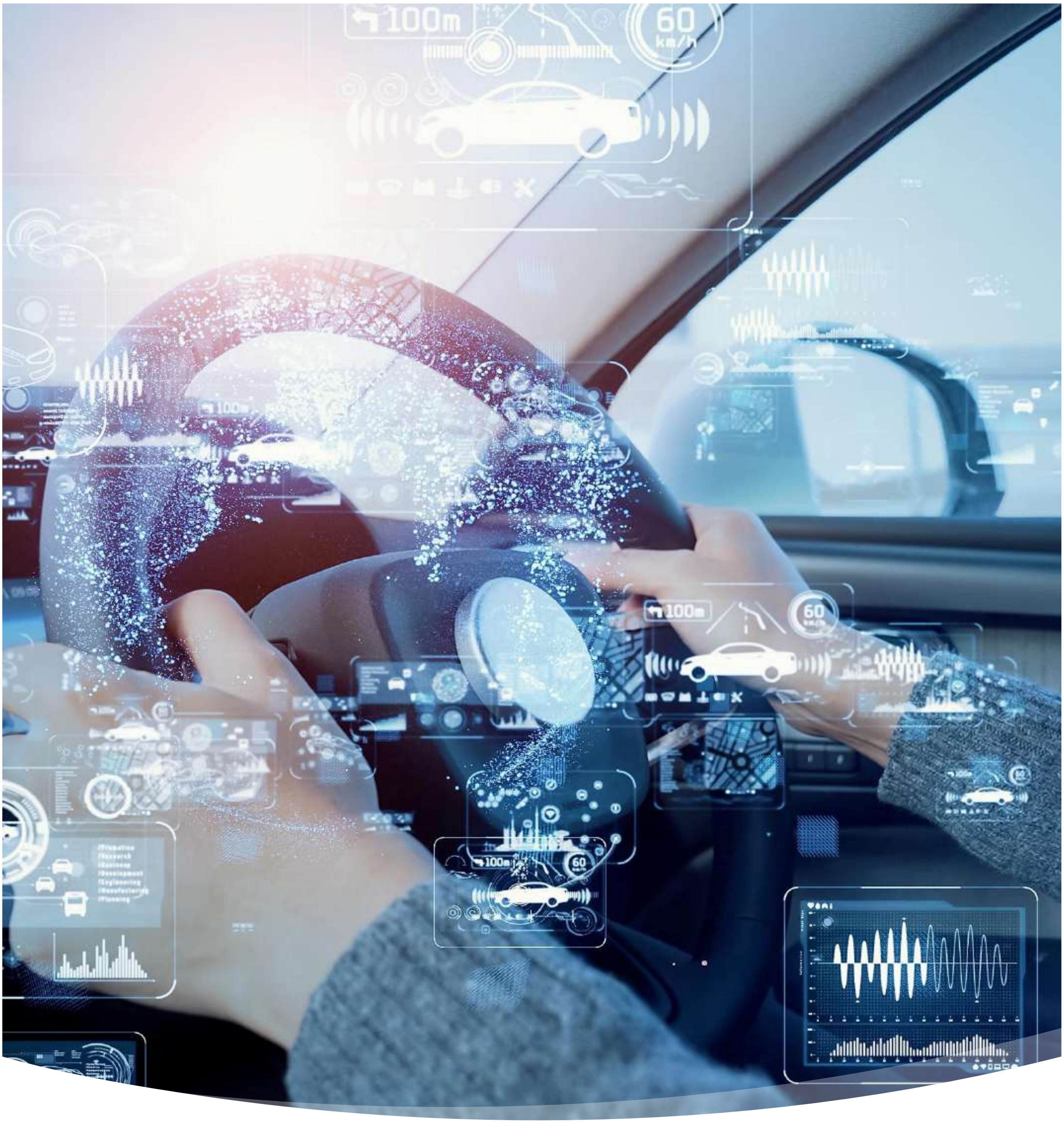
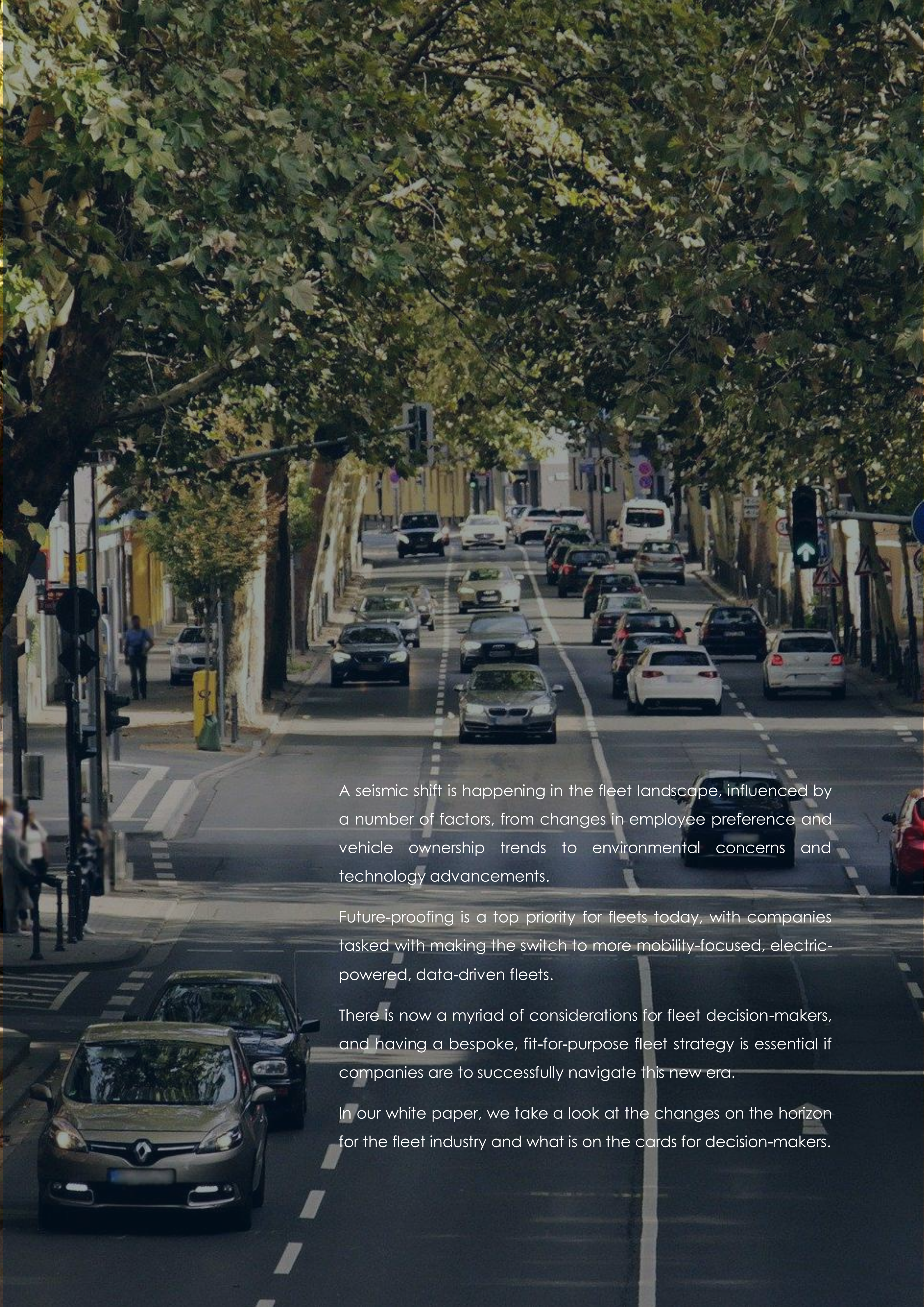


