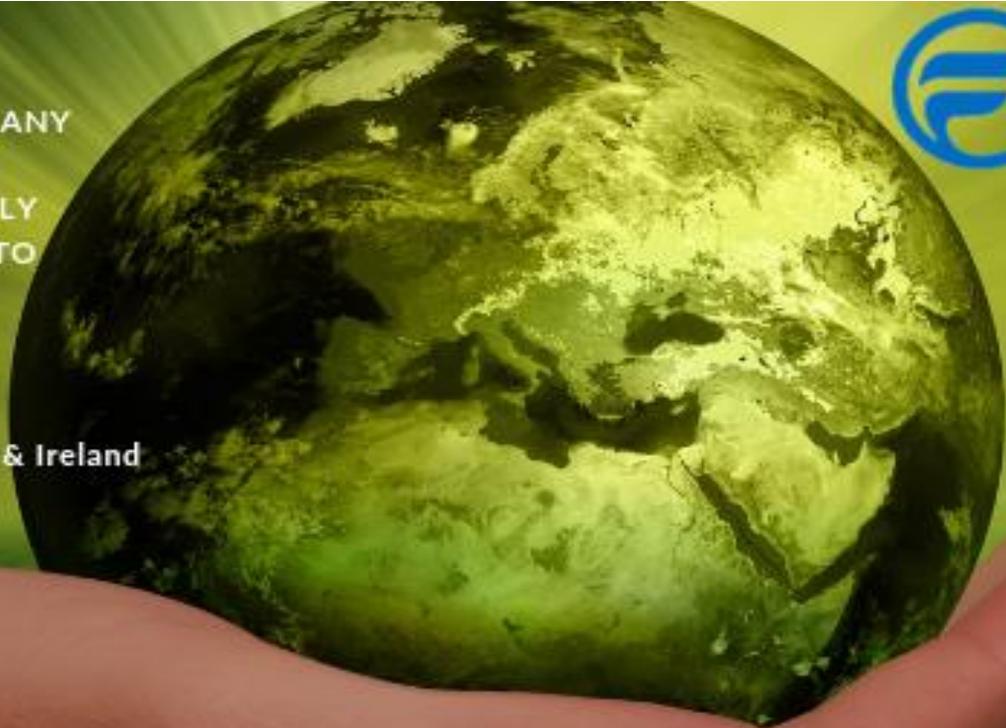




"A FLEET MANAGEMENT COMPANY CAN HELP REALISE UNTAPPED POTENTIAL IN THE FLEET SUPPLY CHAIN AND WORK WITH YOU TO DEVELOP YOUR SOURCING STRATEGY IN EACH MARKET."

Sue Branston - Country Head UK & Ireland



Use current uncertainty to reshape fleet for a sustainable future, says Fleet Logistics UK and Ireland

Procurement departments in UK companies should see the current high-uncertainty environment as an opportunity to rethink their supply chain strategies, increase flexibility, bring in best-in-practice suppliers and reshape their fleet policies for a sustainable future.

That's the view from Fleet Logistics UK (FLUK), the UK and Ireland arm of Fleet Logistics International, Europe's largest independent fleet management provider, with more than 180,000 vehicles under management worldwide.

It's becoming harder to determine long term strategies and anticipate events - or predict how they will unfold - due to the political influence and landscape of the UK Government's future taxation strategy. This adds complexity to fleet and a 'one solution fits all' approach, often seen in the sector, is no longer effective. Due to the complexity involved in managing a fleet well now, there is a need for regular adjustments to policies which results in fleet is taking up more time than ever within a business.

However, says FLUK, procurement functions within companies are often under pressure within their business to 'right-source' their fleets – which can mean finding the cheapest,

short term fix, with limited regard for sustainability in the medium to long term. Although this method may appear to generate an initial saving, this is usually the wrong approach, says FLUK.

With the vast range of categories sourced by businesses, the talent and knowledge to handle these, as well as the process complexity, can prove challenging for a business. Procurement and buyers cannot be experts in every spend category so, in response to this, many businesses are bringing in contractors to manage short-term projects, often at a premium that could be avoided.

