

What can a fleet management company do for you

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(For information purposes only)

Fleet management includes a range of functions such as vehicle financing, vehicle maintenance, vehicle telematics (tracking and diagnostics), fuel consumption; fine management; vehicle licencing; roadside assistance and accurate data consolidated into monthly management reports.

It is a function which allows companies to remove or minimize the risks associated with vehicle management, thereby improving efficiency and productivity and reducing their overall transportation and staff costs. It also ensures a 100% compliance with government legislation. While these functions can be dealt with either by an in-house fleet-management department or an outsourced fleet-management provider, making use of a fleet management company will introduce a wealth of experience and knowledge which can be used to save costs, reduce risk and improve fleet productivity.

Who typically needs fleet management?

It is not only large logistic or transport companies who require fleet management. Any company which owns or leases five or more vehicles will benefit. Consider the following when making this decision:

- Does your company rely on transportation and vehicles to service your clients or deliver products?
- Are you interested in improving efficiencies and productivity – in this case a fleet management partner will allow you to concentrate on your core business, rather than concerning yourself with fleet related activities.
- Do you need to save costs - professional fleet management will help you save on transport costs particularly if these are a line-item on your company's expense report or saving report.

Fleet management not only solves fleet problems, it also prevents them. Typical problems include fuel consumption, maintenance and tyre costs, a high accident rate, and consistent bad driving.



Benefits of fleet management:

1. Cost Reduction :

Cost control and cost reduction is vital for all efficient organisations and implementing a fleet management system will achieve both objectives. There are a number of ways cost reduction can be achieved.

- a. *Vehicle acquisition:* is about selecting the right vehicle for your needs in the most cost-effective way whilst also providing the highest return. Considering the end of life value is essential when purchasing a vehicle. This has a significant influence on the vehicle's total cost of ownership and is an important consideration when calculating total fleet costs.
- b. *Discounted purchase prices:* Many fleet management companies have negotiated beneficial pricing arrangements with manufacturers and can get discounts that go above and beyond what's available to the general buying public. They also might be able to inform you of vehicle production issues not yet made public.
- c. *Fuel management:* a single fleet card, accepted at nearly all fuel and maintenance facilities, increases driver efficiency and reduces administrative load by giving one annotated invoice.

2. Driver Management

Modern telematics systems are installed in fleet vehicles and are specifically designed to help fleet managers monitor and control driving behaviour. They directly interact with vehicles and contact centres to exchange information. Control measures can include speed governing, excessive idling and braking alerts, remote immobilisation, as well as intelligent driver identification systems which ensure AARTO compliance. Automated reporting platforms are provided based on customisable requirements. Reports may be automated daily, weekly or monthly, and provide information to everyone from the driver to top management, thereby raising performance and reducing costs.



Fleet telematics have improved fuel cost savings, driver and vehicle productivity as well as fleet safety for many companies.

3. Service and Maintenance

How often should a vehicle be maintained? The answer is as per the service intervals of the vehicle - but few people read these instructions and even if they do, they tend to forget to schedule the vehicle for service. By using fleet management organisations can:

- Be notified when the vehicle is due for service
- Extend the lifespan of the mechanical components
- Enjoy fewer breakdowns and driver downtime
- Reduce future repair costs
- Increase resale price

4. Reports and Analytics

Fleet Management provides a full range of reports for regular review, facilitating cost and asset management.

5. Route Planning and Tracking

Careful route planning saves both time and money. Badly planned routes waste fuel and company time. Fleet management allows the fleet manager to plan routes ahead for the drivers. Fleet systems log details such as speed, location and mileage, while geo-fencing notifies the manager when a vehicle enters/exits a destination, eliminating concerns around collection or delivery times.

6. Healthy relationships

Conflict between managers and drivers frequently become a problem and effective fleet management systems can eliminate this. Modern telematic systems are installed in fleet vehicles and directly interact with vehicles and contact centres to exchange information and gather vital vehicle and driver behaviour information that can be used to positively manage driver behaviours and perceptions.



Fleet Managers should support their business by having accurate records of driver/vehicle allocations, ensuring all drivers have current driver's licences and are allocated to the correct vehicles for the accurate allocation of any perks tax for private utilisation.

7. Risk Management

Risk management is a crucial consideration for effective fleet management. Accidents and vehicle theft can have a negative impact on a company, whether this is monetary or reputational. Fleet management systems allow fleet managers to plan routes and timings carefully to lessen the risk of accidents which in turn saves repair costs and downtime. In addition, the engine immobilizer feature in most telematics systems has lowered the overall rate of car theft.

8. Fit for purpose vehicles

Purpose built vehicles help drivers do their jobs efficiently. A fleet management company can assist a company to purchase or build vehicles which are exactly right for their intended purpose. As the business grows and changes, the purpose of the vehicles might evolve as well. A fleet management company can make sure your fleet is keeping pace with your business.

9. Vehicle remarketing

Vehicle disposal requires knowledge, experience and industry relationships to achieve higher resale prices and a faster turnaround. This lowers total fleet costs, and saves money which can be used to upgrade fleets by investing in new vehicles. Fleet management companies are in a unique position to provide this experience.

There is no doubt a properly constructed fleet management program can improve safety, reduce costs and increase efficiencies and productivity. Whether you choose to administer such a program in house or employ a fleet management company to do it for you depends on the structure of your organisation. Contact our consulting division at Eqstra Fleet Management to see how they can help you.



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