



WHITE PAPER

The Keys to Maximizing Vehicle Transport Value



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Whatever the reasons behind the evolution of fleet vehicle transportation – changing fleet expectations, new technology, or ever-increasing pressures on profitability – gone are the days when vehicle relocation was as simple as moving assets from Point A to Point B.

In an effort to raise fleet manager awareness of the evolving challenges and opportunities, a panel discussion

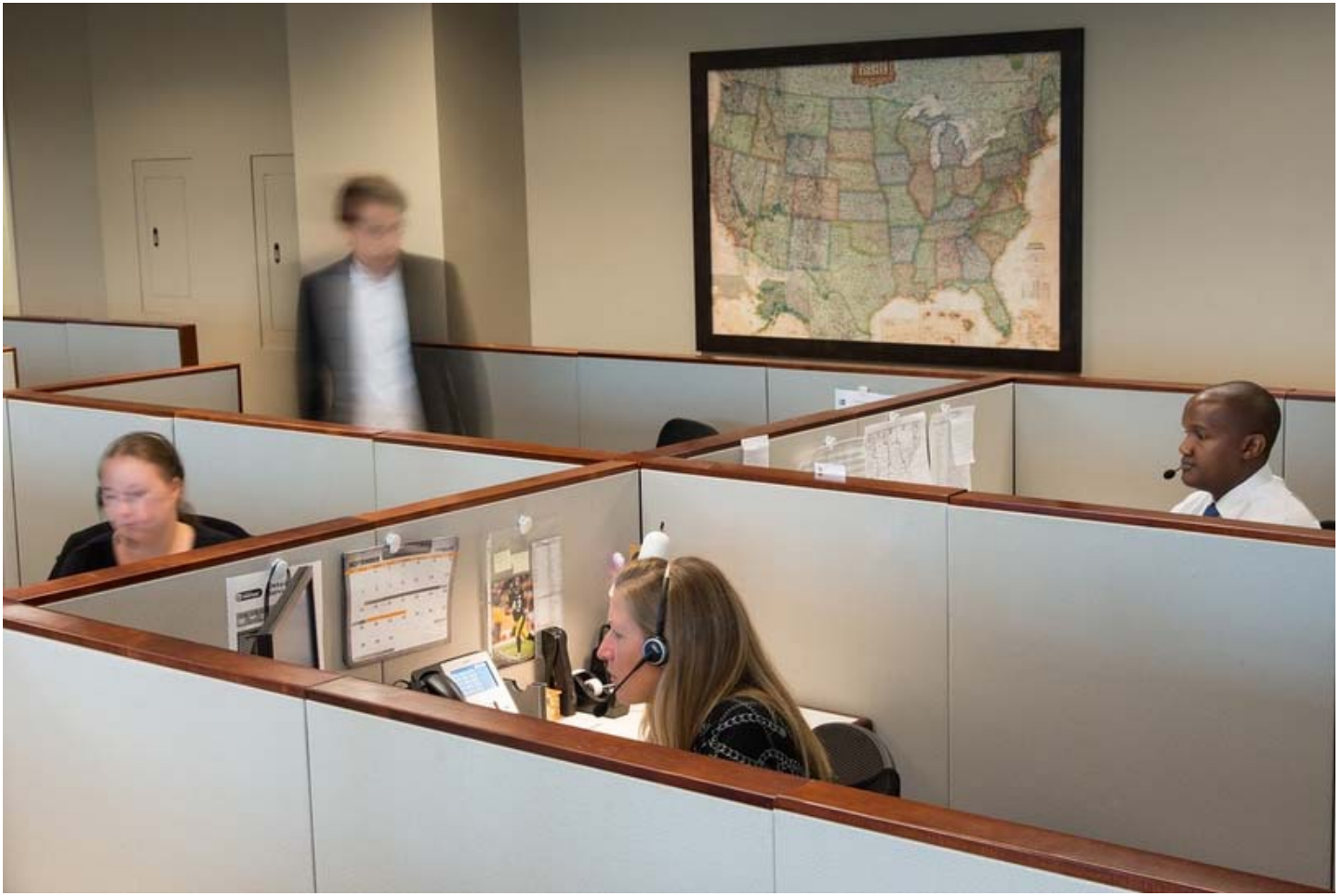
on “Getting the Most from Your Vehicle Relocation Dollars,” hosted at the NAFA 2015 Institute & Expo revealed experiences shared by long-term fleet managers and representatives from leading vehicle transportation companies.

That discussion addressed numerous perspectives aligned in eight major categories you can use as a checklist for exploring new efficiencies or savings.

