



# Holman

Driving What's Right

**LEVERAGING THE POWER  
OF VISIBILITY IN SUPPLY  
CHAIN MANAGEMENT**





# Leveraging The Power Of Visibility In Supply Chain Management

The continuously accelerating pace of technology and process integration is bringing more immediate visibility and control to supply chain management.

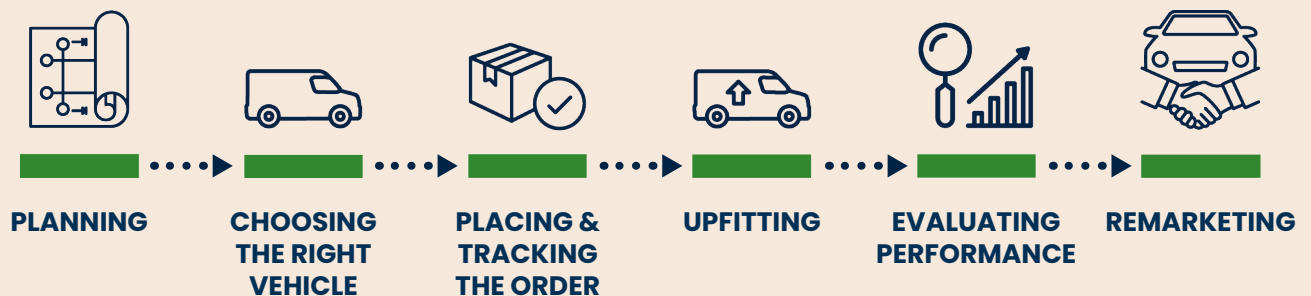
**DECISIONS ARE BECOMING EASIER, ESPECIALLY WHEN MADE IN CONJUNCTION WITH A FLEET MANAGEMENT COMPANY THAT HAS A DEEP DATA INTEGRATION PARTNERSHIP WITH ITS KEY SUPPLIERS.**

# Supply Chain Management

## IMPORTANT TO YOUR BOTTOM LINE

You can minimize risk, lead times, and fleet costs with effective supply chain management – but you need fleet experience and a significant amount of time and resources to do it correctly.

### STEPS TO AN EFFECTIVE SUPPLY CHAIN



**REAL-TIME  
DATA ANALYSIS**



**TRANSPARENCY  
OF OPERATION**



**COMPREHENSIVE UNDERSTANDING  
OF HOW DECISIONS AFFECT  
THE ENTIRE PROCESS**

Successfully executing this entire end-to-end supply chain depends on having the necessary expertise for each of these key process steps, while making sure the numerous hand-offs between each key step are clean and effective. A misstep or lack of visibility can greatly impact day-to-day operations, even more so if upfitting is required.

