



FLEETEUROPE

FOR INTERNATIONAL FLEET & MOBILITY LEADERS

FLEET WEEK

FROM MONDAY 26
TO FRIDAY 30 **APRIL 2021**

Fleet Week Webinar

LCV Total Cost of Ownership (TCO)



FleetLogistics

Delivering the lowest possible TCO



SPEAKER

Samuel Kellner-Steinmetz

Chief Sales Officer

Fleet Logistics Group



SPEAKER

Madelaine Webster

Global Consulting Manager

**Fleet Logistics Group
Global Mobility Solutions**

Webinar Contents



Market trends



Defining TCO: considerations and methodology



Different approaches and potential savings



Key steps to lower TCO



Q&A



More than 170 clients have subscribed to our services which we provide across all major European markets



25

Years experience in Fleet Management and building customer oriented solutions



27+

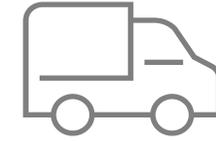
Countries covered with own offices & HUB structure



350+

Employees worldwide

170+ Clients



180.000+ Objects in management

Global Mobility Solutions

Consulting, Technology and Insights



Consulting: MobilityADVISORY



Cost Effectiveness



Sustainability



Shift to Mobility

Technology: MobilityANALYTICS



Global Dashboards



Scenario-builder



Mobility Budget

Publications: MobilityINSIGHTS



TCO Barometer



Industry Benchmarks



How-to Guides



Market Overview and Trends

#1 LCV Trends

93% of LCVs run on diesel

LPG /gas 1.3% of the EU fleet

Petrol sales tripled over 4 year period

e-LCV 1.25% of total sales

CO2 grew by 0.4% (av. 158.5 g/km)

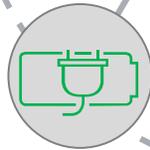
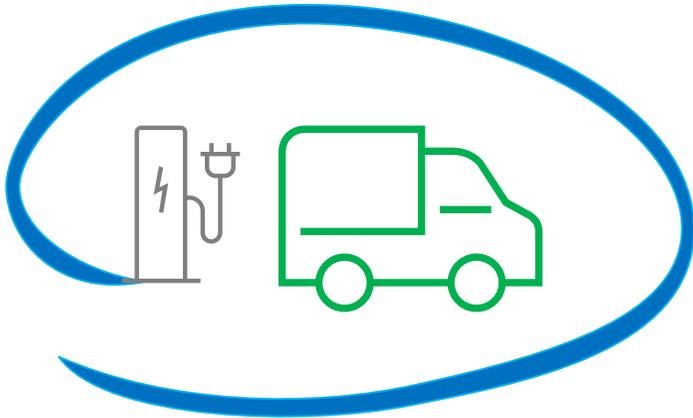


Market Overview and Trends

#2 LCV Trends

Sustainability focus

Reducing carbon and e-LCV
Downsizing of vehicles
Recycling fittings & conversions



Global Trends

Growth of e-commerce
Businesses reducing costs
Contact free deliveries



Consider change in working practices for your organisation



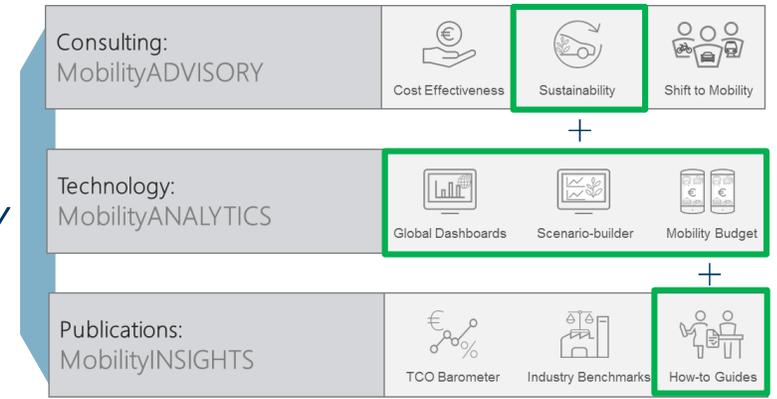
Consider organisational and stakeholder goals

