

GETTING STARTED GUIDE: Automating Your Fleet Management Processes

Including:

- Instituting Fleet Policy
- Measuring Utilization
- Sharing the Good News





Getting Started Guide to Sharing Vehicles & Automating Your Fleet Management Processes

If you are overwhelmed at the thought of launching a fleet management information system (FMIS), don't be. Launching a new FMIS is easier than ever due to the nature of the web-based technology and the refined



implementation processes offered by fleet technology vendors.

All FMIS vendors are not alike. Select a vendor that you are comfortable with... one that can describe their approach in a way that you clearly understand. A good vendor will help you understand – and better yet, they'll help you communicate the upcoming changes to your fleet staff and fleet drivers. A vendor should not have a one-solution-fits-all approach to your implementation processes.

If you've never had any fleet technology before, certainly the approach would be far different than if you are simply upgrading to a better system. And, if you are making changes such as centralizing your fleet management activities

after years of being de-centralized, your implementation would need to be handled differently still. Regardless of your starting point, get in synch with your FMIS vendor. Your comfort level with vendor staff should be a part of the vendor selection process.

Once you've selected a FMIS, do not feel like you will launch this system all at once and gain all of the benefits on day one. It is wise to "crawl, then walk then run" ... as with any big change. What do we mean by that? We've broken it down into three simple phases.

Phase 1: Getting Started



Believe it or not, getting the technology in place is the easy part. It no longer takes months or years to get a system in place if you have a good vendor to work with. In fact, our customer Cedarville University told us: "It took us no time at all to get started and we saw immediate

advantages. We now use one system instead of three." So, now that it's in place, what's next?

It's never too early to start talking about the upcoming changes to your staff and drivers. Start communicating with stakeholders and let them know what's in it for them. Remember, there are many benefits to automating fleet processes. The key is communicating the benefits that will turn skeptics into believers. For drivers, reframe the idea of sharing as a positive. Some of the benefits of sharing vehicles, for example, include access to more types and newer vehicles, easy online reservations, no more vehicle prep and PM management, around the clock access to vehicles, and more. See the section [How to Share the Good News](#) below for more about



how to communicate the positive aspects to your stakeholders.

With the new system now in place, and drivers interacting with the system, start communicating rules and policies that will lower costs and risks for your fleet. Good fleet policy is the most critical factor that will ensure the success of your fleet technology initiative. Don't try to establish all your policies at once, you will continue the process in Phases 2 and 3. Consider creating a committee made up of

stakeholders and others so that everyone has a say and buy-in to what your rules and policies are. See more about creating policies here: [Start with a Strong Foundation: Policy.](#)

Start collecting fleet metrics. Even one metric is a good start. If you are not sure what metrics you can collect at this phase, we explain more in this section below: [Start Tracking Vehicle Usage – Even if You Don't Have Technology to Do So \(Yet\).](#)

Get one time-saving function in place... perhaps a preventative maintenance program for a segment of your fleet. Once you start using the system effectively you can prove the concept and move on to the next phase.

Phase 2: Tackle the “low hanging fruit”

In Phase 2, you'll want to continue collecting data to get a handle on what your fleet data is telling you. Do you have too many vehicles, or not enough? Do you have the right types of vehicles? Which vehicles can be earmarked for disposal? Our fleet experts can help interpret your data for free, just call us.

Also, take the time to survey drivers. Find out what is going well, and what may not be and make appropriate changes. Initiate monthly odometer collection and reporting.

Take a look at any permanently assigned vehicles in your fleet. Are they being used to their fullest potential or can they be reassigned to the shared fleet?

Phase 3: Optimize

Once things are running like a fine-tuned machine, it's time to start optimizing. Consider doing the following to keep your momentum going:

- Create your 5-year plan for vehicle replacement.
- Identify policies that are working, and others that may be needed.
- If you need to implement other technology such as GPS, now's a good time to introduce something new.
- Launch more motor pool sites or mini-pools.
- Quantify your achievements and communicate and celebrate your successes.

How to Share the Good News



In a perfect world, you could get out a megaphone and announce to your drivers that everyone is going to start sharing vehicles and everyone will jump up and cheer. Unfortunately announcing the news that you are going to share – especially for those who are driving their own company vehicle - may not be such welcome news.