TraXall international

What is shaping the future of fleets?



A seismic shift is happening in the fleet landscape, influenced by a number of factors, from changes in employee preference and vehicle ownership trends to environmental concerns and technology advancements.

Future-proofing is a top priority for fleets today, with companies tasked with making the switch to more mobility-focused, electric-powered, data-driven fleets.

There is now a myriad of considerations for fleet decision-makers, and having a bespoke, fit-for-purpose fleet strategy is essential if companies are to successfully navigate this new era.

In our white paper, we take a look at the changes on the horizon for the fleet industry and what is on the cards for decision-makers.

Move to Mobility

Mobility-as-a-Service (MaaS) is an emerging concept, in which transportation solutions shift from traditional car ownership to an on-demand service, providing more agile and adaptable transport options to fleets and end users.

Rideshare apps, peer-to-peer rental services, and micro-mobility services are all examples of MaaS solutions, as well as the more traditional modes of transport, such as train, plane, cycling, on-foot, and company car.

There is **growing demand for mobility solutions** when it comes to business travel, reflecting the convenience, accessibility and cost-efficiency offered by consumer equivalents.

Multi-modal transport not only caters for the varied needs and wants of today's worker demographic but helps **future-proof fleets, fulfilling environmental goals and meeting legislative requirements**.

Though more sustainable transport is inevitable, the successful roll-out of the mobility model is dependent on reliable and intuitive technologies.

Indeed, the industry is reacting, by creating software that aggregates MaaS services, such as platforms with integrated journey planner capabilities.

Operators can manage and assess all travel options, using real-time information, whilst end users benefit from a simple-to-use, instant booking system on their smartphone or desktop.

Businesses not only benefit from visibility and control over mobility cost, but employees can enjoy freedom of choice over their modes of travel.

As well as creating a frictionless and streamlined travel booking system, these applications can also help companies achieve their sustainability objectives.

Restrictions can be put on more environmentally harmful transport options and CO2 emissions calculations can be included for each travel option to help inform employees and **encourage more environmentally conscious decisions**.

Connected technology

One of the key drivers of change in the fleet industry is connected technology.