Impact your supplier and category management setup

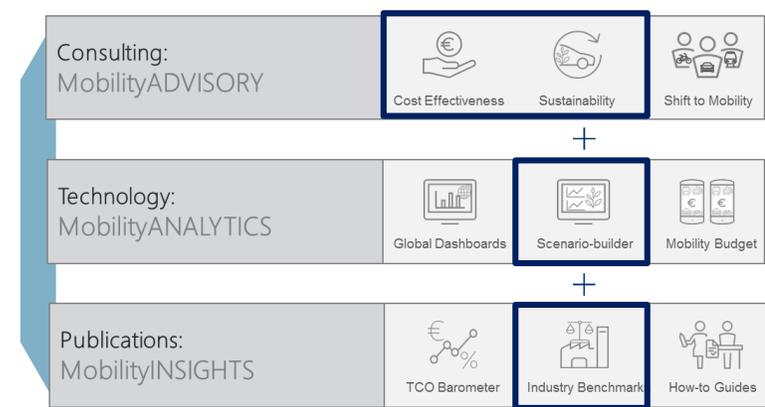
"We wish to rationalize the fleet and deliver 7.5% savings per year"



"Our company wishes to become fully carbon neutral by 2030"



"Our goal is to harmonize fleets and verify our position vs competitors"

