

What is the cost of rightfuelling your fleet?

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Following a recent IFMI session, which focused on how to achieve cost efficient “rightfuelling” when transitioning to a greener fleet in Europe, Alix Truyens, Senior International Consultant at ALD Automotive, shares essential steps when building an efficient vehicle energy programme and on how to select the best possible, cost efficient vehicles.

Choices, choices...

As the vehicle world moves ever closer to transitioning to new energies, driven by the various legislation, taxation and incentives situations in different countries, the concept of “rightfuelling”, or proposing the right powertrain for the right driver and with the right usage scheme, has never been more important.

With BEV and PHEV sales growing at the expense of diesel and petrol, these choices are thrown into sharper focus. And it’s not only the external criteria such as regulations and infrastructure that govern our ultimate decisions – but also internal company criteria, such as the perspectives of fleet managers and drivers alike.

How to navigate the options

As ever, the bottom line is a key consideration when faced with this array of criteria and choices, with many companies naturally looking to make cost savings

Here we propose a three-step model for making the right decision when it comes to your company, based on 1) an in-depth analysis of your current situation; 2) the exact profile of your drivers and vehicle usage, and 3) the use of predictive TCO modelling.

Step 1: As-is analysis and baseline identification

The first step is to conduct a thorough-going overview of the current situation within your company. This involves looking at your car policy, including your reference vehicles and contractual parameters, your fleet typology (PC/LCV, benefit and/or service cars) and your charging capabilities, which in turn requires an audit of your premises. It also entails conducting a quantification of your fleet spends and assessing your CO2 carbon footprint.

All these are essential precursors to making the right choices – it's one thing to focus on the bright outlook and aim for a better tomorrow, but this is impossible without a keen understanding of the current status and cost of your fleet.

Step 2: Driver and usage profiling

When it comes to TCO, there's plenty of benefit to be gained from keeping a close eye on driver profiles, usage and charging needs. Considerations such as how far the driver lives from the office, the number of commutes per week, and annual pro vs private mileage can all be factored in. Then there are infrastructure questions such as whether a home charger can be installed, or the charging needs of your office, as well as the "electric readiness" of your drivers. Each of these elements can feed in to defining what we might call "optimal powertrain compatibility" for each individual driver.

Step 3. Predictive TCO Modelling

For your operation to run effectively, you need to budget your vehicles as close as possible to the real cost, not only by integrating all cost items, but also by adopting realistic expectations. Theoretical predictions of emissions, for example, between (M)HEVs (Mild Hybrid Electric Vehicle) and PHEVs can often differ quite considerably from the reality on the ground. Not only fuel uplift but fuel split for PHEVs need to be taken into account. This will prevent you from underbudgeting your fuel/energy spends.

Another area that can benefit from Predictive TCO modelling concerns infrastructure. Whether your drivers are charging at home, at the office, in public, or using fast charging facilities all have a significant impact on costs. The cost/100km using fast charging terminals may be three times that of charging at the office, for example.

Putting it all together

It should be clear from the above that the decision to switch powertrains is not quite as simple as a preference for EVs over ICE. It requires a detailed analysis of your current situation and an alignment of your budgeting and charging needs with these new powertrains.

We hope this model will help clarify the decision-making process, based on a 360° view, as you head towards making key decisions for this important transition.

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