Make Communication Key. The

more information you share with your vehicle transport company earlier in the process, the greater the likelihood for the best outcome. Getting all parties (you, your fleet management company, transporter, OEM, upfitter, end user, etc.) on the same page, with aligned goals and service level agreements, pays dividends in the long run.

Making your transport company fully aware of your business needs and practices in advance enhances their ability to share the benefits of their experience with you.



Understandably, the ability to plan ahead will vary by project, but more time to plan in advance typically equals better execution. For unusual events – such as a sudden company downsizing – logistics can demand quick turnaround, tactful interaction with downsized employees, assessment of reclaimed vehicles for repair or sale, and an appropriate long-term storage solution.

An experienced transport company can help identify and satisfy issues you might easily overlook if you have not previously experienced an event of a similar nature or magnitude.

At best, good two-way communication can help preempt unknowns that typically cause the greatest anxiety with vehicle transfers. At worst, it will

provide your transport company with guidance on how to deal with unexpected situations that do arise.

Even with routine new vehicle deliveries, early and thorough communication can help your transport company cope with last-minute surprises and manage end-user expectations when confronted with unexpected delays due to weather, OEM issues, or upfitter schedules.

Be sure to close the loop at the end of a project, too, by communicating both successes and constructive feedback from vehicle providers and users, to establish a frame of reference for future projects.

Nurture Good Relationships. An effective approach to maximizing value is to view your vehicle

transport company not simply as a driveaway service, but as a resource to make you a more efficient fleet manager.

For example, you can gain time-saving advantages and conveniences by incorporating additional services – such as licensing and title work – as part of the move process, instead of having your own employees handle it themselves or managing it as a separate detail with your fleet management company.

Whether you work directly with your vehicle transport company or let your fleet management company handle those vehicle assignments, promote a team environment in terms of sharing information among all parties involved.

Maintaining a good relationship and good communication with your vehicle transport company helps you leverage maximum advantage from the working relationships they share with so many other providers in the supply chain (OEMs, upfitters, storage sites, licensing agents, etc.).

Those relationships can pay dividends in terms of facilitating timely delivery of ready-to-use vehicles, expediting paperwork, or even gaining preferential treatment in an emergency.

Finally, if you encounter an unusual circumstance or requirement, ask your transportation provider about it, even if you think it falls outside their normal scope of operation. You might be surprised to learn they have already handled a similar concern for a previous client.

But even when that is not the case, if you have cultivated a good relationship with your transport company they can typically figure out a way to get it done.

Embrace Creativity. In addition to viewing your transport company as a valuable resource, consider their ability to cope with surprises and other challenges based on situational awareness and previous experience.

Appreciate companies with experienced drivers who can act as your representative, instead of simply being a disinterested hired hand. The right drivers will know how to provide a degree of diplomacy in exceptional circumstances. This can include delivering a used vehicle when your employee expected a new vehicle or tact-



fully dealing with a sudden vehicle pickup due to a surprise layoff.

Based on your needs, vehicle transport companies can even customize their processes to make the delivery transaction seamless and transparent to the end user so it appears as if the fleet management company delivered the vehicle.

Finally, transport companies who are prepared to deal with vehicle needs beyond geographic changes can provide extra value in terms of streamlining costs, ensuring vehicle readiness, and raising customer satisfaction.

You will appreciate a company prepared to deal with these situations that frequently arise during vehicle transfers:

One who can cover vehicle transfers that coincide with licensing changes (by state and/or by expiration date)
One experienced at handling repairs or refurbishment to minimize vehicle downtime when the prior vehicle user suddenly drops out of the picture after neglecting normal mainte-

nance or repair.

One with clear procedures for returning property or sales materials inappropriately left in reclaimed vehicles.

Harness Technology. For a long time, people in business have recognized that “information is power” for better, faster, and more profitable decision-making. Today’s advanced information technology (IT) resources available through vehicle transportation providers empower you more than ever before. Look for ways to maximize that value, for both administrative tasks and analytical advantages.

Agile development of today’s transportation management software makes it quicker and easier to expand, administer, and monitor program updates to keep pace with your needs.

Having greater access to – and control over – information about vehicle assets within a centralized system tailored to fleet activity, adds value in terms of both immediate decision-making and long-term analysis.

Additionally, secure and reliable cloud-based IT capabilities – accessible through any Web-connected device – make information instantly available to multiple parties virtually anywhere in the field.

Expanded mobile access for initiating transactions and updating vehicle status in real time offers greater opportunities for your transport company to improve customer service and communication.

Mobile access to fleet management and vehicle transport services also reflect the greater trend that saw 55% of Internet usage in the U.S. last year coming from mobile devices, according to one source cited by a panel participant. But beyond the user experience alone, mobility enhances

your organization’s ability to keep pace with fleet assets and vehicle allocation needs – provided that users resist the temptation to access it while driving.