But the truth is that sharing vehicles is actually a very positive thing for drivers and for

organizations. If the message emphasizes “what’s in it for them” from the beginning, your chances of success is highly increased.

What are some of the benefits of sharing? Your message will be different depending on your audience. Let’s address each group of stakeholders and identify “what’s in it for them.” There are dozens of benefits of sharing, especially when the process is automated with a fleet management information system (FMIS). Here are just a few to keep in mind when you are communicating the good news:

For Drivers

- Better vehicles and less work. Drivers aren’t losing their vehicles when they share. More likely they actually gain access to more vehicles and more types of vehicles. Often, they are newer and are cleaned, fueled, and maintained by people other than themselves. What’s not to like about that story?
- Access is easy. With an online reservation system, drivers can reserve vehicles online any time they need them. No need to worry that they won’t have access to a vehicle when they need it. Reserving a vehicle is a simple and familiar process that can be done online, from anywhere, at any time. FleetCommander even offers a Grab-and-Go feature to access vehicles on the spot.
- Savings can fund other initiatives. The savings that can be had by sharing vehicles, eliminating underused vehicles, and other efficiencies, can result in tens of thousands of dollars in savings. These funds can potentially

support things like the purchase of newer vehicles, staff training, or other important or sought-after organizational initiatives.

For Fleet Staff

- Policies are enforced consistently. Using an online system to automatically communicate and enforce policies consistently will take the burden off fleet staff to do so, while at the same time making sure rules are followed. Many fleet policies significantly reduce costs and improve the safety of the fleet for everyone.
- Automated processes. Functions such as managing reservations, dispatching and distributing keys, and conducting billing and reporting, can all be done in an automated way with the right FMIS. And, since utilization and trip data is all collected by the system, reports can be created and run in a fraction of the time normally spent. This time can be reallocated to other important duties.
- Less work. Fewer vehicles means fewer vehicles to maintain and track. And, when many of the processes are automated via a FMIS, time is not wasted on manual processes.

For Financial Decision Makers



- Save tens of thousands of dollars. Reducing vehicles is the single most effective way of cutting fleet expenses for things like labor, maintenance, depreciation, parking etc. We estimate for every underutilized vehicle eliminated from your fleet, you can save between \$3,500-\$6,000 per year. Do the math, or ask the experts at Agile Fleet to help you. Reducing by only 5 vehicles can save an organization between \$17,500 - \$30,000 every year. Many of our customers have saved hundreds of thousands of dollars, or even more.
- Cut mileage reimbursement. Many organizations spend tens to hundreds of thousands of dollars a year reimbursing employees for using their own cars for official business. Besides not necessarily representing your organization well, this can be an out-of-control, hidden cost because it doesn't necessarily come out of the fleet budget. Sharing vehicles can drastically reduce this expense. Our customer, Scott County, MN tells us they save nearly \$230,000 annually in mileage

reimbursement. (Read more about Scott County here -->)

- Get the data you need. An automated vehicle sharing system should be able to give you the data you need to right-size your fleet and analyze fleet expenses for things such as labor, fuel, maintenance, personal mileage reimbursements, and much more.
- Enforce money-saving policies. Having, communicating, and enforcing policies on vehicle use reduces the cost of doing business with respect to liability, safety, and vehicle abuse. With an automated system, users are prompted to acknowledge they have read policies as they use the system, and policies can be updated and communicated to everyone during every stage of the reservation process.

Start with a Strong Foundation: Policy

Having, communicating and consistently enforcing a money-saving policy can dramatically reduce fleet costs. Unfortunately, many fleet managers are overwhelmed by the idea of how to create and enforce policy. But it's not as difficult as you may think. You could start to enforce one policy tomorrow and start saving money immediately. Is it really that simple? It can be. Here are some questions we hear from fleet managers regarding policy.

Why should I have policy?

There are many reasons to have policy. For one, it establishes expected behaviors for drivers and staff. It curtails costly and even dangerous behaviors. It fosters a safe driving environment

and best practices for handling company vehicles. And, it reduces costs.

Ok, I'm convinced. What should my cost-cutting policies be?

