

Holman

Driving What's Right

Vehicle Policy.
An essential tool
for every fleet
decision maker

INTRODUCTION

Next to increasing the safety of the fleet, managing expenses continues to be a key priority for fleet decision makers. Today's fleet operations have a direct impact on other areas within a company, some of which often have priorities of their own. When those differing priorities are directed back to fleet operations, the documented vehicle policy is the overarching rulebook that aids the business in keeping every department's objectives aligned.

This illustration below displays different areas of a company that typically impact the vehicle policy internally plus other influential external factors.

A well-written policy is a critical tool for creating a common vision among all stakeholder departments and for outlining expectations for drivers throughout an organisation. Updated vehicle policies ensure that procedures surrounding all aspects of vehicle use are clearly outlined for all levels within the company and also help maximise efficiency and improve safety.

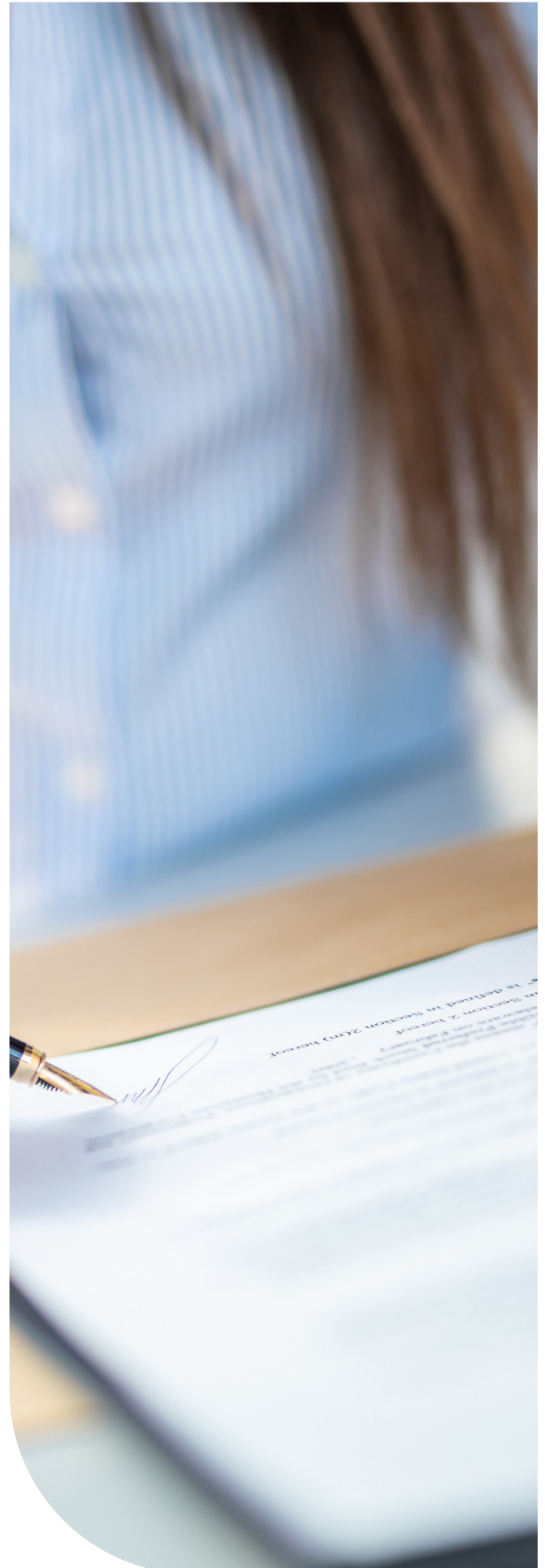
VEHICLE POLICY IMPACT

External Factors

- Customer and talent attraction
- Legislation
- OEM's
- Corporate Image
- Insurance

Internal Factors

- Risk
- Corporate Culture
- Operations
- Sales
- Accounting
- Legal
- Human Resources
- Safety



POLICY BENEFITS

Implementing a driver policy benefits a fleet's operations in many ways, including:

1. IMPROVED SAFETY:

Requiring drivers to complete safety training can lead to improved driving habits and fewer accidents. Safety courses can contribute to more knowledgeable and compliant drivers. Senior management's position and expectations on key safety areas can be clarified as well.

