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Change is the disruptor and driver of vehicle leasing

By Mark Binks, Group Managing Director, Bynx

THE ADVANCEMENT OF MOBILITY is changing the vehicle leasing and rental sectors like never-before. The market is opening-up to a host of new providers, disruptors harnessing the power of technology to supply services to new markets at affordable prices.

Traditional providers are having to wake up to these facts and change. There are new opportunities to be leveraged, new consumer demands to be met and a disinclination towards owning vehicles.

Demand responsive transport models are combining the convenience and luxury of taxis with the availability of a bus service in many urban areas. But opportunity comes at a price and the price is it can't be done through business as usual.

I have not experienced any upheaval as significant as the current market changes occurring in the mobility space. The last few years have been about the change from 'ownership' to 'usage' models for mobility and one of the next big changes we will see is the arrival of the 5G networks and the impact this will have on the connected and autonomous car.

Advancement of the commercial fleet sector. The effect of the advancement of mobility on the commercial fleet sector may not be so influential but change is happening, and commercial fleet providers must reinvent business models, redesign processes and embrace technologies. Alongside this, in order to satisfy corporate responsibility interests, the aim to reduce carbon footprints is still strong.

Add to this, the move to smart cities, where vehicles are being banned or discouraged from urban areas and yet the upswing in online shopping has increased the demand for last mile deliveries and more delivery options. On their own, none of these issues would be easy to deal with but combined, it makes for a challenging opportunity, which is further exacerbated by having to optimally manage, control and exploit a bunch of depreciating assets.

Core fleet management. Core fleet management principles are the answer. They are as consequential now as they have ever been, arguably more so. But what are they and why are they so important?

This article sets out to answer those questions, plus spotlights key strategies for ensuring areas such as cost reduction, increased utilisation, driver safety and vehicle performance are optimised. It also covers technology, how it can help and the benefits of focusing on core fleet management principles.

Commercial fleet has always been familiar with one-vehicle-to-many-driver relationships, however the impact of mobility options will increase the ratios.

One of the biggest concerns for the fleet manager, along with costs and utilisation, is the compliance issue. Are the vehicles I am sending out with our employees fit for purpose? The need for predictive information regarding non-compliance has never been greater."

Driver management. For commercial fleets, driver management is not straight-forward. A lease company may be responsible

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for managing all the processes involving or touching drivers, irrespective of who employs them. The goal is to save costs, simplify billing and reporting and address compliance. They do this by logging and tracking driver details: personal details, grade groups, vehicle allocations, training details, licence information (necessary for compliance), fines, convictions and permits.

Route, distance management. Optimising route planning is challenging where one commercial vehicle may be driven by many drivers. It demands highly accurate record-keeping. A record must be kept of who was driving which vehicle when and for what distance for an assessment to be made as to optimum route.

This is even more problematic when you bring vehicle sharing and mobility into the mix. In this scenario, the financial element of the relationship may be a fee or cost that is external, arms-length.

Data-feeding the system. Fleet data is now more readily available, and with technology, can be analysed and reported on so that insights can lead to informed decision-making. Alongside vehicle inspection data, such detail is required for compliance, legal and tax purposes. It also feeds responsibilities such as fuel, fines, tolls and charges (low emission zone fees, congestion charges).

Over the next few years the hunger for data will get greater, fortunately, the technology is going to be able to deliver. We have all experienced the impact that 'the cloud' has had on our lives over the last five years, 5G networks and AI (Artificial Intelligence) are going to deliver a further change for good, which will help the fleet manager sleep at night.

Accident and claims processes. No matter how experienced or careful commercial fleet drivers are, incidents or accidents are an inevitable part of life for vehicle-based businesses. But with the right approach to accident management and a soundly controlled claims process (preferably technology-based), the drama of accidents need not become a crisis.

The use of technology is helping accelerate accident notification, repair sign-off, and thus reduce vehicle off-road time. It is also helping manage the swell in third-party claims and their validation.

Charge and recharge management. Keeping tabs on costs and charges is critically important to the bottom line of any business. Technology is the only way to gather, store and use payment details and for commercial fleet companies, the only way to know the "*who, what, when*" of charging and recharging so that the right person is billed or compensated for the correct items.