Potentially, there are hundreds of policies you could introduce. But don't let that overwhelm you. There are some common areas that policy can help cut costs within the fleet environment that you can start with tomorrow, including:

1. Reduce the use of fleet vehicles for personal use. One fleet customer of ours simply started requiring that drivers write the purpose of the trip on their vehicle request form and this cut the personal use of vehicles by 50%. People didn't want to lie in writing and stopped using vehicles for personal reasons.
2. Reduce the use of personal vehicles (and reimbursement) instead of fleet vehicles for business use. If drivers are required to check for and use a shared vehicle before they are allowed to use their own vehicle for business, fleets can cut personal reimbursement costs considerably. Scott County MN reduced personal vehicle use by 65% and saved \$230K in personal vehicle use by simply putting this one policy in place.
3. Curtail costly driver behavior. Driver behavior policies like reducing unnecessary idling, speeding, hard braking, and other fuel-consuming costly behaviors can reduce fuel consumption and excess cost. When you set an expectation with drivers that infractions will be tracked and acted upon, costly behavior diminishes.

4. Encourage the use of shared vehicles versus assigned vehicles. By establishing minimum mileage thresholds for fleet vehicles assigned to one person, you can reduce the number of idle vehicles and reallocate them to your shared fleet, thereby dramatically increasing your utilization. One organization we spoke with in southern California had over a dozen assigned vehicles with fewer than a couple hundred miles accrued over an entire year. Once they created a policy with minimum thresholds, they were able to reallocate those vehicles to a shared fleet and significantly improve usage.

How do I let people know about policies?

Communicating policies should not take a lot of time or energy. In FleetCommander, when a driver logs in, they can be required to read and acknowledge policy the first time the policy is in the system, as well as any time the fleet policy changes. Policy reminders may appear directly on the fleet home page and in automatic emails that go out to drivers. In fact, your entire policy manual can be available to download directly from FleetCommander. Once reminders are set up, regular and frequent communication requires no effort on the fleet manager's part – it's all automatic.

Enforcing policy takes so much time! How do I do it?

The FleetCommander FMIS can help automate the policy enforcement process. It does this by requiring drivers to acknowledge and follow rules as they interact with the system. For example, if someone's license needs to be validated, the system can inform the driver they

need to show their license before they can have access to a vehicle. Another example the system can automate would be checking the availability of a motor pool vehicle before allowing a driver to use their own vehicle for business. We have had many customers save hundreds of thousands of dollars in personal vehicle reimbursement costs this way.

Fleet Policy Success Stories

- Scott County, MN reduced personal vehicle use by 65% and saved \$230,000 by putting a policy in place regarding use of personal vehicle reimbursements.
- Iowa State University saved over \$100,000, and logs over 500,000 miles on their shared fleet versus personal vehicles.
- The City of Stamford, CT enforced policies regarding assigned vehicle use, and was able to reduce their fleet by 60 vehicles and avoid spending \$500,000 annually replacing vehicles they didn't need.
- A large northeast transit organization instituted a policy regarding idling and achieved 66% reduction in idling.
- Forsyth County, NC created a policy regarding assigned vehicles and use of personal vehicles. They offered a shared fleet, and saved over \$1M by having the policy, communicating it, and enforcing it.

Start Tracking Vehicle Usage – Even if You Don’t Have Technology to Do So (Yet)

Many people come to us saying they have no way of tracking or managing their vehicles or the employees using their vehicles. Most have no vehicle sharing program. Some do share vehicles, but are doing it manually, with email, spreadsheets, and paper. And while many do track odometer or fuel burn, the majority have no idea of whether their vehicles are efficiently utilized or not, or how to go about getting data to support an answer.

If this sounds like you, you may be wondering: “How do I quantify our vehicle utilization and prove that vehicles are being used if I don’t have the data to back it up?”

