most informed answers.

THE BENEFITS OF GETTING IT RIGHT:

You can identify hidden costs, make meaningful comparisons and get a real understanding of what you actually need.



Now you've got a solid understanding of what your optimum fleet profile should look like, the next question is how to fund your fleet. Outright purchase or Contract Hire?

There's no right answer – it'll depend on your corporate tax status, how long you will use the vehicles, and a host of other variables.

- You might choose to take a large outlay upfront and purchase your vehicles – but don't forget that depreciation starts as soon as they've left the dealership.
- Contract Hire often makes sense – as long as you ensure that you can get the right residual value (RV) on your trucks and vans. A commercial vehicle fleet consultant can help with this, providing in-depth insights to give you the complete picture. This can help ensure there are no surprise end-of-contract costs.

- Depending on the industry you're in, you'll have to take very different variables into account when you consider which funding route is best. Each factor will act as a lever on your other costs – a saving in one place can activate a cost somewhere else.
- Remember, it's the whole-life cost that really counts. The lowest monthly cost might lead to other costs down the line (for example, cheaper vehicles might not comply with next year's CO₂ emission thresholds).

MIRROR, MIRROR

In the passenger fleet world, handing back a well-worn three-year old Ford Focus at the end of your contract may cost you in terms of unfair wear and tear. A commercial vehicle however, that's been working at maximum capacity on a site for a few years might still be 100% up to the job, but look a little the worse for wear. As a result, the depreciation value curve should look very different for commercial vehicles than passenger cars.



You might be happy that you're procuring vans at a great price. But there's a huge difference between price and cost. Here are just a few points to help you get the best lifetime deal.

- If you're purchasing a significant amount of commercial vehicles from a specialist dealer, you'll probably get a better price than if you're just adding a couple of new vans to your fleet.
- That's good – but it's also worth knowing that suppliers with long-standing relationships with a wide range of dealers can probably get a better price still. Plus access to experts who can audit van fleets to give a more holistic picture.
- What you really want is a provider with a specialist supply network so you can benefit from their purchasing power, expertise and leverage (this is why LeasePlan has its own appointed commercial vehicle and van dealers).

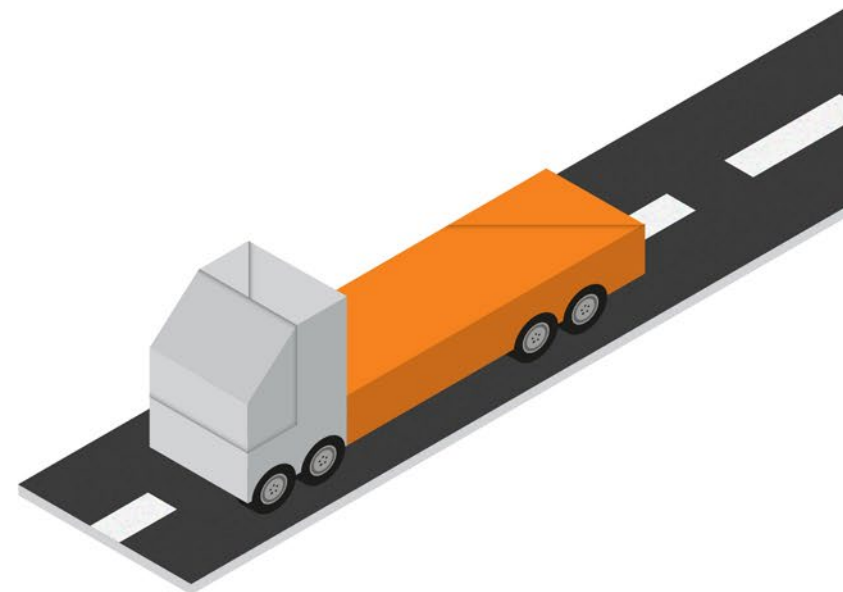
...Plus benefiting from suppliers' buying power and expertise

- Your commercial vehicles are the engine room of your business. Bespoke fit-outs, specialist replacement vehicles – are you dealing with a supplier who can deliver exactly what you need?
- Working with an extended supplier and manufacturer network means that you get the leverage to demand the same level of SLAs from your dealership as your customers ask of you. It means ongoing partnership, and industry benchmarked standards too.

And it's not just about supplying your commercial vehicles either

- Optimising your fleet's performance means getting better control over another one of those Known Unknowns – service, maintenance and repair (SMR).

- Book your passenger fleet car in for a service, and you're happy to hear that it'll probably be ready for you by tomorrow lunchtime. But for hardworking commercial vehicles, every moment of downtime has a huge potential knock-on effect.
- Use a nationwide network of specialist commercial vehicle SMR centres and you know you're dealing with service providers that really 'get it'. Drop it off for a service at 7am, and pick it up by 9am.