In addition to supporting mobility, cloud-based technology is also scalable, offering versatility for expanding or contracting capabilities on short notice. That means you don’t have to overpay for under-utilized IT infrastructure or incur delays to ramp up for rapidly changing fleet requirements.

Leverage “Big Data.” As one NAFA panel discussion participant noted, “You can’t manage what you can’t measure.” Effective data collection and appropriate use of predictive analytics are keys to leveraging his-

torical data, drawing meaningful conclusions, and turning that data into actionable information.

Fleet transport companies who invest in the technology to capture more data and in the computing power to make meaningful information out of that data offer more and better opportunities for fleet managers. They can look back over the details of multiple moves to document trends and opportunities for greater long-term efficiency.

A broader approach to data collection and analysis also gives fleet managers greater capacity to view and manage operations from a more global or regional perspective. It can also support greater customization of services according to fleet-specific needs.





Knowing customer expectations and having the technology to maintain a broader overview of fleet activities make it easier for transport companies to deal with exceptional situations, as well.

That situation can be something as simple as knowing that a customer requires two keys for the next user when the returned vehicle came with only one key. Or it can mean having the ability to make instant decisions needed to meet a tight deadline, even when a fleet manager is inaccessible.

Proactive data analysis also enables your vehicle transport company to optimize its own internal operations for maximum cost efficiency while it delivers the management intelligence you want for more profitable decision-making.

Increase Efficiency While Reducing Costs. A knowledgeable, capable transport company able to handle special needs associated with vehicle reassignment can save both time and money between pickup and delivery.

For example, in situations where employee replacement might involve an extended period of time, the transporter can assess and fulfill any needs for maintenance, repairs, updated registration and licensing, or operational readiness.

Letting the transporter do so instead of simply parking the vehicle in storage during the new-employee evaluation process means the vehicle can be ready to go the instant the new hire is made.

Cascading full vehicle utilization for depreciation is another service that can help maximize the value of your fleet assets from both a physical and financial perspective. Also, your transporter can track and bill costs associated with a vehicle move according to the appropriate cost center, to complement your company's accounting practices.

Coordinate Compliance and Safety. While compliance is not part of the physical logistics of vehicle transport, it has the potential to be a practical concern for any vehicle move.

Letting your transporter assess and handle title and registration issues, where necessary, can minimize any loss of productivity on the part of your company employees by ensuring vehi-



cle readiness for the new user.

Although there is really no national driver safety standard other than the DOT standards, you should want your transporter's drivers to be vetted as well as your own company drivers.

It is important to make sure your driveaway carrier is a licensed and bonded carrier with the Federal Motor Carrier Safety Administration (FMCSA) and follows all DoT rules and regulations. Also, if you are in a business that occasionally moves CDL or Hazmat vehicles, you'll want to ensure, in advance, that you'll have access to properly trained and certified drivers when needed.

There are other ways to work with your transport company to maximize your peace of mind. You can work together to leverage relationships with insurance providers as another checkpoint on driver safety. Plus, if your fleet vehicles incorporate telematics, you can coordinate with your transport company to use them to document driver behavior.

Establish Service Benchmarks in Advance. Whatever level of service you choose - bare minimum or full service - identifying best practices and service benchmarks are critical to an

effective logistic solution. Those steps protect against costly back-end surprises and ensure that you get the most return for the money spent.

Whether you are directly involved in the process of assigning vehicle moves, or indirectly involved through your fleet management company, assess the capability and experience of the driveaway company in advance.

Make sure that the scope and scale of your provider's capabilities match the scope and scale of your fleet - by geography, number of drivers, and driver qualifications. Resources that were sufficient ten, five, or even two years ago might not satisfy today's needs. Take into consideration the scope of exceptional projects and consider multiple options or resources when necessary.

Don't assume that paying for vehicle transport service absolves your organization of any responsibility for an efficient, cost-effective move. Be sure to provide a thorough foundation of accurate information for your transport provider - including pick-up and destination expectations, accurate addresses, contact information, etc.

Finally, set service level agreements against key performance indicators (KPIs) and hold everyone accountable. Realize that different parties - transport company, fleet management company, fleet manager, and vehicle user - all have different perspectives that can change over time.

(One panelist noted that his company used to have six KPIs, but now

has 20.) Spell out all service level expectations agreed to in advance among all parties.

The Bottom Line. Streamlining efficiency in the face of changing fleet management demands requires reaching beyond the scope of our own experience to evaluate and adopt new practices that can improve value.

Today's leading vehicle transport companies offer broader experience and opportunities for delivering added value than ever before. Starting a conversation with your current provider, based on the eight essential categories listed above, can be your first step to achieving better vehicle transport value.

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