**EACH TIME YOU ADD A NEW PARTY TO THE SUPPLY CHAIN PROCESS, DELAYS CAN OCCUR.**

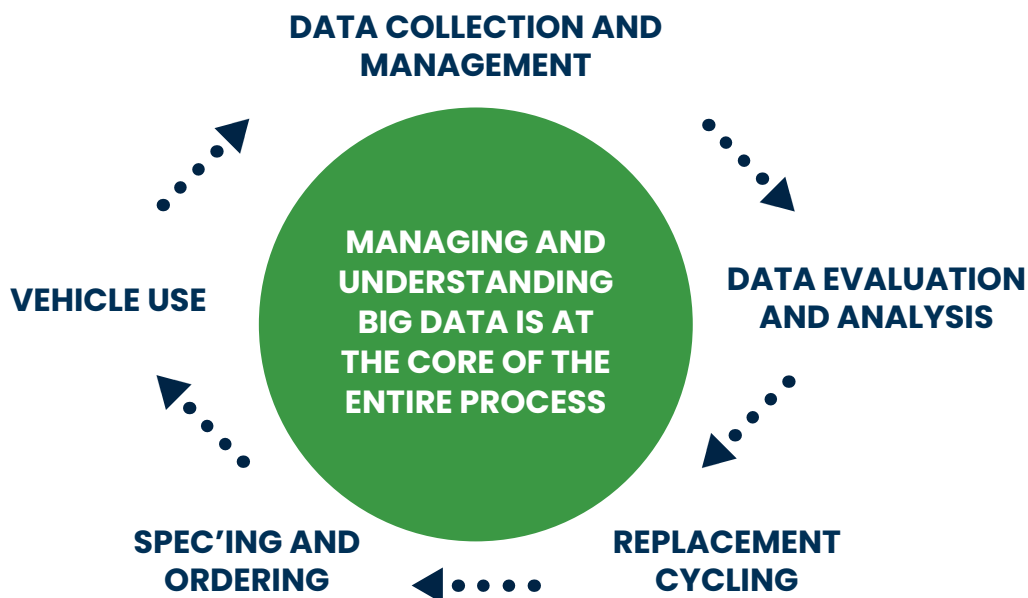


## LEVERAGING DATA TO MAKE SMARTER SUPPLY CHAIN DECISIONS

New technologies let you view multiple aspects of your fleet and drill down into the data. You can see which vehicles are frequently out of service for repairs, which are consuming disproportionate amounts of fuel, and which are performing well. This allows you to better understand your operations, and gives you an edge in an increasingly competitive environment. Access to real-time data also enables you to bring a degree of automation to the process, essentially creating a “digital supply chain” that provides insight and helps minimize issues.

Smart businesses are beginning to invest in the technology and the tools to take on this challenge, but they’re also working with organizations that have direct expertise in supply chain and fleet management in order to make the most of their fleet investment.

**QUICK ACCESS TO ACCURATE REAL-TIME FLEET DATA IS CRITICAL TO MAXIMIZING POTENTIAL EFFICIENCIES.**



# STAGES OF AN EFFECTIVE SUPPLY CHAIN

## PLANNING

A clear understanding of each stage of the supply chain, access to real-time data, and visibility into the overall process can help you uncover opportunities to streamline operations and lower your total cost of ownership. This will also help you get road-ready vehicles in service more quickly, which can positively impact your bottom line.

You can start by evaluating the critical processes and equipment that your business needs to ensure success. When you are gathering detailed data on your company's delivery mechanisms and the jobs that require vehicles, you should also consider overall vehicle usage, driving pattern, and the current use of rental or private units. If vehicles are not achieving minimum mileage requirements, are they really needed?

Then you can add more clarity to the decision-making process by asking questions about cargo needs and how they might affect the overall gross vehicle weight rating, typical driving conditions, annual mileage, suitable engine size, and any customization or upfitting requirements.

### ARE THE SPECS THE RIGHT FIT FOR THE WORK THAT NEEDS TO BE DONE?



## PLANNING

Effective planning also requires replacement cycling guidelines that align with the needs of your business. A comprehensive replacement model takes into consideration much more than just age and mileage. Factoring life cycle costs such as maintenance and fuel efficiency, as well as criticality of the vehicle and order-to-deliver lead times will help formulate a sound replacement strategy.

In addition to knowing which vehicles to replace, it's often difficult to understand when to cycle out your vehicles. Ordering a properly spec'ed replacement (with enough time to keep your fleet running and on the road) is not easy, and that's just part of what needs to be considered.

Those questions must be asked, however; and if your fleet doesn't have the data and the tools to support a robust replacement analysis, you may be missing opportunities to optimize your assets, your budget and your business.

**STRATEGIC VEHICLE REPLACEMENT ALLOWS YOU TO HAVE A POSITIVE IMPACT ON YOUR COMPANY'S BOTTOM LINE.**

**A successful replacement strategy strikes a balance between maximizing the useful life of the vehicle, optimizing the total cost of ownership and limiting vehicle downtime.**

## **CHOOSING THE RIGHT VEHICLE**

Once you have a plan to ensure your fleet delivers on the relevant business needs, you must choose the right vehicles for the job. Evaluate both the specifications of each vehicle type and your selector as a whole, keeping in mind acquisition costs, estimated operating costs and potential resale. These factors will affect the overall total cost of ownership for your fleet. When you standardize vehicles as much as possible, it allows you to relocate vehicles as needed knowing they will be able to meet the needs of the job.

