

A year of consolidation and a first move into the US for Fleet Logistics

After a record year in 2015, Fleet Logistics, Europe's largest independent fleet management provider, is looking at a year of consolidation in 2016, along with its first operational foray into the huge US fleet management market.

Fleet Logistics closed last year with a contracted fleet of more than 180,000 vehicles and a year-on-year growth rate of almost 25% - and it expects a similar rate of growth this year. That growth should come from existing customers in regions such as Asia and South America, and from new client wins in a variety of new areas.

One of these new areas will be the United States, where the company is making its first tentative move operationally, working with a large international chemical company with a global fleet of around 8,000 vehicles in a first US pilot project.

But it is a move that will be made with the utmost respect, says CEO Rainer Laber.

"We have huge respect for the US fleet management market – the largest in the world and one of the most structured, segmented and professional. We also have great respect for our customers there – many of whom have their global headquarters in the US – and our American partners.

"So although this is our first operational move into the US, we will do it in such a way that fully respects the existing structures that are in place.

"But we now believe we are strong enough and self-confident enough to be able to make this move, and we will learn quickly from the experience for the benefit of both our US and our European customers," he said.

Fleet Logistics will also expand into the Latin American fleet market in the first quarter of this year, operating from a hub in São Paulo in Brazil from where it will be able to service fleet clients in a variety of different South American countries.

Fleet Logistics will initially use the existing infrastructure of parent TÜV SÜD in the region, which provides the ability to set up the required operations much more efficiently, effectively and speedily than if new operations had to be developed from the ground up.

As part of its strategy for Latin America, Fleet Logistics will initially take on the management of any existing leasing companies or fleet management suppliers that its clients may be using in the region, until it has established its own dedicated operations and with its own account management structure in place.

However, Laber stressed that 2016 would focus on consolidation and investment in the business.

“The growth this year will take care of itself naturally from the new regions and countries that we are expanding into. But our primary objective for the coming 12 months must be to ensure that we continue to provide the high level of quality service that our customers expect of us.

“We have grown at such a rate over the last year or two that we do not wish to over-promise on our service delivery to our customers. We need to ensure that we have in place the people, systems and processes to ensure that we deliver a consistently high, standardized level of service.

“And, as a high quality service provider, we need to ensure that we provide quality, reliable and long term service for our customers in a way that ensures the customer is happy.

“About a year ago, we began to develop systems with the flexibility that would allow us to cope with a greater scale of vehicles as we continue to grow over the next three to five years. This will allow us to continue to provide service of an optimum quality,” he said.

One key objective for this year will be to deliver a return on investment that the company’s main shareholder, TÜV SÜD, expected for the business, said Laber.

“Our strategic acquisition last year of TCOPlus and its sister company, FleetVision, has been extremely important for us,” he said.

The two companies are now 100% affiliates of TÜV SÜD Auto Service GmbH and operate within the company’s Fleet Business Unit alongside Fleet Logistics.

This new association will allow the Fleet Business Unit to offer TCOPlus’ award-winning reporting solutions to global fleet owners, providing a transparent overview of the total cost of ownership and an insight into other key fleet data, including procurement opportunities.

Detailed dashboards showing clients’ fleet operations will be rolled out early this year with existing clients and with new clients in new markets later in the year.

Laber said that ongoing and friendly discussions were taking place with fleet clients about the level of professional fees that Fleet Logistics charged for the complexity of services that it provided.

“We never set out to be the cheapest in the market,” he said. “Our aim is to deliver real quality, meeting the needs of our customers with our high service levels and geographical coverage throughout the world.

“Our clients expect a quality service but fully understand that we require a certain price for our product that allows us to continue to invest in both our clients’ and our own future. The trick is to find a happy balance to meet both objectives,” he said.



Fleet Logistics CEO, Rainer Laber

About Fleet Logistics

Fleet Logistics currently has a contracted vehicle fleet of around 180,000 vehicles with a related cost base of around €2.5 billion on behalf of leading multi-national corporations.

The company was acquired by TÜV SÜD in September 2012, the leading international technical service organization catering to the industry, mobility and certification segment. Its experts and technology consultants are dedicated partners in their clients' processes, offering comprehensive industry expertise throughout the entire value chain.

They focus their services on their core competencies of consulting, testing, certification and training. Over 19,000 employees are committed to optimizing technology, systems and know-how at over 800 locations in Europe, the Americas, Asia Pacific and Africa. Further information is available at www.tuev-sued.de.

The Fleet Logistics group currently has operations in:

- Austria, Vienna
- Belgium, Vilvoorde
- France, Paris

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- Romania, Bucharest
- Russia, Moscow and St. Petersburg
- Spain, Madrid and Barcelona
- Sweden, Malmö
- Switzerland, Baden
- United Kingdom, Birmingham.

Fleet Logistics has strengthened its geographical coverage to include the Baltic region -Estonia, Latvia and Lithuania - by creating consulting partnership agreements.

Fleet Logistics has emerged in Europe as a unique, knowledge-based fleet organisation, offering expert and impartial advising and management services, ranging from fleet solutions (fleet cost, policy and practices benchmarking) to strategic procurement (supplier tendering, negotiation and selection) and ongoing supplier monitoring (continuing control on overall costs, suppliers' pricing, and service quality).

Fleet Logistics' support services enable clients to reduce costs, simplify administration, and achieve maximum effectiveness for their policies and operations.

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