

How to Make Better Decisions About Your Vehicle Fleet

Establishing a mission for your vehicle fleet is an essential step that will guide you in your decision process throughout the year. Managing a vehicle fleet is a series of large and small decisions. Some of these decisions will be reactionary, made in response to situations, while others will be the result of carefully planned analysis. A formal, written mission, will effectively guide you through decisions that you will be required to make throughout the year.



Why Does the Company Have Fleet Vehicles?

The first step in developing a mission is to revisit why your company provides vehicles. A clearly defined mission will guide how vehicles are selected to best fit the application. Companies decide to provide vehicles to selected employees for a variety of reasons, including:

- Part of a competitive compensation package designed to help attract, recruit, and retain employees.
- For sales personnel to travel to customer locations, carry product samples and literature, and entertain clients.
- For technicians to carry tools, parts, and equipment to service customers.
- To deliver parts.

What are vehicle management activities?

The next step is to list all of the activities necessary for managing your company vehicle fleet under two categories. Activities associated with managing company vehicles can be categorized under management activities and administrative activities. Management activities should be defined as tasks and decisions involved in the allocation of company resources, such as time, money, and assets.

Administrative activities would include recordkeeping, reporting, and other day-to-day activities.

Management responsibilities answer the question, "What should we do?"

Administrative activity answers the question, "How do we do it?"

Applying standard best practices of vehicle management will help tailor the "what" and "how" answers. Consulting with external resources is advisable at this stage. Ewald Fleet Solutions is a professional resource that frees up valuable time and empowers management to make informed decisions. Ewald's Vehicle Management Program allows companies to outsource the majority of administrative activities, and satisfies the "How do we do it?" challenge.

How Does Decision Making Become the Mission?

The final step with your fleet mission is to establish a discipline that ensures the mission always guides your decisions. The decisions managers make daily, monthly, and annually all combine to define the fleet mission and achieve success. A well written fleet mission can help define what decisions best match and accomplish its stated purpose.



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Companies without a mission tend to make decisions based on convenience:

- Vehicles are purchased from dealer stock.
- Repairs are done only when needed and preventative maintenance is often lacking.
- Vehicle replacement usually occurs only as needed or when the company begins to experience breakdowns or performance problems.
- Price is managed, but cost is not.

A clear fleet mission brings about strategic thinking:

- A focus on cost, not price.
- Managing depreciation, not original cost.
- Planning replacements based on optimal cycling, not immediate need.
- Removing drivers from the process.

A clear fleet mission combined with a professionally managed vehicle management program, will ensure that you are managing efficiently, and working towards achieving your lowest cost of operation. Ewald Fleet Solutions can assist you with implementing a vehicle management program that will empower you to make decisions that define your vehicle fleet mission.

Source: Fleet Financials