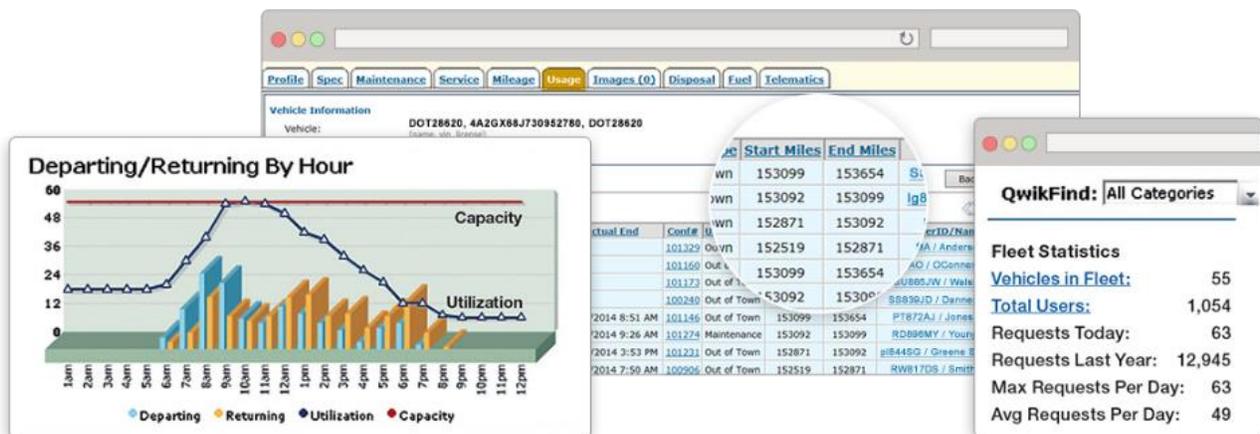
The good news is you can start simply. The end game is getting metrics that are objective, timely, show trends, and ultimately show what you are looking for. Our definition of right-sized fleet is having the right quantities and types of vehicles readily available at the right location at the right time.

Of course, as a fleet technology solutions company, we don’t endorse using methods such as looking out the window the same time of day and counting vehicles or putting pennies on tires or chalking tires to see if a vehicle has moved. But even rudimentary methods can be turned into numbers that you can work with.

If you're like many fleets, you do have odometer and fuel burn data. And that's a start. However, neither odometer nor fuel burn provide any insight as to whether vehicles are available to fulfill the mission of the organization. Having any metric is better than no metrics. The key is getting to start with a baseline number, and then add benchmarks.

Some less obvious places to look for clues to your utilization metrics are how much you are reimbursing people for personal vehicle use, how much you are spending on outside rentals, and even how many service calls for dead batteries you have made. All of these offer a glimpse at where money is being spent outside of your rental fleet.

When you do get some data to work with, how can you view it with expert eyes? Here are some expert recommendations:



- Don't look at your vehicles across the entire fleet. At minimum, always look at each type of vehicle, where they are located, and whether or not they are accessible at the time people need them.
- A great utilization metric to look at is number of vehicle request turn-downs. How often do you not have the right vehicle at the right time to do the job?
- Don't rely solely on mileage. The number of trips a vehicle takes may be a better measure of usage because some organizations' vehicles don't travel far, but are well utilized because they take multiple trips per day. Other organizations have far to travel, but are poorly utilized because the number of trips are few and far between.
- Always consider cycles in usage. Universities are a good example of organizations that have high peaks in demand during certain times of the year. You would not want to go into a university setting during winter break, for example, and analyze utilization and start eliminating vehicles. When break is over, you'd be in trouble.
- Take a closer look at fuel burn. Keep in mind fuel burn doesn't account for idling. In fact, we've heard of reports where idling increases because the increase in fuel burn provides the perception that the vehicle is needed more often.
- Tackle data first by looking at vehicles by site. Then, drill down to usage by type of vehicle, then look at the usage of each specific vehicle. Issues should jump out at you. Do your 5-passenger

SUVs sit idle all the time because no one can use them?

Former City of Norfolk Fleet Manager Facundo Tassara shared with us that when he was championing the idea of implementing the FleetCommander fleet management system to his city, his director almost squashed the entire project due to lack of metrics supporting it. Tassara says: "I told him, the whole point of the initiative is to finally get the metrics we need to understand how our fleet is being run. We had to change the mindset of the people. And we did."

Tassara, who left the City of Norfolk to join a private fleet technology company, recently visited his former co-workers. "I was greeted by the senior assistant to the City Manager who thanked me for putting the system in place. People there love it and they finally have the



data they need," Tassara tells us.

Still Need Help?

Still have questions about how to launch fleet management technology? For a free consultation, reach out to our experts at 408-213-9555 x1 or set up a custom FleetCommander demo [here](#).

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