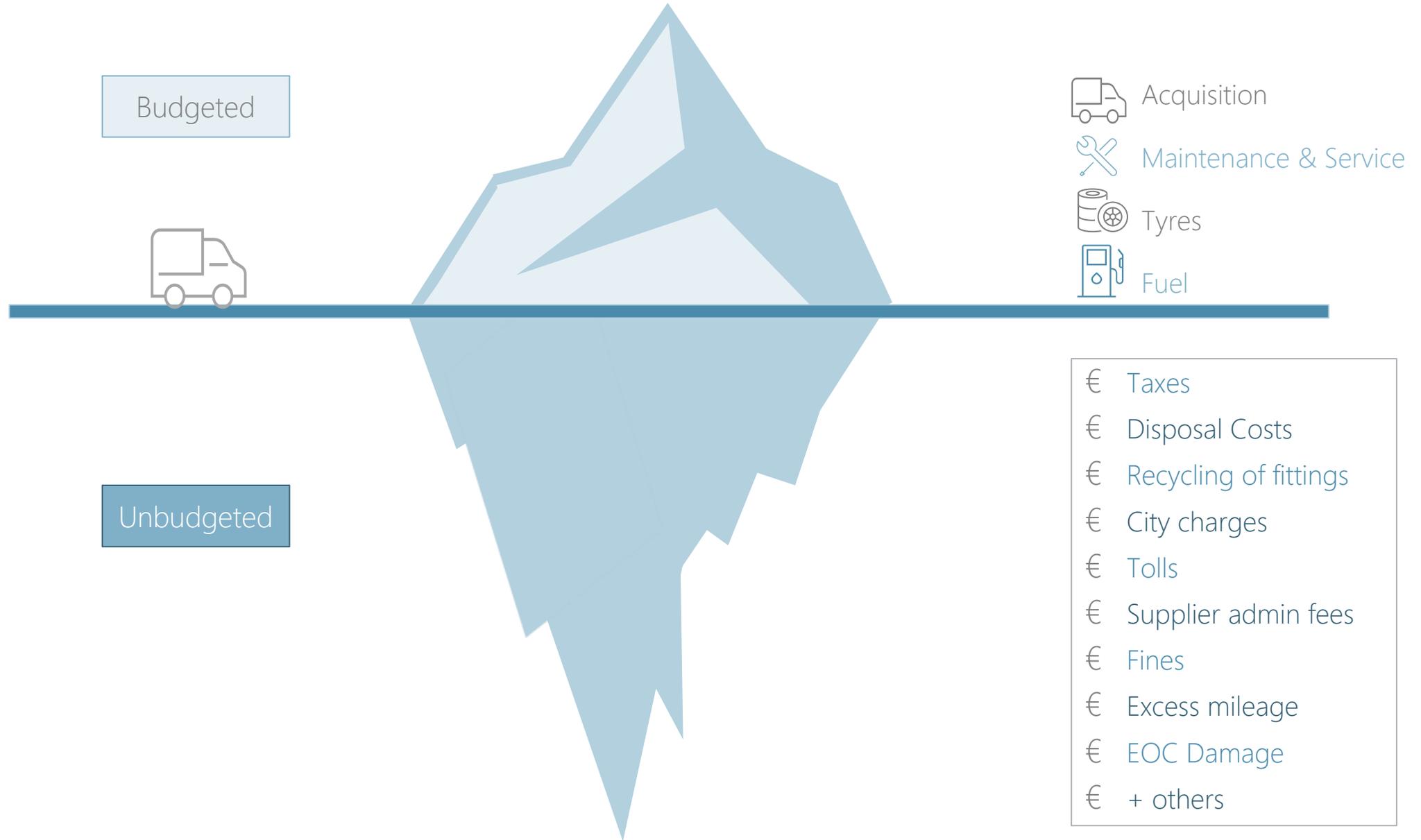


"We want to offer our employees with an innovative mobility benefit"





Defining TCO: *Establish the true baseline*





Potential Savings

Historical savings results

Full Supply Chain Assessment – average 7.9% savings

Global fleet 14.000 cars and vans
12.2m € TCO savings potential over 3 year period

EMEA fleet 1600 **1.4m € TCO** savings potential per year

Global fleet 9.000 cars and van
2.9m € in TCO savings over 3 year period



European fleet 7.500 **4.1m € TCO** savings potential per year

European fleet 3.500
1.4m € in TCO savings over 3 year period

Global fleet 12.000 cars and vans
5.3m € in TCO savings over 3 year period

Supplier Tender Only – average 4.3%



Lowering TCO Methodology

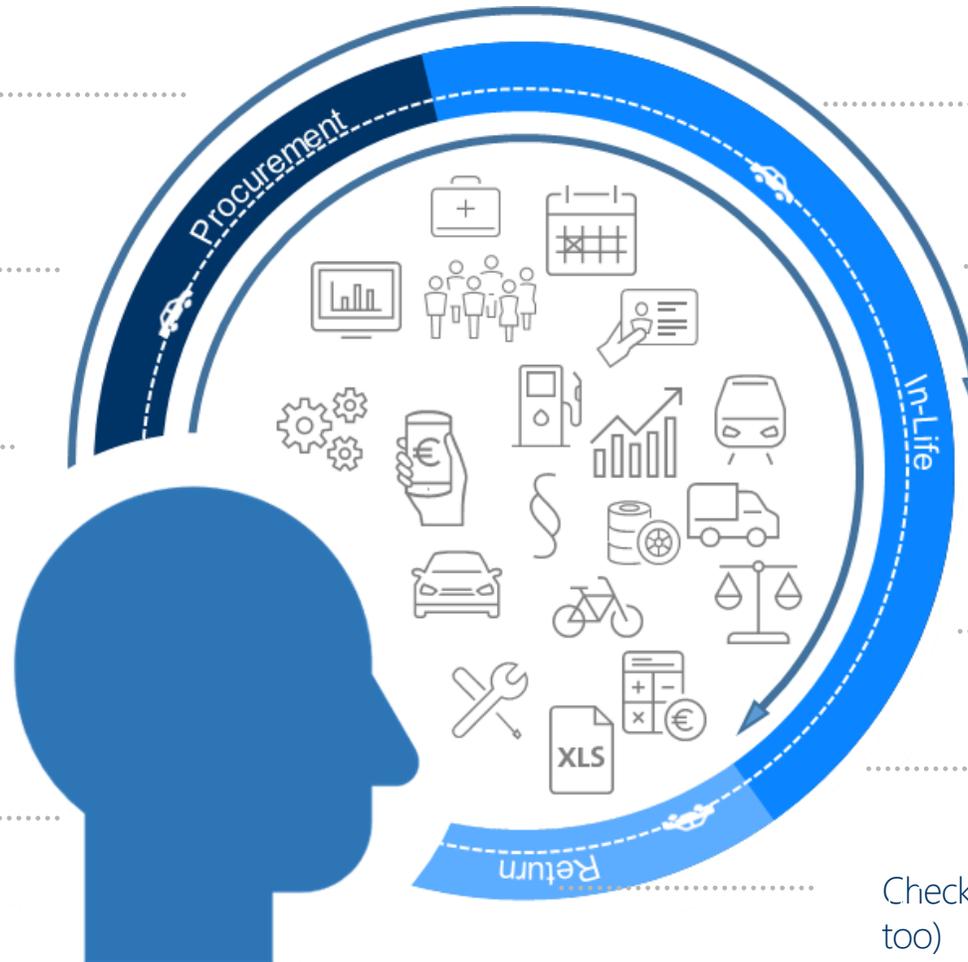
Define sourcing strategy considering scenarios: sole v multi and batch