“A short-term sourcing approach typically does not work in this constantly-evolving fleet market that we are currently experiencing,” said Sue Branston, Country Head of Fleet Logistics UK and Ireland.

“Companies need to take a longer-term view to a more sustainable future, and consider the advantages of a partner focused purely on fleet, with the knowledge and experience to guide them through both current and future challenges.

“Fleet is transforming and having a partner with expertise in every market your business operates in is a key factor in controlling spend. A fleet management company can help realise untapped potential in the fleet supply chain and work with you to develop your sourcing strategy in each market. Selecting the best services, to meet your business’ individual list of requirements, will improve processes and reduce admin and manage your fleet suppliers and their costs. This frees up time and resource within your business.

“The right fleet management partner will also be able to proactively suggest improved services, efficiencies and technological improvements, which will result in a lower fleet Total Cost of Ownership (TCO) and help build for the future. Despite the market evolving at such pace, businesses can plan ahead with expert help,” she said.

Branston said that corporate procurement teams had the opportunity to play a major part in shaping a cost-effective, sustainable fleet landscape in the UK. Procurement’s influence on supply chain selection, and not purely focusing on the cheapest short-term available options, will enable a sustained balance between quality service delivery and cost.

“Our methods work well with the current uncertainty in the UK and the benefits are seen in the bottom line by a business. It creates flexibility and adopts a more agile approach. By supporting our clients to tender for the best fleet supply chain, either alongside their internal teams or on their behalf, we help them select the best providers. This can work better than employing a ‘one-stop-shop’ approach and being tied to a sole service provider for all fleet services, when not all services may continue to be cost effective or best-in-class mid-long term,” she said. “By also creating and managing a competitive environment for vehicle sourcing and funding, the savings derived from this are directly passed back to our clients from day one on an on-going basis.”

For example, procurement departments need to select vehicle manufacturers based on a range of factors that have a medium to long term impact on the company fleet. It is crucial to select the right vehicles for the individual business in this increasingly confused automotive landscape.

This includes factors such as technology, carbon dioxide (CO₂) and nitrous oxide (NO_x) outputs, impact of WLTP (including vehicle availability), the types of powertrains and their suitability as well as Benefit-in-Kind tax bills for drivers and the appeal of the range.

This does not necessarily mean selecting the traditionally popular OEM’s or most popular front-end options, although these OEM’s undoubtedly still play a key role for the right fleet,” said Branston. Helping clients select the right vehicle in a new car market which is seeing uncertainty over residual values, new models and new OEM’s appearing on the scene, makes vehicle selection a far from simple task.

Instead, taking a longer term view meant looking at whether an OEM could demonstrate the environmental impact of its vehicles and balance this against cost, particularly as the market moves increasingly towards an electric future – and one that involves a range of mobility solutions as well.

“Partnering with a fleet management supplier that is completely transparent and impartial in its dealing with your selected fleet suppliers, can really benefit both a business and its drivers.

“The right fleet management partner can support you in the most effective supply chain management, as well as carrying out robust cost reduction and monitoring programmes, helping your business work towards achieving its business goals.

“Here at Fleet Logistics UK, our sole focus is the successful management of our clients’ fleets and we have many years’ experience in identifying and implementing the optimum fleet policies that meet actual needs,” said Sue Branston.

“Our knowledge and network of products and services is second to none. From supporting key stakeholders with acquisition and funding, duty of care and grey fleet management, invoice validation and consolidation, fuel management and consultancy, and consolidating all fleet reporting, we have a solution that will deliver value for your business, in a consistent and straightforward way.

“Our focus is to gain a real understanding of a business, collaborate with stakeholders to understand challenges and goals and translate them into an effective strategy. Trust is built via our transparent processes and interactions and, as we promote and facilitate innovation,” she added.

“With uncertainty comes opportunity and there are undoubtedly quick wins to be had for both procurement and other business functions within the fleet category in the UK today.”

If this sounds interesting, why not get in touch? We’ll be glad to help.

Sue Branston
Country Head - UK & Ireland