2. RISK MITIGATION:

Policies protect not only drivers but assets as well. A comprehensive accident prevention policy is the best protection for mitigating potential liability. Establishing clear guidelines may reduce downtime for assets and the personnel operating them. The associated risk of negligence may also be mitigated for a firm who is able to demonstrate due diligence by having a policy in place that outlines expectations as well as potential consequences for non-compliance.

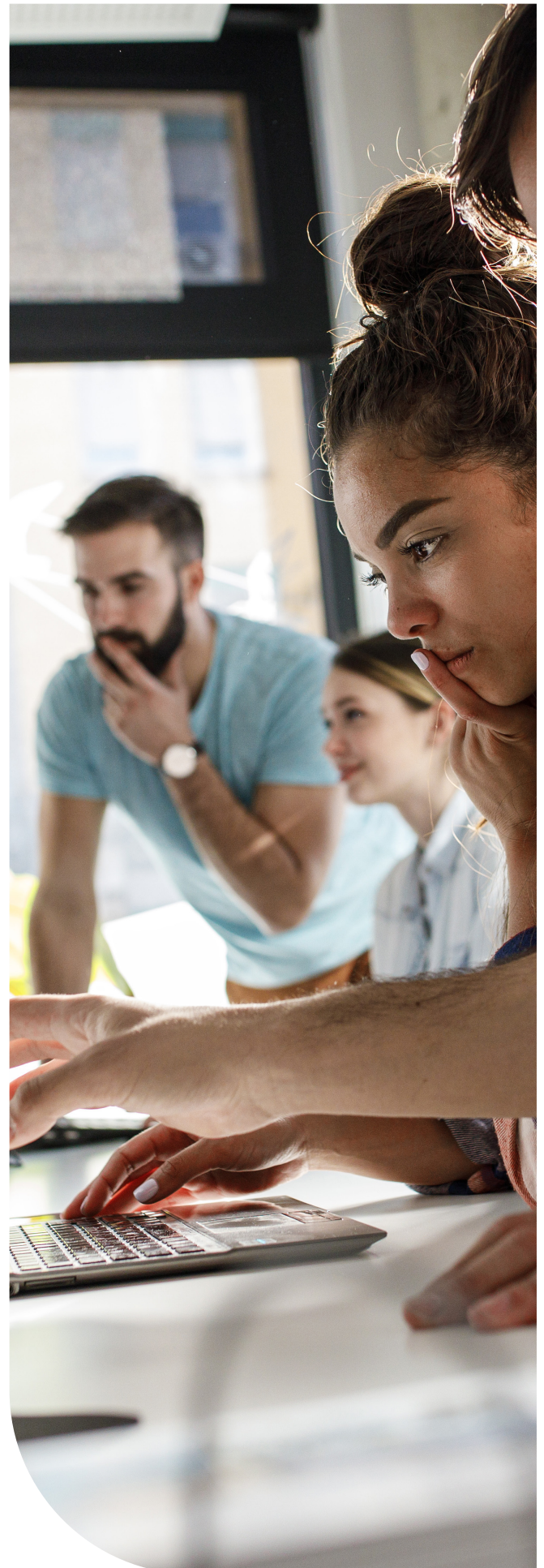
3. INCREASED EFFICIENCY:

There are many areas where clear directives can help improve operations and lower expenses. Addressing issues on compliance, maintenance, fuel strategy and emissions can contribute to a more efficient fleet.

