# FleetVision saves global fleet client over €1m in acquisition costs

FleetVision, which with Fleet Logistics is a key part of the TÜV SÜD Fleet Business Unit, has saved a global fleet client over €1m in acquisition costs by implementing a new global acquisition policy.

The fleet client, which is one of the world's largest consumer product suppliers, operates a fleet of over 15,000 cars, light vans and pick-ups across world, primarily in three regions: Europe, Latin America and North America.

The client, which operates in around 30 countries with vehicles from 20 different vehicle manufacturers, appointed FleetVision to consolidate information about the fleet in each country, to advise on a new fleet policy and to identify potential savings.

FleetVision consultants embarked on a FleetScan process, consolidating all data regarding the fleet in every country and cleansing it, before uploading it into a single database through the TCOPlus FleetCube solution.

This process identified that the client had a mixture of global, regional and local agreements with some manufacturers and only local contracts with others.

For each country, FleetVision then listed potential savings measures that could be employed across the fleets, quantified the potential from the saving measures and identified and provided a benchmark against which the various different country policies could be measured and compared.

As a result, the client was able for the first time to have a real and accurate picture of the global fleet, which could then lead to a  the identification and implementation of a global procurement strategy.

At the same time, there was a clear client directive not to directly limit vehicle choice for drivers nor to reduce strategic options at both regional and country levels.

Following detailed discussions with FleetVision consultants, the client decided to implement a new global fleet policy using an optimal and recommended mix of three largely generalist manufacturer groups and one specialised premium manufacturer, to replace the existing policies with the 20 different makers.

At the same time, there was a generally very positive response from the preferred vehicle manufacturers at a global level as they were keen to demonstrate that they, too, were capable of operating at this level.

To provide some leeway and room to manoeuvre at a local level, other manufacturers were allowed within the policy provided they could demonstrate that their vehicles had a lower TCO than those of the preferred manufacturers.

Based on current terms and conditions including end of year bonuses and upfront discounts, FleetVision was able to demonstrate that the new policy would save the client in the order of €1m in acquisition costs a year.

Thibault Alleyn of FleetVision said that the exercise had demonstrated three clear points.

"To start with, it was important to gain insight into global footprint of the fleet and to load all relevant data into our FleetCube solution. This ensured that fleet strategies for the car procurement policy could effectively be developed, benchmarked versus the market and prepared for roll-out.

“Then, it proved to be interesting financially to approach manufacturers at a global level, utilising all the potential volumes of vehicles across the very different countries.

“While the actual vehicles that will be ordered across the global policy will be very different in terms of body type, engine, trim, drive-train and so on, there were sufficient manufacturers capable of coping with this wide range of requirements and who were sufficiently implemented across the globe.

“And thirdly, a preferred supplier setup of this nature ensures that a global procurement strategy can only be defined and rolled out with support from regional and local organisations. It does require some clear rules about supplier selection and, especially, rules regarding exceptions to preferred suppliers.

“And it is equally important to openly present this setup to the suppliers involved to let them understand the real value of their preferred supplier status,” he said.

In the next phase of the project, the fleet client will continue to use the TCOPlus FleetCube solution to monitor the countries and ensure they are complying with the new fleet policy, while at the same time checking how the policy is evolving and developing.

If you require any further information or advice on the above, please contact
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