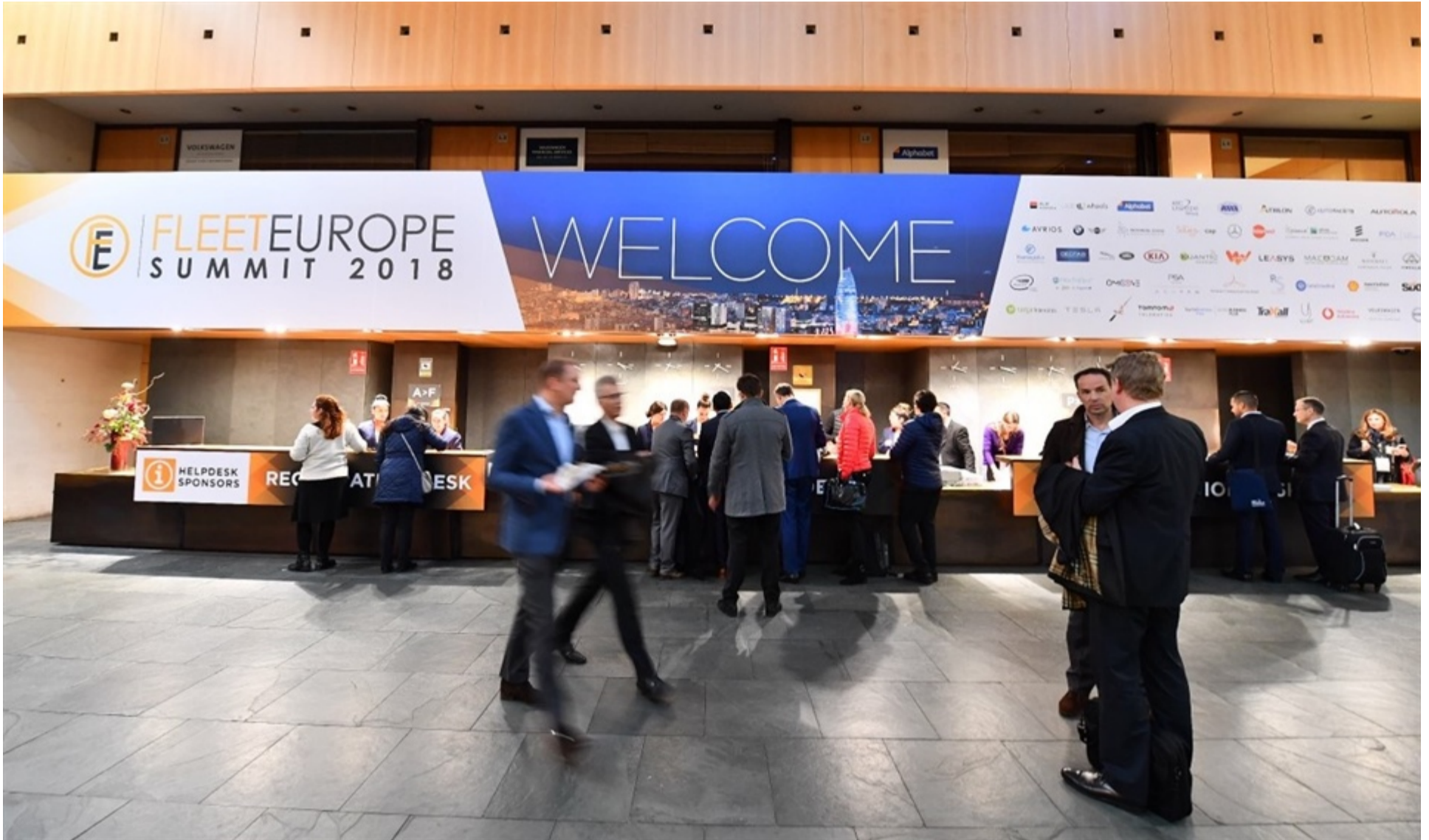


Lessons learned at the 2018 Fleet Europe Summit

10 January 2019 / Theme(s): All articles, Fleet Strategy



Times have changed. International Fleet Management is about much more than just building and implementing a cost-efficient vehicle fleet programme. Technology has created a new ecosystem focused on flexibility, expanding into B2C and including a lot more stakeholders. An overview of the lessons learned at the 2018 Fleet Europe Summit.