Acquisition method review/ leasing tender with defined parameters

OEM review and tender and define term and mileage for change cycle

Right-sizing vehicle & engine and right-fueling and define vehicles specifications based on actual usage

Stakeholder and organization objectives and baseline TCO



Minimize maintenance downtime through out of hours and mobile services

Pinpoint and monitor actual needs, usage and review flexible options (telematics)

Review mileages and amend contracts or pool or matrix (mileage management)

Invoice control and processing: ensure exceptions are identified

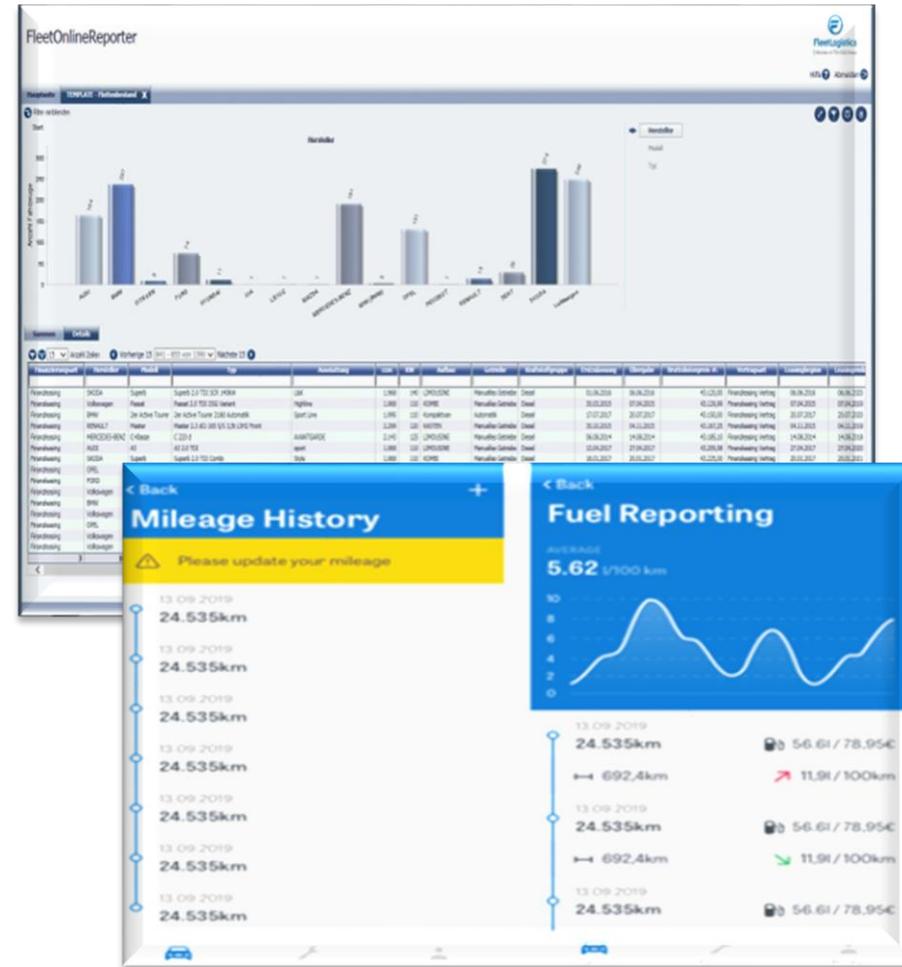
Driver training improves safety, actual mpg and maintenance costs - e-LCV