Examples of efficiency initiatives generally found in a policy:

- **Vehicle Optimisation.**
- **Idling Analysis.**
- **Fuel Spend Analysis/Fuel Reduction Strategies.**

A survey of passenger fleets revealed that 69 percent of respondents offered safety training for their drivers.



CREATING A POLICY

When creating a policy, it is important to make sure it is comprehensive, clear and enforceable. An organisation should establish in each policy statement its stance on relevant matters. The following milestones are crucial for drafting an effective policy:



ENGAGE KEY STAKEHOLDERS:

Senior management, legal, risk management, safety, finance, human resources (HR) and operations are examples of key stakeholders who should identify specific pain points, discover opportunities for improvement or outline requirements that could be addressed within the policy.

- Receiving buy-in from these key stakeholders is key to enforcing a policy.

RESEARCH AND DEVELOPMENT:

Organisations should conduct research and engage subject matter experts to confirm the feasibility or impact of proposed policy statements. Once confirmed, they should clearly map any required changes in current operations and include them in the final communication plan.

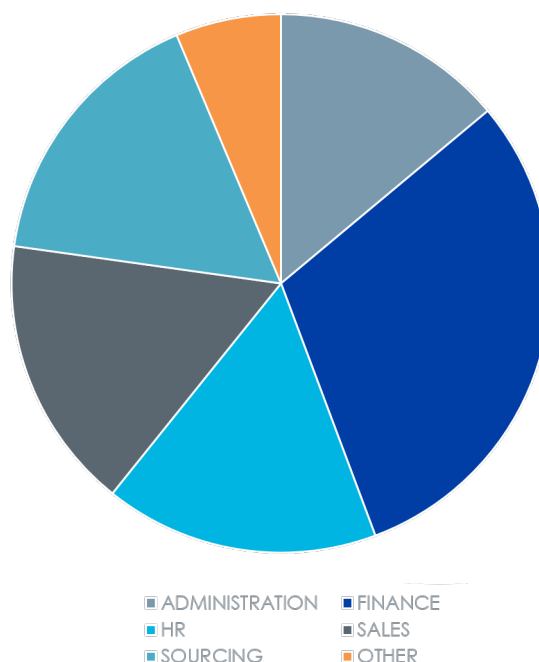
APPROVAL:

Key stakeholders should sign-off on their areas of the policy. Approval is often easier to obtain at this stage due to their involvement in the initial planning process.

IMPLEMENTATION:

Organisations should communicate the policy to both drivers and management. Showing relevance to all readers allows for better understanding and acceptance. One option for making it easily accessible is to distribute it through email with the policy as a PDF attachment. An effective way to increase driver compliance is to acquire signed acknowledgements from them that say they have read the policy and understand their requirements.

TYPICAL FLEET REPORTING DEPARTMENTS



A special note: it is important to establish which department within an organisation will be responsible for overseeing the fleet. According to an ARI passenger fleet survey, responding fleet operations reported to the following departments

COMPONENTS OF A POLICY

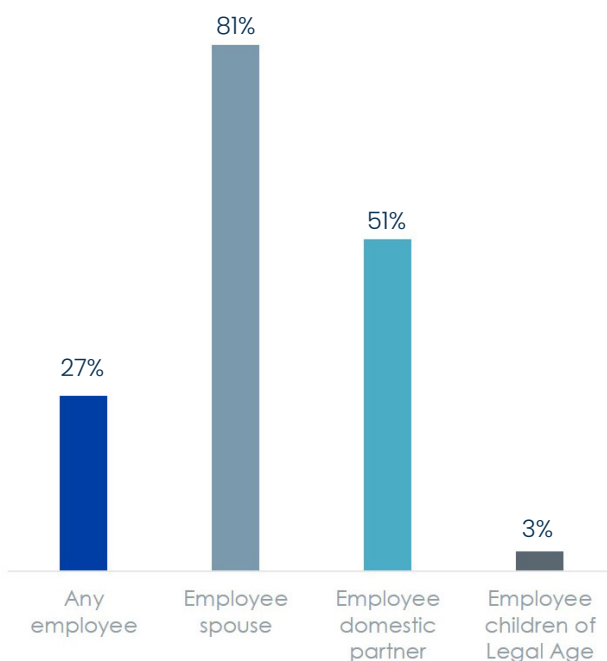
Fleet best practices suggest customising policies to an organisation's unique fleet and area of operation and including these key policy components:

ELIGIBILITY REQUIREMENTS:

The policy should clearly define employee eligibility requirements for a company vehicle. Qualifications can include job title and driving requirements for work-related activities. Policies should also highlight any reimbursement for use of a personal vehicle within the scope of employment.

- Note in this section if others are authorised to operate the vehicle, such as an employee spouse/domestic partner; it is essential to clearly outline who can drive the vehicle and any unique expectations related to compliance (outside of general policy guidelines).
- Address who is responsible for costs associated with personal use of the vehicle, such as violations, fuel, insurance, maintenance, parking, etc.
- Define all required documentation needed by drivers in order to operate a company vehicle; this can include a valid driver's license and other legal requirements.

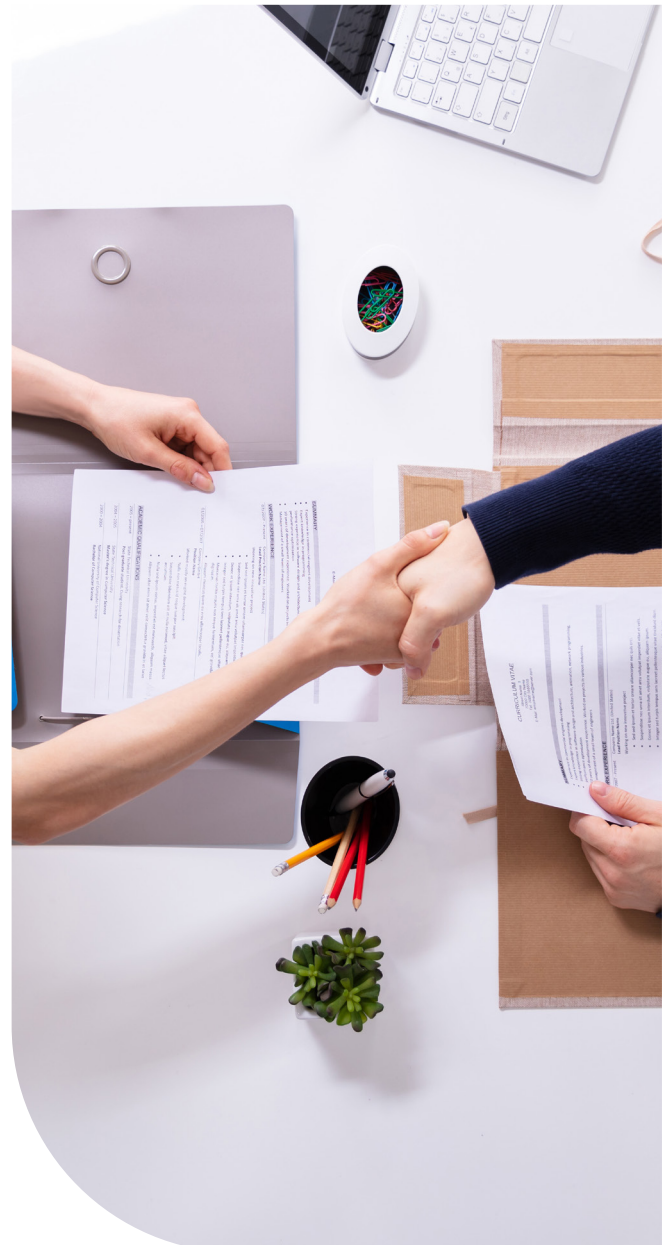
AUTHORISED DRIVER



VEHICLE ACQUISITION & DISPOSAL:

Vehicle replacement strategies can help reduce the total cost of ownership (TCO) for the fleet.

