A conversation with Hans Damen and Peter Egan, partners at FleetVision

**Peter, tell us about your work at FleetVision.**

FleetVision looks to help orient the strategic direction of large fleets with an international footprint. We don’t do transactions; we help our clients decide what their key issues are. How can they use change to lower costs and improve efficiencies?

The companies that we deal with are all across the map. We have some relatively sophisticated organizations that have gone through a lot of the pain and they do have a good idea of what is going on – where they are spending money and what kind of cars they are using around the world. We have other people who are just in the very embryonic stages of this process. Those people just need some really good direction, guidance, mentoring, and coaching to get started.

**What kinds of trends are you seeing in the industry? It seems like I talk with more fleet managers now about the global fleet concept.**

I think you are right; I think a lot more people are talking about it. There are even a few people that are doing it. Now with that said, I don’t think anybody has really gotten their arms around a truly global fleet where they are doing the same things all over the world. So they have to examine policies, they have to examine a lot of the corporate strategic objectives, and then they have to somehow make it fit inside a local framework. That is really hard to do.

On a global level, fleet managers have to cope with many issues. This is the car business and so it changes every year. An example is tax policy in the U.K. Each year the budget changes and its impact on fleet costs and taxes are different. All of a sudden taxation on automobiles has become a major issue as governments try to balance their books. Another example is in The Netherlands. They have a drop dead date of July for lowering car emissions or people are going to be charged a significantly increased amount of money for personal use on cars that have especially high pollution levels. The result is rushed policy changes and pressure to get emission vehicles on the road before July 1st.
Hans, can you give us examples of some issues you have confronted and how you have been able to help your clients?

We very recently received a call out of a US-headquartered company that asked us to go to the Netherlands to work with their local subsidiary. On very short notice they wanted us to deal with exactly the tax change that Peter just described. It was all about the regulations that come into play where more highly polluting vehicles are taxed at a much higher rate for private use. Our client needed to replace quite a few vehicles and at the same time make a policy change.

We have a client, a US-based company that has 3,500 cars in Europe. When the management team figured out that they had 3,500 cars over there the first question was, can we get rid of them? When they were told that they couldn’t, the answer was, well, let’s get a handle on them. These guys have really worked very, very hard for three years to get the inventory right, as well as the relationships with the manufacturers and the leasing companies. We were doing some executive reviews with them last fall and just by virtue of going through the review process they were able to find a staggering amount of money because there were agreements that nobody had taken a really good hard look at. They didn’t know their threshold for rebate programs with manufacturers or leasing companies.

The whole process includes a lot of the things we take for granted here in North America, and they are very different, very confusing, and very hard for people to implement overseas.

How do the fleet management companies fit into this process?

They certainly take care of their customers, let’s make that very clear! They have many capabilities and want to do as much as they can for their clients, but from their point of view. In our role, we very often sit on the customer’s side of the table and help them understand where there are still challenges for the local organizations. At the same time, there might be additional opportunities for them to reduce costs by streamlining processes, understanding where money is being made, and where perhaps they are also losing money themselves because of poor driver behavior.

So, we kind of put a mirror in front of them and say, okay, where is it you can do something to make it better yourself? Where it is you can work together with your strategic partners such as leasing companies, manufacturers, or fleet management companies to achieve those goals and objectives?

Where do you typically find savings?
I think that the place to begin with is their policy. How many cars, what kind of cars and who has them? As simple as that sounds it is sometimes staggering to see the results. Just to get a handle on who is driving what is a very basic starting place. And if it hasn't done it before you will find an incredible amount of savings just by aligning the right car with the right band of executive.

**What are some of the recommendations that you make to a client?**

Good data processes are very important, especially in Europe where it is more and more common to work on a multi-vendor basis. It is getting more complicated to collect the information, compile it and use it. Ask the right questions, collate the information that you need, and based on that make better informed decisions.

Another area we explore with clients is their fleet policy. Often during a policy review quick money can be found - and we help them focus on the low-hanging fruit. Another issue in Europe is CO2 levels. That is key, a good program directly relates to fuel, tax and personal use reductions.

**Let’s talk about how the manufacturers play into this.**

A global deal with a manufacturer is great if the manufacturer can provide product where you need cars. Another thing that you have to consider is where the cars are manufactured. You may be talking about using automobiles in developing countries like Brazil where they manufacture 29 different brands of cars. If you need to import something because it is in your policy the costs are going to be very, very high because taxes will double or more as the luxury automobile crosses the border and goes into your fleet.

**What would you say is the best organizational structure for a global fleet?**

I think of a couple of the large fleets right now who, when they look at the globe, slice it up like an orange from north to south. Their organizational structure is part of their corporate culture. And the idea is to have somebody in charge of a slice that goes from Northern Europe to Southern Africa. It might be a good way to segment the world. Somebody else might be in charge of North and South America. Somebody else might be the key player for the Asian-Pacific region. Somehow you have to divide the areas up if you have a significant fleet.

The large pharmaceutical companies may have thirty or forty thousand cars around the world. The structure they put in place is a relatively recent development. It enables them to take advantage of some of the regional differences while at the same time use their corporate leverage to get the best deals possible from manufacturers and leasing companies.
**BIOS**

**Hans Damen has served as Managing Partner of FleetVision since 2008.** He started his international career within Fleet Synergy International (FSI) in 1997 as the Regional Sales Director. In 2003, Hans was named CEO of FSI, working to develop the relationships with the multi-national clients and prospects whose vehicle needs they served in 31 countries. Prior to his employment with FSI, Hans spent six years with Interleasing, now Athlon Car Lease Nederland, first in field sales and subsequently as National Key Account Manager.

Hans plays a key role in helping clients understand the various fleet markets around the world, in particular Europe, and in enabling clients to meet their goals for fleet economy and effectiveness. Hans holds a BA degree in Business and Communications from the University of Utrecht in The Netherlands and achieved the PRINCE2 project management certification.

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**Peter Egan has served as North American Partner of FleetVision since 2010.** He has been active consulting with corporations who have major international fleet operations. He uses his considerable experience to develop action plans and business cases as he represents FleetVision in North America.

Previously, Peter worked for Wheels, Inc., serving in executive positions for 26 years before his retirement. His most recent responsibilities included international development with emphasis on Europe and Latin America.

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