Location and branch management. Anyone who travels knows they can book online and pick up their chosen hire car at the airport or train station. It makes logical sense

Counter terrorism
Best practices for fleet operators:
• Offer driver training, use toolbox talks and Government videos (if available) for this.
• Have a policy in place and make all staff aware of terrorism and vehicle attacks.
• Distribute policies and procedures to all staff.
• Review areas of the business that could be vulnerable to security threats.
• Ensure drivers (whether agency or staff) are aware of key, site, vehicle and load security.

for short-term hire or daily rental fleets to locate where their customers are. Many such companies also have city branches because that's where the people are.

Commercial delivery fleets are often located on industrial estates, away from busy people traffic but close to transport networks, loading bays and other facilities.

In terms of location and branch management, a lot of the above is now becoming "the good old days" and commercial fleets are having to diversify and be strategic in where they site themselves. There are smart city restrictions to be considered, which may make it too costly to offer commercial vehicle hire out of city centres but where other forms of mobility, such as micro-mobility (bicycles, scooters and so on), may be attractive for customers.

However, micro-mobility brings with it the need for micro-locations, all of which need to be managed. Location or branch management is now more of a concern than it used to be.

Security threats are still strong. Who could have imagined, years ago, that commercial vehicles could and would be used as weapons?

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Change is opportunity

Bynx - fleet and mobility management software without boundaries

We deliver core fleet management principles and technology that supports you through the transformation to a mobility future.

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In terms of commercial fleets, security used to focus on protecting the load or the vehicle from being stolen. According to *Commercial Fleet* magazine, security services acknowledge that terrorists are increasingly relying on home-grown, 'low-tech', 'lone-agent' attacks against public spaces in the West, with propaganda being distributed favouring vehicles as a weapon.

Operators of hire fleets will have different security risks to those of goods fleets, and the security challenges will be different again where companies have large fleets of cars and small vans.

In this respect, telematics systems are important for ensuring the safety of drivers and vehicles. Journey management systems track how the load, vehicle and driver are managed from beginning to end. Journey management can provide an immediate layer of security via route planning and geo-fencing. This helps protect drivers, but it has other benefits, such as reducing mileage, improving fuel usage and environmental impact alongside increasing utilisation of vehicles.

Technology. Clearly, given the above, keeping paper or spreadsheet records is unsustainable in the fast-paced world of commercial fleet management. A technology platform offers a far better way of logging and recording data (driver, vehicle, contract data) and making those records available throughout the enterprise.

With such platforms, duplicate records are a thing of the past. The system ensures a commercial fleet operator has just one accurate and up-to-date entry for each asset (be that a vehicle, driver, customer or other asset).

Information can be captured, and records updated instantly using various devices, including mobile devices at key points, no more piles of paper forms waiting to be input or filed away.

Records can be linked so that driver timesheets, for example, can link to billing and quotations. Technology platforms can also link to external, third-party systems, for example, DriverCheck (for licence checking) and CAP Hpi (vehicle data services), which are applicable in the UK. Other countries and geographical regions have their own such organisations.

Accident management. In terms of accident management, outsourced services are available but some fleet management technology platforms, such as Bynx, include applications so that commercial fleet managers can maintain processes in-house. This takes away the risks and costs of outsourcing what can often be a sensitive and complex subject. Bynx enables operators to log the initial call, manage the repair process and handle associated claims.

All parties in the accident management process can be engage in it and kept up-to-date with accurate and timely information. The system also allows external access for assessors and repairers. They can record arrival times, damages, estimates and log images via a dedicated accident portal.

Managing incidents through technology like this negates having to rekey data several times at different stages. The whole process is accelerated as there is no waiting for paperwork. Fleet managers also have information at their fingertips into things like accident histories, per driver or vehicle, uninsured loss recovery, accident type statistics, unsettled losses and insurance reclaims. This information can be highly valuable when analysing fleet safety and performance.

If the automotive leasing community can evolve, the commercial vehicle could be the saviour for traditional vehicle leasing and fleet management companies.

Vehicle leasing and fleet management companies should look to commercial fleets as a positive opportunity, but they have to fully embrace technology and core fleet management principles to leverage it. Change is happening and will continue to both disrupt and drive the industry forward.

Author:
Mark Binks
Group Managing Director
Bynx
4 Lowes Lane Business Park
Lowes Lane, Wellesbourne
Warwickshire, CV35 9RB
UK
Tel: +44 (0) 1789 471600
Email:
sales@bynx.com
Website:
www.bynx.com