enterprise
FLEET MANAGEMENT

WHY LOCAL, HANDS-ON ACCOUNT MANAGEMENT MAKES SENSE FOR FLEETS OF ALL SIZES

Outsourced fleet management, coupled with local, hands-on account management, gives advantages beyond accountability and transparency, improving efficiencies over the lifecycle of the vehicle.

Why Local, Hands-on Account Management Makes Sense for Fleets of All Sizes

The size of the fleet isn't the single factor to determining the need for outsourcing fleet management. Fundamentally, outsourcing makes sense for companies of all sizes. While the fleet may be an integral part of the business, it's likely a necessary consequence or a means of operating the business.

That being said, not all fleet management resources are created equal. The ability to have essentially hands-on fleet management provided by a local account manager adds an extra level of service to outsourced fleet management, particularly for small companies that may not have a dedicated fleet professional on staff. Just as companies may hire outside professionals to prepare taxes, or consult on a complex project, outsourcing fleet management allows an organization to maintain control of its fleet, while leveraging the expertise of a professional fleet management company with expertise in overseeing every aspect of vehicle operations from acquisition to disposal.

WHY OUTSOURCE?

When a company has a handful of vehicles, fleet management is relatively easy and can be handled part-time by one or two employees with additional operational or administrative responsibilities. In some cases a vehicle may be the treated as the employee's personal vehicle, with the responsibility of its upkeep — registration, maintenance, etc. — left to that employee.

But with success comes growth and complexity of operations. The fleet will likely grow and become more complex to keep pace with the company, reflected in the growing number of functions that now have to be handled, including:

- Vehicle Specification
- Acquisition — including the process of choosing the vehicle, negotiating and pricing, correctly timing the purchase, and identifying the most appropriate funding
- Licensing and titling
- Maintenance and repairs
- Taxation
- Compliance
- Subrogation (in the case of an accident)
- Reselling

When fleet management transitions from a part-time function to a full-time job, it is less efficient for the company to properly manage the fleet without outside expertise. Without expert guidance, decisions are often made on the basis of expediency and not according to best practices or based on managing total cost of ownership (TCO). For example, an expensive repair may be made to keep a vehicle on the road instead of saving money overall by replacing it with a newer, more cost-effective replacement.

Outsourcing fleet management will help take away some of these complex functions and decisions by:

- Obtaining the best vehicle acquisition price
- Staying ahead of the curve on preventive maintenance
- Acquiring vehicles that have low maintenance costs
- Providing flexibility to make changes to the fleet to meet the company's needs
- Having access to reporting and tracking

Without an expert fleet administrator — as with any specialized fleet expertise — companies often don't have a full understanding of the costs associated to the fleet or how they can better manage vehicle's resources to maximize operational dollars.

Oftentimes, as a small company grows, it makes few changes to its fleet operations to match its growth. For example, it's easy to buy from the same dealer and/or use the same vehicle model that it purchased from the onset of the fleet. This results in increased acquisition costs and other inefficiencies by not using the best vehicle for the job — something that an outsourced expert can help a company adjust, identify, and control.

Companies often replace their vehicles at an inopportune time or when the company runs its vehicles until the "wheels fall off" — which significantly increases fleet operational costs and virtually eliminates the ability to capture any return on the asset.

Outsourcing allows companies to immediately put the fleet in order — getting the various fleet functions under control, making tasks such as licensing and titling and maintenance management more efficient and cost effective. It will also remove time-consuming tasks from the company's employees who likely don't have the background to handle fleet-related functions.

Outsourcing also gives a company full insight into each vehicle with comprehensive and real-time reporting that translates directly to the bottom line. Companies that outsource have a clear understanding of vehicle TCO down to the penny.

HANDS-ON ACCOUNT MANAGEMENT

Outsourcing isn't new; fleet management companies have existed for more than seventy years to help organizations professionally manage vehicles of all sizes.

What is less common, but more effective — particularly for companies with small- or medium-sized fleets without a professional fleet manager on staff — is hands-on account management, which provides much more support than a centrally-located fleet management company, or fleet management software solution can offer.

