



Holman



**DRIVING THE MOST VALUE
FROM FLEET MANAGEMENT**



All industries share a common concern when it comes to fleet management: the need to make better use of data. The reasons for this are many—to make better decisions, increase productivity, reduce costs, and more. Ultimately, organizations are striving to effectively manage and leverage data for a competitive advantage.

The trouble is data alone isn't useful. It's just information without insight. Without a way to distill data and provide relevant context, companies can remain trapped in a world of information that fails to alleviate the daily pressures of administering the fleet.

Transactional and fire-fighting activities typically dominate employees' efforts in this environment. In the end, it's difficult to make meaningful improvements in how employees spend their time and drive business success.

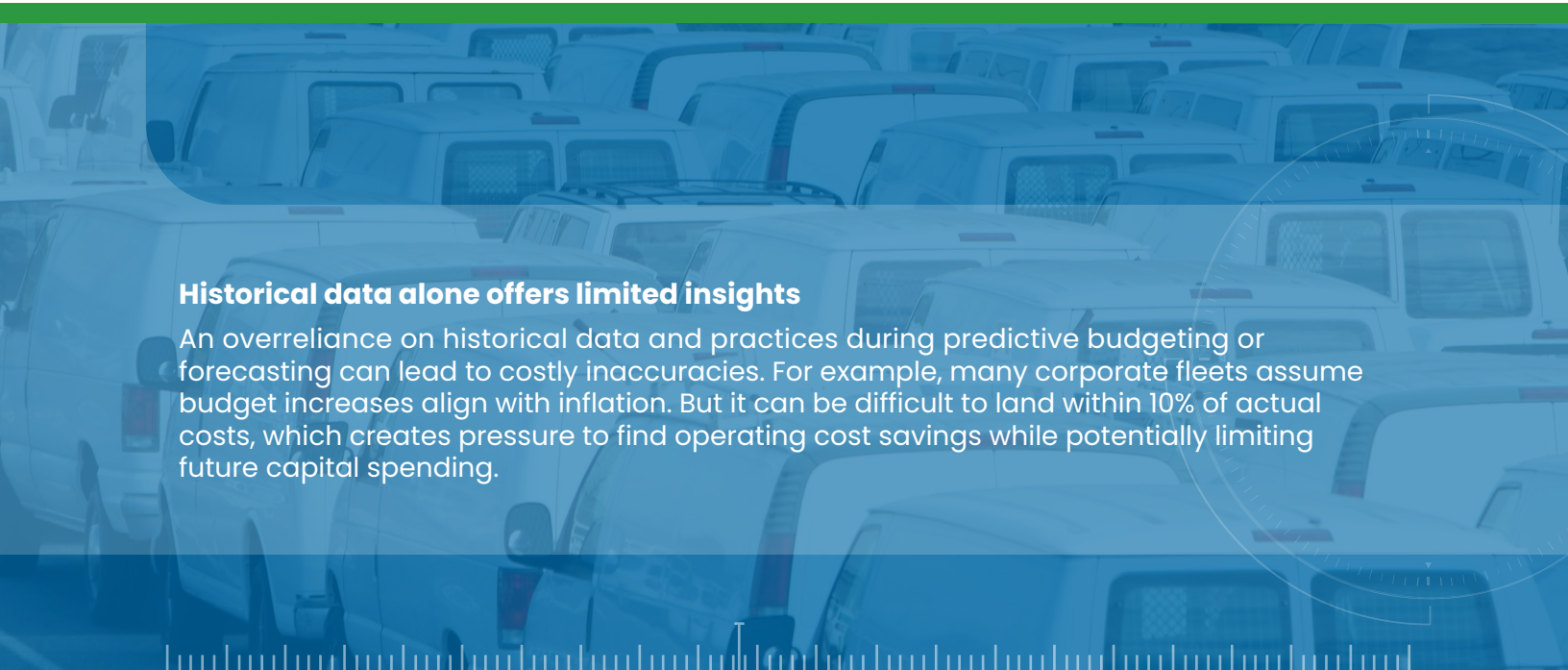
CURRENT APPROACHES HAVE A BACKWARD-LOOKING FOCUS

Today, many organizations rely on KPIs, alerts, and reporting to evaluate and enhance fleet management. However, that approach only helps organizations understand past mistakes and how to avoid repeating them.

