

Fleet management key to unlocking the automotive future

With fleet and leasing companies increasingly dominating new registrations, the owner of the future is as likely to be a business as it is an individual



The impact of an increasingly digital vehicle on the individual driver and passenger experience has been covered extensively. However, the implication for businesses is often overlooked.

With most new car registrations being made by fleet, leasing and short rental companies, the evolution of vehicles brings new challenges for the effective management of assets. Controlling the total cost of ownership (TCO), particularly during the electric vehicle transition, is critical for corporate owners.

Fleet managers face challenges

TCO is certainly one of the biggest challenges fleet managers face. As well as acquiring the vehicle, there are maintenance and management costs and providing services to users. These include booking vehicles for corporate employees or ensuring that cars are cleaned, fueled and in a road-worthy condition for short-term rental customers.

Keeping vehicles on the road is a major focus. Regular services, annual regulatory tests and ongoing checks can all mount up. Traditionally, these were all calendarized to avoid unwelcome surprises, yet this removes assets from circulation and can create unnecessary costs.

There is also the security question. In addition to the physical security of the car, the increasingly connected nature of vehicles today means that cyber threats are on the rise. An area never previously a concern for fleet managers is now a constant worry as driver and vehicle data grows. Delivering personalized services and enhanced experiences requires private data, but additional responsibilities come with that.

The third major challenge for fleet managers is how they impact their company's sustainability strategy. According to one survey, 85% of organizations are concerned about reducing their greenhouse gas emissions, yet just 11% managed to do so during 2016-2021.¹ With road transport accounting for a tenth of global emissions², transitioning fleets away from combustion engines offers one way of having a positive impact.

However, supply can be a challenge. With electric vehicles experiencing a surge in demand, many traditional OEMs struggle with backorders. A recent Reuters article noted, "Fleet customers complain they simply cannot obtain enough electric vans from the likes of Ford... Peugeot, Renault...or Mercedes... and so they are casting about for alternatives."³ These include the Chinese EV brand Maxus, which sold 18,000 EVs in Western Europe and Scandinavia last year, including buses and pickup trucks.

How connected vehicles help themselves

With vehicles in such high demand, fleet managers clearly need to optimize their assets and balance time on the road with maintenance.

However, increasingly connected vehicles, including EVs, could provide the answer to their problems. With cars and vans generating greater data volumes, fleet managers have the raw material to gather accurate, real-time insights into vehicle performance and status.

This isn't completely new, as many fleets already have extensive experience in telematics and black boxes to monitor driver behavior. What connected vehicles offer, however, is speed and accuracy from the additional sensors, software and applications that are now part of the driving experience. Moreover, EVs often do not need retrofitting with black boxes, allowing fleet managers faster access to data.



What they can achieve

The result is that fleet managers have the potential to not only tackle some of their challenges but also improve the service they deliver and the user experience.

With better driver behavior and vehicle performance data, fleet managers can make targeted maintenance interventions. Moving away from calendarized check-ups means that assets aren't off-road unnecessarily, while potential problems can be spotted before they require more extensive repairs.






Data on user behavior also means fleet managers can start providing services more tailored to drivers and passengers. So, company car fleets can offer a wider range of vehicles and different lengths of agreement. Rather than tying employees in for one or two years to a car that's based on their role, they can have the freedom to choose shorter periods that are more akin to a car-sharing platform than a traditional company car benefit.

It's no longer just about sales managers, for instance, choosing one of a variety of luxury saloons, but understanding what individuals need, how they drive and designing offers around that. This extends to creating platforms and applications that allow employees to book vehicles as required rather than being stuck with the same one all the time.

But these apps and platforms aren't restricted to company car fleet managers. Whether managing work vans or improving the onboarding experience for rental customers, any business trying to optimize its assets and deliver exemplary services to users can benefit. And with more centralized digital services comes the opportunity to embed cybersecurity, protecting data without hindering its collection, analysis and storage.

Finding the right partners

To deliver all this requires working with the right partners. That means finding companies that are:

-  **Data experts** with the knowledge to guide fleet managers in gathering, analyzing, and storing the right information to turn it into valuable intelligence
-  **Telematics leaders** with a deep understanding of existing technologies to lay the groundwork for future innovation
-  **Platform and application specialists** to help design, build, and deploy the environments and services that will deliver differentiated experiences
-  **Bringing their work with OEMs to fleet managers**, offering unrivaled insights into all aspects of the automotive industry
-  **Skilled in cybersecurity** to help protect data without compromising its use

The new era of connected fleet management

- 1 Optimize asset management:** With more accurate, real-time data, fleet managers can track how vehicles perform and allocate resources and assets to reflect business needs. Maintenance can be based on what's required rather than a calendar, and fleet managers can get more from fleet investments by maximizing time on the run.
- 2 Better data for improved TCO control:** All parts of the business must demonstrate a return on investment, and fleet management is no different. Asset TCO can spiral, but with better access to accurate data, fleet managers are well-placed to improve their visibility of where money is being spent.
- 3 Increased user engagement through targeted offers:** Whether a fleet of company cars, work vans or a short rental business, delivering what users need is critical. As fleet managers gather better insights, they can develop services that truly meet the needs of individuals.
- 4 Positively impact corporate sustainability goals:** Fleets must cut emissions as companies get more aggressive about meeting their sustainability targets. Low and zero-emission vehicles can help meet objectives while delivering improved connected experiences.



Why you should choose Orange Business

Orange Business has more than ten years of experience working with automotive leaders, supporting traditional and newer OEMs in developing and deploying new business models. We are bringing our work with OEMs to fleet managers and combining it with the work of telematics leader Ocean to offer customers:

-  **Access** to leading telematics experts
-  **Data specialists** adept at developing and deploying Big Data, AI and machine learning to help fleet managers optimize their assets
-  **Cybersecurity specialists** to protect against the latest threats
-  **Knowledge of multiple markets** to aid global companies in applying technologies and platforms cross-border
-  **Our own experiences** of managing the Orange Group fleet

Orange Business is the digital partner for fleet managers, leasing companies and short-term rental providers seeking a complete connected car solution.

1. <https://www.bcg.com/publications/2021/measuring-emissions-accurately>

2. <https://ourworldindata.org/ghg-emissions-by-sector>

3. https://www.reuters.com/business/autos-transportation/lack-electric-vans-opens-door-chinese-other-ev-makers-2023-04-13/?taid=6437bb3a1e37ae00010c58dd&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter