

The FMCs: The Changing Fleet Profession

Part Three of a Series

By Sandy Smith

NAFA REGULAR MEMBER Michael Baessler, Fleet Manager for Rollins Inc., has a fleet of 9,975 vehicles, and finding the time to investigate something new is hard. “It’s an ongoing challenge to work through all the data that we have, all the opportunities,” he said. “Is it really an opportunity or is it just a lot of snow? You can find yourself going down a rabbit hole and doing work that doesn’t pay off.”

Not only is technology changing for fleet managers, but the implications of said technology increase the complexity of the work. Data offers a level of detail that demands more than an off-the-shelf solution that would have been adequate only ten years ago.

Baessler has a system that he uses, especially when an idea isn’t something he can immediately work on. He inputs the item into his Outlook program as a “To Do” item, then sets a reminder for 30, 60, or 90 days. “When it comes back up, I can take a second or third look to see whether or not it’s something viable. Sometimes you see an idea, but it doesn’t work. This way, it keeps coming back and maybe it will spark an idea that will work.”

Baessler also has numerous contacts with OEMs, upfitters, and fleet peers. He’s quick to seek out their expertise as he investigates a new idea. Sometimes, a conversation with his fleet management company may help the idea coalesce, even if indirectly.

“Fleet management companies have all these departments with people who really are experts on these topics and I can use their knowledge to help enhance mine,” he said. “Or maybe we’ll just bounce ideas off each other, just having the ability to have a frank discussion on the topic is critical.”

Partnerships between fleet professionals and fleet management companies are helping meet the increased demands on fleet departments – and play an increasingly important role in the overall business. “Fleet management is one of the most dynamic aspects of any company as it relates to its ability to reach clients,” said Ricardo Fonzaghi, Chief Commercial Officer, LeasePlan USA. “This requires a seamless integration with the macro strategy of the business, which can change very often to adapt to new market conditions. Fleet management companies need to be able to respond to such dynamism and supply multiple alternatives and options that could mitigate risk and deliver flexibility while keeping cost indicators under control.”

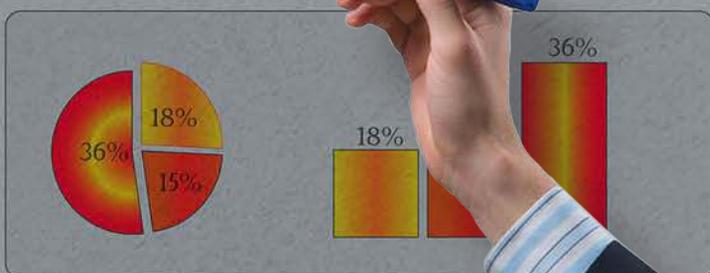
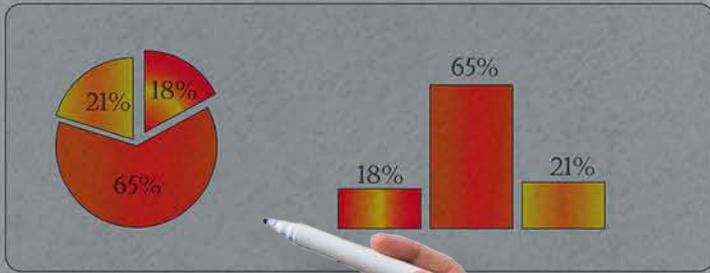
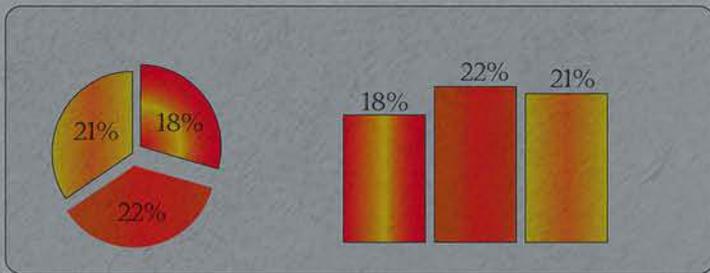
Dealing with Data

It’s no surprise that data analysis is one of the biggest growth areas in fleet. Telematics deliver tons of data – if one has time to apply it. Then there are driver apps, fuel cards and routing systems, all of which deliver their own insights.

“It’s no longer enough to simply expect a fleet management company to collect data and give it back to you in the form of a large, single report,” said Tony Candeloro, Vice President of Product Development and Client Information Systems for ARI. “The time for data collection or even data integration has passed. Smart companies are learning how to leverage their data, transforming it into actionable insights that impact their business and the bottom line. They use data to identify exactly which vehicles are not performing as they should; employing predictive analytics and intuitive tools like dashboards to create replacement models that truly deliver maximum ROI. They rely on data to help them gain insight into how their drivers are behaving out on the road so they can take proactive steps before a crash ever occurs.”

That is driving changes in the way fleets work with fleet management companies, Candeloro said. “Companies are demanding more – and they are right to do so. Fleet management companies must become partners with their clients and help them to navigate the challenges they face, from replacement modeling and developing a stable capital budget, to optimizing the supply chain and upfitting process, managing cost escalations, proactively addressing downtime, and improving safety.”





Ironically, it may take technology to make sense of all the data that today's technology generates.

"That volume of data generated by telematics has become massive," said Paul Millington, Element Fleet's Vice President of Tech Products. "It almost becomes unmanageable for a small group of individuals to sift through it. That's where technology has to intervene, to draw insights from this vast volume of data and distill it into meaningful actions our clients can take."

He notes that most analytics are focused on analyzing "actions that have already happened." The next stage is quantitative models that are "really asking questions about what's going to happen in the future and trying to understand predictions so that we can make recommendations and (prevent) the costs from being incurred or the incidents from happening."

Increasing Demands

As if all the systems that generate data on today's vehicles weren't enough, drivers have access to all sorts of innovative technology – and they want it. "Drivers have come to expect a connected, seamless experience through smartphone apps that can help them operate their vehicles," said NAFA Associate Member Kristofer Bush, Vice President of Marketing for LeasePlan USA. "The challenge for fleet managers is to be aware of the costs associated with these initiatives and conduct cost-benefit analyses in order to provide their drivers with this technology."

It seems everything is changing, including the vehicles and the demands placed upon fleet. In response, relationships with fleet management companies



are expanding in new ways. These days, fleet management companies often are an integral part of the fleet team, with equally high demands.

“Fleet management companies help by being adaptable and by providing best practices to guide their customers through the changes,” said Beth Wills, Donlen Corporation’s Director of Fleet Administrative Services. “Support the customers internally by continually educating their team members and updating products and system interfaces to match changing expectations. For customers, have a regular rhythm of meetings and overview of not only their fleet but of the changes in the industry. Consult with the customer on best practices and how the new solutions can assist them in managing their fleet and meeting corporate goals in the most efficient manner.”

NAFA Associate Member Suresh Rajapakse, Wheels, Inc., Vice President of Client Relations, said this requires the fleet management company to be

“nimble,” which allows the client “to be opportunistic as situations arise, as an example, to short cycle vehicles to leverage a strong resale market.”

But for many fleet professionals, it’s not just about the fleet. Rajapakse said one big trend he has noticed is that “more and more fleet managers are taking on other verticals, such as travel, and the size of the fleet office decreases. This requires a more strategic approach to fleet management and letting the fleet management company execute on the tactical day-to-day administrative duties.”

NAFA Associate Member Michele Cunningham, Element’s Senior Vice President of Products and Services, notes changes in customer requirements and service models. “We’re now seeing that companies are looking for us to take on more and more responsibilities as they have changes in staff or staffing levels. It’s really about our ability to bring processes, expertise, and transactional scale, which makes us an excellent partner to entrust

with more and more of the day-to-day management tasks.”

Cunningham said that, at a recent customer advisory board meeting, she asked, ‘How many are going through some sort of organizational change, acquiring, divesting, or integrating?’ “More than three-fourths of the hands in the room were raised. Business, in general, is transforming so quickly.”

And that means far more than new office space.

“There has definitely been a strategic shift and recognition of the need to manage projects and vendors and financial outcomes,” Cunningham said. “Fleet professionals are tethered to operations or a commercial team and must integrate with risk and health and safety. To be successful in bringing value requires them to collaborate across functions. Ultimately, they have to partner within their own organizations to bring about the outcomes desired.” And getting to those outcomes often takes a strategic approach to balancing the information and ideas that just keep coming. ■

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