This backward-looking focus keeps organizations in a reactive, fix-what's-broken mode. Meanwhile, data that provides forward-looking insight and value remains elusive. But it's precisely this level of business

intelligence that enables organizations to take more strategic and competitive actions.

With fleet management now on the radar from a business intelligence standpoint, leaders can expect to be held accountable for how well they manage related indirect spend and align fleet with the broader goals of the business.



Historical data alone offers limited insights

An overreliance on historical data and practices during predictive budgeting or forecasting can lead to costly inaccuracies. For example, many corporate fleets assume budget increases align with inflation. But it can be difficult to land within 10% of actual costs, which creates pressure to find operating cost savings while potentially limiting future capital spending.

A SHORT-TERM VIEW OF FLEET ADDS COMPLICATIONS

Fleet is a focal point for senior leadership because of its significant cost. The total cost of ownership for a fleet typically looks like this:

- Acquisition/depreciation cost
- Total cost of fleet risk
- Fuel and maintenance
- Licensing, tax, and tolls
- Fees and miscellaneous expenses

To contain costs and meet broader business goals, a fleet manager might target individual spend categories, such as examining vehicle specs to drive down depreciation costs. Or the fleet manager might change maintenance parameters to address escalating repair costs.

There's also the option to squeeze whatever costs are possible from fleet management fees. None of these actions seem problematic since costs are being well managed within each of these areas.

Then the short-term cost management side of things comes into play. For example, \$1M was slated for vehicle replacements this year, but the organization needs the capital elsewhere. The fleet manager is asked to make do with half that and diligently operates within the parameters of the revised budget. Fleet meets quarterly projections and capital spend is down for the year.

VIEWING FLEET AS A COST HAS DOWNSIDES

But the following year the fleet manager notices that maintenance spend has increased. Those missed vehicle replacements have started to age—leading to rising operating costs. At the same time, there's an uptick in fuel spend, and the cost per mile is much higher than the prior year—a result of aging units lagging in fuel economy.

These impacts to fleet spend have long-term consequences for the company, including the need to greatly increase capital spend in

subsequent years to cover the costs. They happened because management was unable to forecast how a change in capital spend would impact the fleet's long-term operating costs. So, there was no way to correlate how cutting costs in one area of spend for short-term gain could eventually drive up costs in another. Unfortunately, organizations that view fleet as a cost—as a set of transactions that must be contained—miss this bigger picture.

A cost-only view isolates fleet

Tight budgets combined with rising fuel and maintenance costs are concerns across industries. And when forecasting capabilities are limited, it's difficult to manage the fleet cost-effectively, let alone tie fleet to the broader business strategy.

HOW FLEET CAN SUPPORT YOUR CORE BUSINESS

Instead of viewing fleet primarily as a cost, organizations need to think of it as an investment with one main purpose: delivering the goods and services that are core to the business. While it does involve transactions, those transactions are all interconnected, and an adjustment in one area can impact costs in others.


When organizations view fleet through this lens—eliminating data siloes in the process—they get a better handle on these interconnections. They see how driver

behavior affects maintenance costs. And they see how capital and operating expenses are intertwined to identify cost and time drains.

Plus, organizations can optimize connections among administrative tasks to create a smooth, continuous cycle: from buy, to drive, to service, to sell. By employing this strategic approach to fleet, organizations will have the business intelligence needed to enable more effective action.

Why Holman?

Holman is focused on excellence in the driver and automotive sector. Our automotive competencies for both consumer and commercial customers set us apart in our ability to offer multiple value-added services to a single client.



[Learn more](#) about how you can take a strategic approach to fleet.

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