HERE'S AN 'UNKNOWN UNKNOWN' EXAMPLE OF HOW UNEXPECTED COSTS CAN MOUNT UP:

A faulty vehicle means you can't get equipment on site.

You've got five workmen there already – but no tools...

Finally, you find a garage to take it in – call-out charges will be on top, of course. They can't fit it in until later either.

COST: £500

More calls and you find a replacement vehicle, at a premium price of course. But it won't get there until 2pm.

COST: £300

You're now a half-day down which automatically means a hefty fine from your client. And you've still got to pay your workers.

**COST: £500 fine
£350 wages**

Finally the original vehicle is back, and the replacement returned. But you get landed with a fuel charge for not refilling the tank...

COST: £100

TOTAL: £1,750

GET THE BENEFIT OF ONGOING OUTSOURCING AND OPTIMISATION

Getting the right fleet on the road is only part of the story. The key to gaining a real advantage in the commercial fleet world is all about keeping a tight rein on operational costs while achieving performance targets. It's about how you manage your ongoing fleet requirements.

That means everything from making sure that your drivers are educated about the maximum load capacity they're legally permitted to carry, to ensuring MOTs are scheduled and fuel costs are under control. We're talking Duty of Care, driver behaviour and making sure that the treads on your tyres meet the statutory guidelines.

- **Optimisation**

Get acquainted with the tools and technology that can help you reduce risk and cost. Telematics devices capture data such as driver speed and fuel consumption. Use mapping and scheduling applications to optimise your fleet's on-road time and most efficient journeys. Educate drivers, or introduce solutions like fuel cards to get a handle on your fuel charges.

- **Ongoing Outsourcing**

Job assignment, MOTs, driver education, duty of care, managing relationships with SMR centres – administering your fleet is a quite an undertaking. Outsource it and you get the peace of mind of knowing that an expert partner has it covered – all with your specific priorities and performance targets in mind.

LICENSE TO AUDIT

The Freight Transport Authority (FTA) is trying to raise the profile of van drivers. We're authorised to look at a fleet and their processes and give them a seal of approval. It's about support, education and safety: all the things a world-class commercial fleet does on its quest for excellence.

01233	Mileage management	✓
	Driver management	✓
	Route planning	✓
	Fuel and CO ₂ management	✓
	Job scheduling and optimisation	✓
	Ancillary equipment	✓
	Full reporting	✓

So there you have it, the LeasePlan four-stage approach to getting ahead of the competition in the commercial fleet world.

Working through the four stages might not be necessarily right for everyone. Every commercial vehicle fleet will require a different approach, tailored for their specific requirements, and as flexible as they need it to be.

But understanding what you need, then working with real commercial vehicle specialists to deliver it – that's potentially game-changing for your business.

See the fast-mounting costs of having a vehicle off-road – and the positive impact of introducing better processes, systems and partners. Know when to bring in commercial vehicle experts, then create a framework where specialists can deliver to the standard you require.

And that all adds up to the biggest C of all – Competitive Advantage.

To find out how LeasePlan can help you get most out of your commercial fleet, get in touch.

Tel: 0344 371 8032
email: newbusiness@leaseplan.co.uk

IT'S YOUR RESPONSIBILITY:

Don't forget. The one thing you can't outsource is responsibility. It's your fleet. But outsourcing with LeasePlan will go a long way to better operational understanding, cost-efficiency and uptime. It means total fleet knowledge and peace of mind.

OUR SECRET SAUCE:

At LeasePlan, our dedicated commercial vehicle consultancy team are experts in the market with access to our extensive database of commercial fleet profiles. Simply, no-one has greater insight. We use this knowledge to compare, benchmark and assess new clients' needs, making sure they get the very best commercial vehicle solutions – solutions that match their individual needs and specific industry requirements.





Telematics Video



Find out what this telematics thing is all about by watching this video.



Assessing Risk



Want some useful tips on how to access risk then read this blogpost.



Taking Green Strides ISO14001



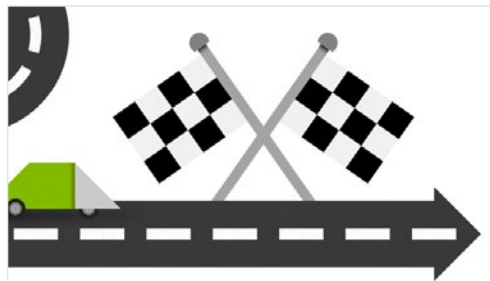
Want to ensure your fleet provider has green credentials watch our ISO14004 video.

Telematics Datasheets

What's included	
Mileage management	✓
Driver management	

For the full LeasePlan Telematics offer have a read of our datasheets.

Outright Purchase



Maybe the best way to get most out of your fleet is to sell it, to see why check out our infographic.

The Hub



For more fleet related content check out our hub.

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