

Beyond Cost Cutting:

Driving Meaningful Cost Savings Across Fleet Operations

Fleet operators are under constant pressure to reduce costs. The default response is often to look for cheaper alternatives: negotiate lower maintenance rates, switch insurance providers, compress vendor pricing. But those moves only answer one question: "How do we pay less?" Meaningful cost savings require a different question: "What is driving these expenses in the first place?"

Cost saving is a different discipline from cost-cutting. It starts with understanding why costs exist, then determining whether the activity generating them is necessary, avoidable, or reducible.

That distinction matters because most fleet spend sits beyond the management fee. Roughly 97% of fleet spend is pass-through cost: maintenance, fuel, insurance, parts, repairs, and related operating expenses. Chasing cheaper vendors, parts, and insurance programs may create short-term relief, but it does not address the underlying cost drivers contributing to the larger share of fleet spend.

WHY TRADITIONAL COST CUTTING FALLS SHORT

Cost cutting targets price, not the behaviors, risks, and inefficiencies that drive fleet expenses in the first place.

Negotiating cheaper maintenance rates won't reduce the breakdowns, deferred repairs, or reactive service patterns driving repair volume. Switching insurance providers doesn't address the behaviors increasing the frequency or severity of incidents creating claims.

These isolated measures may reduce costs in the short term but do nothing to prevent them from reappearing downstream. Over time, it feeds a cycle: negotiate, save briefly, watch costs return, negotiate again.

WHAT COST SAVING ACTUALLY REQUIRES

Cost saving starts with assessing and understanding the cost drivers within your operations. It requires looking at where fleet spend is concentrated and determining which portions are reducible through better strategy, better data, and better alignment.

START WITH DATA

Use fleet data to identify risk patterns, maintenance trends, claims frequency, and cost drivers across the operation. The goal is to understand where your fleet spend is going before deciding where to act. When you can see which vehicles, drivers, routes, or behaviors are generating disproportionate cost, you can address root causes rather than symptoms.

ALIGN DECISIONS ACROSS FLEET LIFECYCLE

Cost savings improve when decisions are connected across the full fleet lifecycle (buy, drive, service, sell). Each stage creates cost signals that can inform the others. Acquisition choices affect maintenance exposure. Driver behavior affects claims and downtime. Service patterns affect uptime and resale value. When those decisions are aligned, you can reduce the underlying cost factors across your fleet instead of managing each expense in isolation.

PRIORITIZE VENDOR CAPABILITY, NOT PRICE

Vendor strategy should support consistency, quality, and uptime. Selecting the cheapest provider can create downstream cost through duplicated effort, rush fees, change orders, and corrective work. The right vendor helps reduce total operating cost by improving consistency, minimizing rework, and supporting better decisions over time.

SHRINKING THE WHOLE PIE

True savings come from shrinking the total cost burden across the fleet lifecycle. That means reducing the frequency and severity of incidents, breakdowns, and violations that drive cost in the first place. When programs are aligned and decisions are proactive, cost control becomes the result of better fleet performance—not repeated cost cutting.

LEVERAGE DATA AND FLEET EXPERTISE TO REDUCE COST DRIVERS

Reducing the cost drivers behind fleet spend requires the time, visibility, and cross-functional coordination to turn fleet data into action, which can be difficult to sustain when internal teams are managing day-to-day operations. Holman helps organizations harness fleet data, interpret it through experienced subject matter experts, and turn it into coordinated decisions that drive measurable results.

Discover how Holman can help your fleet reduce cost drivers and improve performance. Visit holman.com/resources to learn more.