As a general rule, the more specialized a vehicle is, the more likely its resale will be limited to a certain audience. The resale market for a basic passenger sedan is larger than for a complex work truck. A highly specialized upfit can bring in high residual values if the upfit is a common one within the specific industry. That said, you should always order the exact vehicle needed to do the job based on preliminary planning.

**STANDARDIZING YOUR FLEET AS MUCH AS POSSIBLE ALLOWS YOU TO MAXIMIZE VEHICLE UTILIZATION AND MINIMIZE COSTS.**

## PLACING & TRACKING THE ORDER

Once you know the kinds of vehicles you require, you need to decide how to acquire them.

## CONSIDERATIONS INCLUDE

### FACTORY-VERSUS-STOCK ORDERING

Ordering a vehicle directly from the factory is always the most economical option. Buying from a dealer's stock should not exceed 10 percent of your total vehicle orders and should only be considered in cases of emergency replacements

### INCENTIVES, REBATES, AND OTHER POTENTIAL SAVINGS

Most manufacturers provide incentives for fleets, but they are usually conditions or in-service requirements. These types of incentives will usually be offered in place of any standard fleet rebates. Fleets can apply directly with the OEM for volume purchase for concessions. You will generally negotiate these annually; however in some cases, they can be revised or adjusted earlier if your volume changes significantly. Multiple-year concessions may also include price protection and will vary based on your agreement with the OEM. Incentives and rebates are also something to consider during spec development as they have the potential to influence the type and model of vehicle a fleet might choose.

### BUILD-OUT DATES AND ORDER-TO-DELIVERY TIME

Be sensitive to build-out dates and plan order replacement accordingly to avoid price increases or costly delays. The industry average for order-to-delivery is 10-12 weeks for light-duty vehicles and 14-16 weeks for medium- and heavy-duty vehicles. This timeframe does not include upfitting.



## FACTORS INFLUENCING ORDER-TO-DELIVERY TIME

- Production backlogs
- Volume of orders
- Weather delays
- Quality control issues
- Railcar availability
- OEM capacity and demand
- OEM labor issues
- Components availability

## WAYS TO REDUCE ORDER-TO-DELIVERY TIME

- Seek experts in the specification and selector building process
- Consult OEM production schedules for optimal timing of orders
- Focus on monitoring every stage of the process
- Maintain strong relationships with OEMs, upfitting partners and dealers

**DELAYS HAPPEN. REAL-TIME VISIBILITY TO EACH STEP LETS YOU PROACTIVELY AVOID DOWNTIME, RENTAL FEES AND LOST PRODUCTIVITY.**



## UPFITTING

The vehicle upfit process has two variations:

### SHIP-THRU:

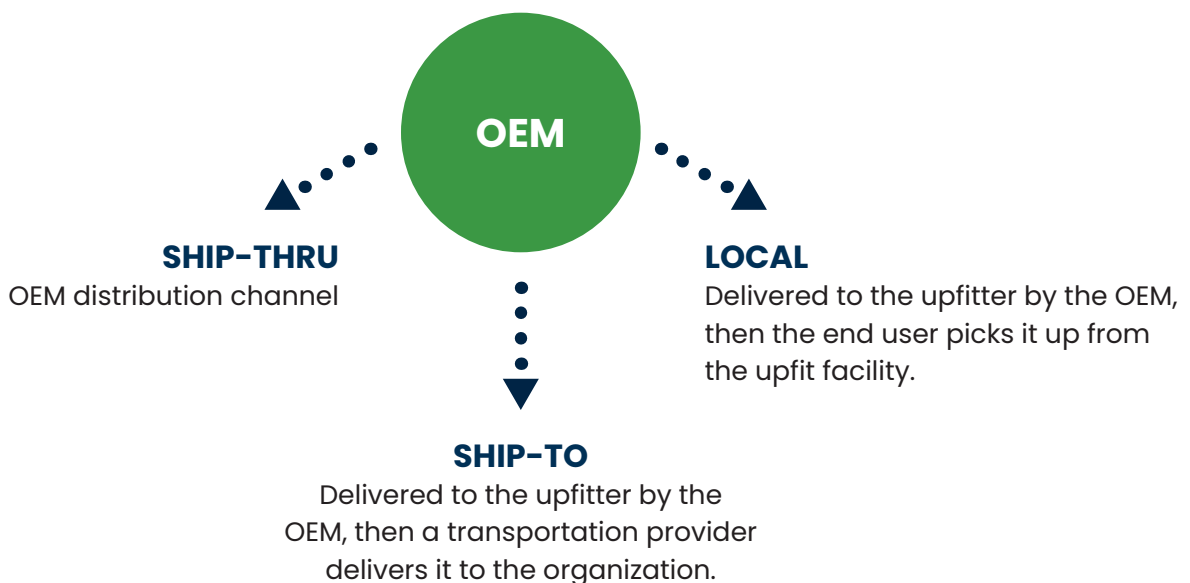
An upfit company completes the work and returns the vehicle back into OEM traffic, proceeding to courtesy delivery at a dealership. When applicable, this is the suggested method because it allows for one point of contact for inquiries and invoicing, the status is easier to track, and it is generally less expensive. Installations are more consistent with better oversight in regard to quality and process. It is a better choice for decentralized fleets. However, ship-thru can extend order-to-deliver time.