- Outline replacement cycling parameters by vehicle segment and identify if they differ by application or operating area.
- Define any vehicle selection parameters as well as upfitting processes.
- Establish procedures for selling or disposing of a company vehicle.
- Outline the handling of vehicles assigned to employees who are reassigned to new functions, resign or are terminated.



COMPONENTS OF A POLICY

VEHICLE OPERATION:

Vehicle operation guidelines are one of the most important sections of the policy. It should identify expectations surrounding the operation and potential consequences for misuse.

- **Appearance:** Organisations should outline expectations regarding the general appearance of the exterior and interior of the vehicle.
 - Areas such as regular cleaning (interior and exterior), rules regarding company signage and no smoking are examples of specific expectations.
 - Clarify requirements to report any damage to vehicles or attached equipment.
- **Vehicle Contents:** Organisations should identify items prohibited in company vehicles. They should also outline employee responsibility regarding lost or stolen contents. This can include documents, laptops, equipment, etc.
- **Fuel:** Organisations should define the process for fuel payment, handling of lost or stolen fuel cards and restrictions on the types of fuel purchases.
 - Address rules on use of premium fuel as well as consequences for misuse.
 - Ensure the policy addresses any requirements and restrictions for fuelling stations used by drivers.
- **Maintenance:** Organisations should address requirements for preventative maintenance and inspection requirements.
 - Include expectations for those employees reimbursed or provided an allowance for the use of their personal vehicles for business purposes.
 - Outline any special requirements by asset type or vehicle segment.
 - Establish rules surrounding number of car washes, windshield replacements, glass chips, towing, ad-blue and type of oil.
 - Cover restrictions to the maintenance vendor network and how costs will be approved.
 - Identify any thresholds or levels for approval and how expenses will be paid.
 - *Note rules associated with emergency or after-hours repairs.*
- **Mileage Reporting:** Organisations should define requirements for reporting mileage
 - Include reporting expectations for business versus personal use.
 - Identify method for reporting and frequency.
- **Legal compliance:** Organisations should establish expectations for drivers to comply with legal requirements outlining any potential consequences for non-compliance.
 - Identify expectations for drivers surrounding payment of tickets, toll violations and fines.
 - *Note rules on alcohol, drug and prescription medication use, drowsy driving and aggressive driving.*

COMPONENTS OF A POLICY

SAFETY:

The policy should make drivers aware of any requirements surrounding vehicle safety training, both proactive and driver assessed.

- Outline expectations surrounding the use of vehicle safety features and on-board technology (such as GPS, bluetooth, mobile phones, tablets, etc.) as well as consequences for misuse.
- Address any expectations with respect to additional training requirements for Heavy goods vehicles, units with chassis modifications and attached equipment.

ACCIDENTS:

Organisations should outline the steps to be taken in the event of an accident.

- Elaborate on accident reporting, incidences involving specialty equipment and any potential cost to drivers (i.e., insurance excess).
- Include contact information for all personnel that need to be notified in the event of an accident.
- Communicate to drivers any areas of zero tolerance and/or post-accident drug testing, and outline any potential consequences.
- Define requirements for drivers to notify proper personnel immediately of any suspension or loss of driver's licence.

COMPLIANCE DOCUMENTATION:

Organisations should establish clear guidelines on responsibility for acquiring, processing, submitting and maintaining proper compliance documents. These can include copies of drivers' licences, registrations, and inspections records.

- Note any special requirements by vehicle class (e.g. - commercial/non-commercial vehicles).
- Specify requirements surrounding driver notification to managers on change in class or suspension of their driver's licence.
- Define consequences for non-compliance in order to enforce a successful policy.

EMERGENCY PLANNING:

Policies should map out protocols in the event of an emergency.