Technology, such as telematics, is providing companies with the **critical data insights** to make informed decisions about fleet activity and effective vehicle deployment.

Telematics not only helps fleet decision-makers to have full transparency of their fleet, remotely and in real-time, but offers opportunities for more **efficient journey planning and route optimisation**, fuel and SMR* savings, and improved driver behaviour.

As we journey into a new era of electrification and automation, connected technology, such as telematics and Advanced Driver Assistance Systems (ADAS), will play an even more integral role.

*SMR - service, maintenance repair

On a more immediate basis, telematics solutions can help companies on their transition to electric fleets. Fleet data, such as daily mileages, can be used to help **identify the ICE vehicles that could be replaced with EV alternatives**, in the most cost-effective way.

Furthermore, workflow planning can be optimised, with access to real-time battery levels and remaining driving ranges for every vehicle, whilst mapped charging infrastructure can pinpoint and direct drivers to charging points out on the field.

Emerging software developments include charger connection reports to ensure charging occurs when tariffs are most favourable and just before vehicles are needed for operation.

Flexible contracts

Evolving fleet needs, alongside sustainability considerations, has resulted in widespread reluctance to commit to long-term contract hires, with the traditional three-year, 90,000-km contract hire vehicle no longer standard-issue or fit-for-purpose.

As a result, **the industry is calling for more flexible, efficient, and optimised options**, including mid-term leasing, hybrid schemes and mobility solutions.

Three-to-18-month lease arrangements, for example, can offer a compelling, flexible option.

After 90 days, the vehicles can be returned without being subject to termination charges.

Companies employing workers on short-term contracts can benefit greatly, such as those in volatile or seasonal industries that see workloads ebb and flow.

These lease arrangements can also bridge the gap for drivers of contract hire vehicles that are approaching end of their lease but are at risk of exceeding mileage limits.

Short-term hire deals, on the other hand, are often leased for a minimum of 28 days. These deals provide a convenient solution for companies that are either cautious about Covid-19 recovery or whose business models are unsuited to longer contracts.

Businesses with temporary vehicle requirements can also opt to rent on a 24-hour basis.

Daily rental might be used, for example, to provide cover for cars that have gone into workshops for service or repair or to offer mobility for employees working on temporary projects.

Of course, this level of flexibility comes at a price so the cost implications of different contract lengths and the current and projected fleet needs should be weighed up before commitments are made.

Pay-as-you-go insurance

Pay-as-you-go insurance is becoming an ever-popular choice in the private car ownership space, but providers are increasingly extending this service to corporate fleets.

For many companies, miles covered reduced in the pandemic and for those who will continue this low-mileage trend or expect falls and rises in fleet demands to persist, **pay-as-you-go insurance may offer significant savings**.

Pay-as-you-go insurance is primarily based on mileage, but it can include other parameters if telematics is used, such as distance travelled, time of journey, area travelled, and driver behaviour.

As telematics technology helps to identify risky behaviour, fleets not only get a better understanding of why driving incidents occur but are offered opportunities for targeted training, SMR savings, and clear supporting evidence in the event of insurance claims.

Furthermore, access to these risk data insights may help fleets **to negotiate lower premiums and the connected technology removes the administrative burden** of logging and managing mileages.

Pay-as-you-go maintenance

Just like pay-as-you-go insurance, pay-as-you-maintenance is becoming a popular trend in the fleet space.

Traditional maintenance-inclusive contract hire packages can prove costly for fleet businesses and many do not serve the requirements of today's fleets.

New vehicles tend to have extended warranties and longer service intervals, so workshops are needed less frequently. As we continue the transition to full-EV fleets, the **reduced maintenance requirements of electric vehicles** will mean even less visits to the garage.

By making the switch to pay-as-you-go maintenance models, fleets, on average, can **realise savings of up to 15 per cent**. For large to medium-size fleets, this can translate to several thousands of pounds to the business bottom line, with liquidity being retained within the business.

For fleets looking to make the transition from ICE vehicles to EVs, a PAYG maintenance model can also affirm whether comparative maintenance costs indeed favour EV equivalents.

Readying for change

Adopting an effective strategy against a backdrop of economic uncertainty and an ever-more diverse set of needs is one of the key challenges faced by fleets today.

The industry, and how it operates, is evolving and it is the role of the fleet decision-maker **to re-evaluate core objectives and facilitate new processes to keep up with this pace of change**.

However, industry specialists, like TraXall, are on hand to offer insightful advice to companies and successfully signpost them to achievable, cost-effective strategy creation that is suited to their unique fleet population – not only today, but in the future.

Contact

Within the TraXall Group, we have experienced consultants who specialize in the complex dynamics of today and tomorrow's fleet and mobility market. They will be happy to support you in optimising your fleet and in making the best possible decisions.

Do not hesitate to contact us for further information or support.

Leomont Wouda
International Business Development Director

+31 6 5469 5399

Leomont.wouda@traxallinternational.com