### SHIP-TO:

Specialty equipment that is too large to fit in shipping “envelopes” uses the ship-to method. Examples include cranes, equipment for medium and heavy-duty units, and bucket trucks. The upfit company completes the build of the vehicle and then ships the vehicle direct to the customer. Although ship-to orders are usually more expensive, the delivery following upfit completion is likely quicker. If the upfitter is local to you, you may be able to pick up the vehicle from the upfitter directly.

While you can choose to manage the upfit process yourself, or work with an independent third party, the optimal situation is to work with a partner that has an established relationship directly with an upfitter. This increases transparency and improves overall communication. With this partner keeping your vehicle supply chain process moving forward and managing timeframes, their support directly impacts your bottom line.

### WORKING WITH A FLEET MANAGEMENT AND SUPPLY CHAIN SPECIALIST PROVIDES BETTER INSIGHT TO POTENTIAL PITFALLS.



## EVALUATING PERFORMANCE

Once your vehicles have been delivered and are on the road, active monitoring and follow-up are the keys to tracking day-to-day maintenance and repair expenses, reducing vehicle downtime and ensuring you maintain a consistent and efficient replacement program.

## BEST PRACTICES INCLUDE

- Using a vehicle maintenance program with web-based capabilities to track and monitor data, identify trends, consolidate billing, and reduce administrative burden and excessive cost.
- Capturing maintenance expenses for every vehicle based on cost center, make, model and component level. When possible, maintenance costs should be driven to the assigned cost center to encourage responsibility and awareness.
- Developing a reporting package to manage maintenance expenses including the most expensive vehicles to maintain, average age of fleet, high frequency of repairs, component failure reporting, fleet utilization and cost center-specific per vehicle cost monitoring. Overall expenses should be reviewed by light-duty fleets annually and bi-annually for medium- and heavy-duty vehicle fleets.

**PREDICTIVE ANALYTICS WILL EMPOWER YOUR ORGANIZATION TO MAKE SMARTER, DATA-DRIVEN SOLUTIONS IN THE FUTURE.**



**Tracking your vehicles creates a baseline for future measurement.**



## REMARKETING

The remarketing process begins as soon as a vehicle is designated for replacement. When you start to consider all of the options for selling a vehicle, choosing the path that offers a quick sale, minimal hassle and maximum return becomes more complicated.

## OPTIONS INCLUDE

- **EMPLOYEE SALES** – You can allow your employees to purchase the vehicles they drove for business use.
- **PHYSICAL AUCTIONS** – Dealers buy and sell units through a traditional auction process.
- **ONLINE AUCTIONS** – Vehicles are sold through the Internet.
- **VIRTUAL MARKETS** – Increase exposure by allowing vehicles to be offered on multiple online platforms simultaneously.
- **REMARKETING CENTERS** – Wholesale dealers at warehouses and lots bid on vehicles through online auctions.
- **BROKERS** – Vehicles are sold directly to dealer wholesalers.