Check resale and disposal options (fittings too)



Lowering TCO The Power of data

“Robust data is critical and monitoring the categories of spend helps identify what should be next on your roadmap”





Achieving lowest TCO costs

Summary of key steps



Baseline and Goals

Know your TCO baseline and driver journey profiles



Data and Reporting

Record data and report on true costs to identify areas for review



Review Supply Chain

Review supply chain to manage all costs and services



Best Practice

Adopt best practices for each spend category



= Lowest TCO

Measure, monitor and adapt



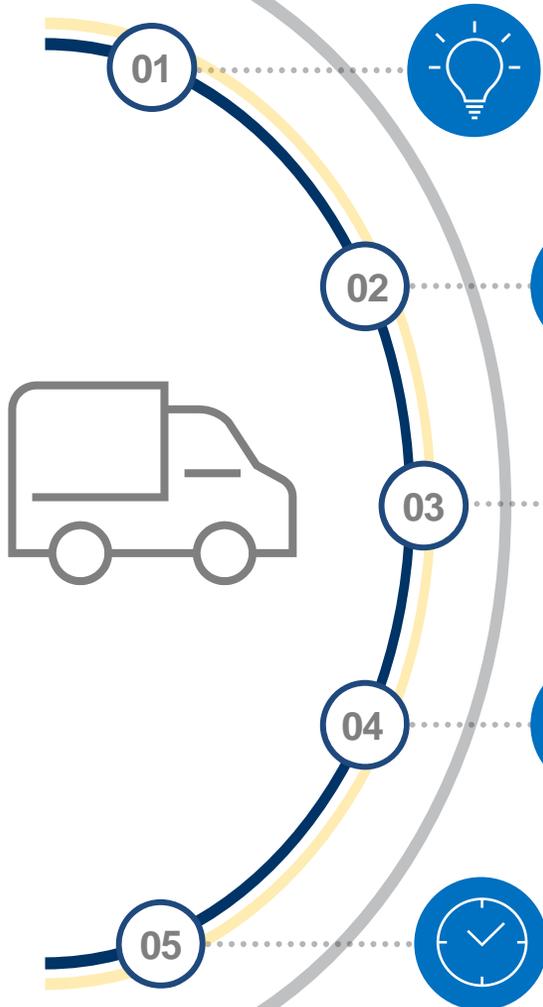


Questions: How can we help you lower your fleet TCO?



FAQ

Top questions asked



What should I look for in comparing OEM product?

When comparing OEM products, consider engine type, engine size, vehicle size, payload, mpg and CO2 and look for savings by undertaking an OEM tender if a large fleet or by negotiating for sole/dual supply if a smaller fleet. Ask your fleet management or lease company for advice. Right-size for your vehicles and needs and check for technology being offered.

How do I compare acquisition costs and finance costs?

Are contract rewrites or extensions the best way to reduce costs short term? Benchmark leasing costs or purchase prices once OEMs are identified to ensure the correct leasing/finance partners are in place. If purchasing vehicles and not leasing, check your acquisition method is still the best method for you. Your fleet management partner or leasing company will help you with this.

How do I minimize lost revenue or hire cost because of vehicle downtime?

Know usage hours and trends (telematics data can help with this) and minimize disruption by opting for mobile and out of hours repairers and tire providers etc. and consider fleet management specialist services and accident management to minimize the internal resource needed to manage this and the benefits of accessing their repair networks.

How can I influence positive driver behavior to save on costs?

Pinpoint problem driver behavior and investigate training and technology to monitor. Again, telematics can help with this, providing an audit trail. Training may be required to minimize fuel costs, accidents, insurance and maintenance bills. You can also incentivize and positive driver behavior and improve the safety record.

What about fittings and livery or wrapping?

Consider vehicle wrapping to avoid reduced residual values from specific color palates and investigate standardized fittings that can be transferred between vehicles. This way they last longer than one vehicle's life cycle. Another way to improve lifecycle.