Because they are local, these outsourced account managers:

- Can leverage their personal relationships and knowledge of the market to the benefit of the fleet and, by extension, the company as a whole
- Can get to know the fleet operations — becoming familiar with the company's particular key performance indicators (KPIs), its business, and other aspects of the operation
- Can be proactive in anticipating and solving potential problems. A centrally located fleet management provider that isn't local — can only be reactive
- See your specific fleet in use — understanding nuances of your application of the vehicles

In many ways, a local account manager, because he or she has a personal relationship with the company, is almost a *de facto* employee. This means the local account manager will often have more of a personal connection and stake than an account manager who is in a centrally located office. Having a personal relationship helps to build mutual trust and respect.

Because of the hands-on account manager's expertise he or she not only can direct all of the important fleet functions, but can act in a consultative role, offering the kind of

The Enterprise Difference

Enterprise Fleet Management provides hands-on, customized account management for its clients, leveraging the company's history as one of the largest fleet operators in the country.

Enterprise Fleet Management account managers have typically managed a local Enterprise branch with a rapidly moving fleet. This develops both expertise in fleet operations, and the ability to work as part of a team. Enterprise account managers rely on both their local personnel and the services of the experts in the company's headquarters. Because of this, they are able to provide the best of both worlds: local management underpinned with a national infrastructure.

Account managers are located in more than 50 regional offices, providing local, individualized management for their partners.

Account managers get to know their clients, their drivers, and every stakeholder — to provide fleet management that matches the needs and key performance indicators (KPIs) of the company. Uniquely, the account manager will perform an annual, deep-dive client review into the fleet's usage and needs, providing the basis for making strategic decisions going forward.

It is this level of hands-on, customized service that is the Enterprise Fleet Management difference.

strategic analysis and insight necessary to keep a fleet program not only operating efficiently, but up-to-date.

HANDS-ON OUTSOURCING — THE SHORT AND THE LONG (BENEFITS) OF IT

Companies often overlook outsourcing as a solution because of the perception that they don't have the scale to benefit from it.

In fact, companies with smaller fleets can stand to benefit significantly from outsourcing especially when it's coupled with a hands-on account manager. Professional, outsourced fleet management with a personal touch delivers all of the advantages of a traditional fleet management company (FMC), along with other benefits that can't be found by using a centrally located FMC.

Perhaps the most important benefit is that hands-on fleet management is completely customized to the needs of the company, and the program can be designed to meet the specific short- and long-term goals set by the organization.

In the short term, the company may set goals that improve operations, save money, or improve cash flow. While the goals are highly individualized, there are a number of immediate improvements that every company will likely experience.

Companies will immediately receive reporting functionality, gaining insight into the fleet operation that will result in improvements in acquisition, maintenance, and disposition/reselling of vehicles. Getting a handle on these functions may net improvements beyond the short-term implementation goals. For example, just properly managing fuel — the second largest fleet expense — will likely result in a 10% cost reduction in this expense in the short-term.

However, fleet management should not be approached solely as a short-term solution — it's a long-term commitment. There are numerous long-term benefits the company will see by having customized, localized outsourced fleet management, including accountability, transparency of data, sustained operational efficiency, and ongoing financial discipline.

If a company's primary reason for existence is not to operate a fleet of vehicles, then it should consider outsourcing — no matter its size.

Because of this, the financial leaders and other senior members of the company will know exactly how much the fleet costs, including cost per mile, maintenance costs, fuel spend, how many stops per day, etc.

A well-run fleet enhances the company's brand. Well-maintained vehicles that are operated safely present a good image that translates into a public reputation that can help drive and maintain business.

If a company's primary reason for existence is not to operate a fleet of vehicles, then it should consider outsourcing — no matter its size. And if that company doesn't have a professional fleet manager on staff then it should consider finding a program that provides a local, hands-on account manager with fleet experience.

Fleet management is far too complex for a company to go it alone — outsourcing with a company that can provide local account management will deliver the kind of depth of knowledge and infrastructure necessary to have a successful fleet operation that helps to drive growth for the entire enterprise.

About Enterprise Fleet Management

Owned by the Taylor family of St. Louis, Mo., Enterprise Fleet Management operates a network of more than 50 fully- staffed offices and manages a fleet of more than 470,000 vehicles in the U.S. and Canada. The business provides full-service fleet management for companies, government agencies and organizations operating medium-sized fleets of 20 or more vehicles, as well as those seeking an alternative to employee reimbursement programs. Enterprise Fleet Management supplies most makes and models of cars, light- and medium-duty trucks and service vehicles across North America.

For more information about Enterprise Fleet Management, visit www.efleets.com.