You should get *the most value* for the vehicles you are replacing.

## REMARKETING

With the right partner, you can maximize the return on every vehicle. Flexibility is key, so when you're looking for a partner to remarket your vehicles, find one that offers as many options as possible with the ability to expose your vehicles to the broadest buyer base available. If you have specialty or complex upfits an experienced remarketing specialist can help to develop custom solutions for your specialized vehicles and equipment. Do you ever need a quick turnaround and cash flow generation is critical? Look for a partner that has the flexibility to simply buy the vehicles you want to sell.

When you work with a fleet management company, they can handle the entire process, including managing vehicle pickups, preparing vehicles for sale, choosing the proper market and assessing an accurate sale price.

**PARTNERING WITH A REMARKETING EXPERT CAN DRIVE VALUE BACK INTO YOUR BUSINESS BY FREEING UP YOUR TIME TO FOCUS ON OPERATIONS WHILE RECEIVING THE HIGHEST POSSIBLE RESALE VALUE.**



# SUPPLY CHAIN PARTNERSHIPS

Partnering with supply chain experts can benefit your fleet and your company's bottom line. But how do you choose a partner?

How can you be sure that the partner will understand your goals and long-term business strategy, and that a partner will use your own guideposts in executing a supply chain strategy?

## **WHEN CHOOSING A SUPPLY CHAIN MANAGEMENT PARTNER, YOU SHOULD LOOK FOR ONE WITH**

- Expertise in multiple stages of the supply chain.
- Contacts and connections with numerous vendors and upfitters.
- Data integration and tools to help interpret fleet data.
- Accurate and thorough online reporting dashboards, KPIs and alerts.
- Staff support that works as an extension of your fleet team.
- Transparency through every stage of the supply chain.





# CONCLUSION

## YOUR FLEET SHOULD BE A STRATEGIC ASSET THAT DELIVERS VALUE

Proper handling of each stage in the supply chain is essential for running an efficient, cost-effective fleet. Given the complexity of the vehicle lifecycle and ongoing pressure on team resources, it is difficult and often unrealistic for you to manage it all alone.


Modern tools and technology have created an opportunity to leverage real-time data insights. This is having a genuine impact on total cost of ownership, productivity and an organization's bottom line. Collaborating with supply chain professionals who can assist with strategic decision making and

management of deliverables can free up resources for you to focus on more strategic operation of the fleet.

The future of supply chain will provide ever-growing visibility into the entire process through the use of real-time graphical information; as the pace of technology and process integration accelerates. From the fleet's perspective, decisions will be easier to understand and make if they are done in partnership with a partner that has a deep data integration capabilities with key suppliers.

**IT IS BECOMING A BRAVE NEW WORLD FOR FLEETS, AND THOSE FLEET MANAGEMENT COMPANIES WHO ARE BUILDING AND SOLIDIFYING THEIR RELATIONSHIPS WITH SUPPLIERS WILL BECOME THE MOST ATTRACTIVE.**





# Holman

Driving What's Right

## ABOUT HOLMAN

The Holman story started nearly a century ago in 1924 with one Ford dealership in Pennsauken, New Jersey. Even then, the company's purpose went beyond just cars and trucks, sales and profits; it was about people.

Today, Holman is one of the largest family-owned automotive service companies in North America. Our headquarters stands in Mount Laurel, New Jersey, and our 6,000+ employees are in all corners of North America, the UK and Germany.

Our seamlessly integrated teams and systems deliver a unique spectrum of automotive services: fleet leasing and management, vehicle upfitting and accessories, parts and logistics, commercial and retail vehicle sales, and commercial and personal insurance and risk management.

Rooted in the Values and Principles of The Holman Way, we are continuously Driving What's Right.

**Learn more at [holman.com](https://www.holman.com)**

(856) 778-1500

Global Headquarters • 4001 Leadenhall Road  
Mount Laurel, NJ 08054 • United States of America