- **The rise of flexible finance models**

Long-term leasing and the assorted traditional finance models won't go away. But they're being joined by new flexible funding formats, unlocking huge untapped markets. Driving the change are increasingly safe, fast and user-friendly online processes – combined with a preference for instant usage over ownership backed by long-term loans.

As a result, banks, lease and rental companies and even OEMs are now offering seamless, online and real-time solutions for selecting, ordering and paying for vehicle usage. "The car is still the centrepiece for fleets", said John Saffrett, COO of ALD, "but on top of that we're adding layers of flexibility: full-service leasing – plus mobility cards, subscription and extra services."

For Franck Leveque, Mobility Leader at Frost & Sullivan, subscription-based solutions can fill the need for month-to-month access to vehicles. It's a formula plenty of us are already familiar with: "Subscription-based services (such as Netflix and Spotify, Ed.) already represent 10% of the average consumer in Western Europe's monthly spend." But, says Saffrett, the industry is still looking for the right model for car subscriptions.

- **The need for fleet electrification**

Diesel is under pressure, and many are convinced that electric is the way forward. Question marks stick to TCO, charging infrastructure and EV range like gum to a shoe, but the bigger picture is environmental. As Tex Gunning, CEO of LeasePlan said: "I owe it to my children. They deserve a better future. Climate change and pollution must be stopped."

EVs may not be carbon-neutral yet, but already emit 30% less CO2 than ICEs over their entire lifecycle – 80% less if you use renewable energy. And better batteries, increased range and rising pressure on fossil fuels will lead to TCO parity between ICEs and EVs in a few years.

Urgently needed: a roaming agreement, to facilitate charging on the go across Europe; and transparency on pricing. "Also, EVs need to be connected to reach their full potential. This is key in switching from nuclear and thermal to sustainable energy production", said André ten Bloemendal, CCO of NewMotion.

- **Say yes to MaaS**

Yesterday was all about the company car. Today is about Cars-as-a-Service (CaaS). Tomorrow, we'll have Mobility-as-a-Service (MaaS). Increasingly, new mobility services give employees the opportunity to self-manage their door-to-door mobility. In its essence, MaaS is the instant availability of such flexible, on-demand, door-to-door solutions – by combining public and private transport options. MaaS will allow OEMs, lease and rental companies to create extra competition within the fleet industry.

Yes, it will challenge the traditional fleet industry. But it will thrive because it answers the problems of urban congestion (70% of us will live in cities by 2050), air pollution (which according to Frost & Sullivan claims 7 million lives per year) and inefficient car usage (private cars are used only 4% of the time).

For corporate mobility, MaaS means taking into account where employees live, how they commute and what their family situation is – not just whether they have a rank or role that comes with a company car. Suppliers will race to offer integrated, user-friendly platforms offering all possible modes of mobility.

- **Connectivity means efficiency and transparency**

Everything and everybody will be connected. For the automotive industry and the fleet management business, that means sifting through ever larger amounts of data to achieve more transparency and better insight.

Connectivity will enable real-time fleet and mobility management, which will generate considerable cost savings and safety gains. However, that requires dealing with the downsides of Big Data: its complexity, and the questions it evokes on privacy, security and liability.

The key is trust. Tech companies and suppliers involved with connectivity can only succeed if the customer trusts the technology, and how the data is gathered and used. According to Robert Kempf, VP for ADAS at Harman, that trust will also be key for the introduction of autonomous driving systems.

- **The art of change and stakeholder management**

As the many trends discussed at the 2018 Fleet Europe Summit show, change is inevitable. Change management, therefore, is increasingly crucial. It's about exploiting the opportunities of the future. Stakeholder management, for its part, is about getting everyone on board for that journey.

And that's important, because the stakeholder ecosystem will become more complex, with additional decision makers wanting to have their say. It's no longer just about Fleet and Procurement, but increasingly also about the HR, Safety and Legal departments.

What will the future bring?

One thing's for sure: the 2019 Fleet Europe Summit in Estoril, on 6-7 November. See you there!