- Touch on types of emergencies and where to find further details in their respective locations.
- Map out protocols for drivers or managers to follow in the event of an emergency.
- Include a list of important contacts to notify.



IMPLEMENTING THE POLICY

Implementation is an important aspect of the vehicle policy process. Whether an organisation is creating a new policy or modifying an existing one, there are some key strategies that have proven to be successful which you should incorporate into your planning process:

1. ENGAGE STAKEHOLDERS:

Organisations should engage stakeholders in departments affected by the fleet.

This will make the policy relevant to all personnel, thereby leading to better understanding and acceptance.

2. TOP-DOWN APPROACH:

Starting implementation from the top down within an organisation will confirm all levels of management are on board with the policy before distributing it to the rest of the organisation.

3. COMMUNICATION:

It is best to write vehicle policies in simple language that clearly defines the organisation's purpose for implementation. Easily identifying goals, objectives and requirements of the new policy will allow for minimal confusion and a smooth transition. Involving senior management in communication can emphasise the importance of a policy.

4. DISTRIBUTION:

Organisations should send policies in a format that can be easily accessed, referenced, and tracked to confirm acceptance, for example, an email with a PDF attachment.

5. REVIEW:

Regular and agreed reviews are vital and It is recommended that documents are version controlled and include the statement 'uncontrolled when printed'.



KEY STRATEGIES

Organisations should keep in mind these key strategies that help ensure a comprehensive and effective vehicle policy:

STANDARD FORMAT:

A standard format is effective for communicating policy information to drivers, for instance through a driver-based web site.

ACKNOWLEDGEMENT:

Drivers should acknowledge acceptance of a new policy in the form of an electronic or hardcopy signature. This confirms driver awareness of the new policy and increases accountability regarding vehicle usage. It is also a best practice to annually require drivers to submit an acknowledgement of their receipt and understanding of the corporate fleet policy.

TESTING:

To ensure knowledge and comprehension, it is a best practice to regularly test drivers on the policy. You should not permit employees to use company vehicles until they achieve a passing score. It is also a best practice to issue assessments annually and when the policy has changed.

ANNUAL REVIEW:

Reviewing policies and updating them annually verifies it is current with the company's most recent objectives. Involving personnel from areas such as HR, risk management and senior management is best practice.

According to a passenger fleet benchmark study, 57 percent of respondents require a signed driver policy acknowledgment



A GREENER POLICY

Greening initiatives are increasingly becoming an important point of focus for many organisations.

The fleet is often seen as a large contributor to the corporation's green footprint, and a vehicle policy can be an effective tool for ensuring the fleet is aligned with the sustainability culture and values. Fleets can look to further define fleet policy and objectives by establishing a target for reductions. Determining specific objectives and developing realistic, measurable target goals will help guide continual improvement in the fleet's operations. For example:

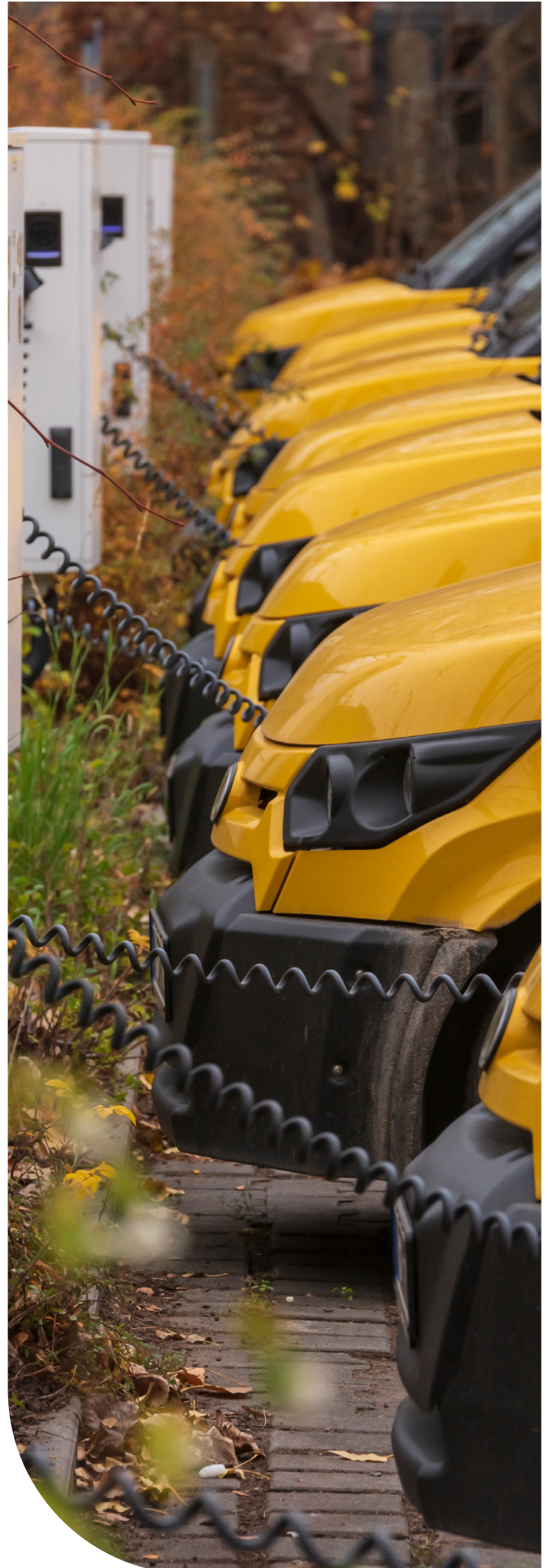
- **X% improvement in fuel economy by Y**
- **X% reduction in annual fuel costs**
- **X% reduction in fleet CO2 by Y**

There are many steps a fleet can take to reduce its footprint. While often the perception is that greening fleets involves major changes in the vehicle specifications or switching to alternative fuels, the reality is that organisations can realise significant improvements by focusing on simple changes that can be further managed and supported by the fleet policy.

Organisations should clarify and include expectations surrounding:

- **Corporate requirements and strategies focusing on driver behaviour to reduce fuel consumption, such as speeding, route optimisation and general lightening of loads.**
- **Corporate policy initiatives targeted to address or eliminate idling.**
- **Compliance requirements related to proper vehicle maintenance.**
- **Restrictions to vehicle selectors meeting a certain MPG/ L/100 KM requirement.**

Whatever initiatives are in place, greening the policy will help identify areas of focus and continued improvement to ensure organisations meet sustainability goals.



CONCLUSION

A vehicle policy is an essential component in the management and operation of a fleet. Policies help to maintain corporate standards and communicate expectations with respect to the operation of company or personal vehicles to achieve the organisation's business objectives.

Effective policies also help to promote safety, mitigate operating expenses and asset downtime, and can contribute to maximising overall efficiency within a fleet. It is important to note, however, that a quality policy also empowers employees and various levels of management within the organisation with the flexibility to make prudent decisions. With key stakeholder support, insight from fleet management experts and thorough research and planning, a successful vehicle policy can be an effective tool for all who are involved in the lifecycle of your organisation's fleet.



Holman

Driving What's Right

Holman, previously ARI Fleet UK, has revolutionised funding and fleet management with technology that enables organisations around the world to realise new levels of efficiency and value by leveraging the power of data through the Holman insights portal and other customised solutions. Founded in 1924, Holman, now the largest family-owned company in the industry, has continuously uncovered new ways for fleet managers to translate their fleets' data into decreased costs and improved driver safety. Holman manages more than 2 million vehicles globally with offices in the UK, North America and Europe.

Learn more at [Holman.co.uk](https://www.holman.co.uk), email us at enquiries@holman.co.uk, call us on **0844 8000 700** and follow us on LinkedIn, Facebook and Twitter