The Top Ten Fleet Management Trends of the Last Decade

As Chevin Fleet Solutions in the US celebrates a decade of successful business, senior VP of North American Sales, Ron Katz, takes a look back over the ten most notable fleet management trends of the last ten years.

From boom to bust, the last ten years has brought with it a number of trends and changes that have stretched and challenged even the most seasoned fleet managers. From the technology revolution in the first few years through to fuel price volatility and the impact of recently introduced environmental legislation, the fleet sector has certainly had its fair share of obstacles to overcome and hoops to jump through.

1) Let’s outsource!

Perhaps one of the defining narratives of the last ten years in fleet has been the move from a traditional ownership approach to an outsourced model. From outsourcing the entire fleet management function to adopting lessor agreements in the place of vehicle purchase and utilizing third party providers for maintenance and accident management, the market has been flooded with choice in recent years. Yet with this pick and mix of options comes additional risk: risk of losing access rights to crucial data, risks of maintenance history getting lost in translation, and risks of communication errors through disjointed functions and processes.

2) U is for Utilization

In the glory days of yesteryear, circa 2003, there was arguably less pressure on fleet managers to analyze vehicle usage in fine detail in order to ensure complete optimization of trip and/or load allocation. In fact, at last year’s Chevin user group conference several senior fleet administrators admitted to having vehicles standing around unused for months on end – pushing up maintenance, storage and finance costs. Fast forward a few years and the signs of the economic slowdown are starting to appear, prompting organizations of all shapes and sizes to reassess traditional methods of assigning vehicles and equipment while reducing both unnecessary costs and harmful CO2 emissions.


3) Going for green

The last decade has seen a major shift in how we relate to the environment and our role and responsibility in reducing unnecessary emissions and waste. Once unashamedly one of the world’s greatest contributors to global warming, the US can now be proud of its position on climate change issues and sustainability initiatives. Whether fleets embrace greener fleet practices such as selecting more fuel efficient or hybrid vehicles in an effort to meet ever increasing environmental legislation or to add to the wider organization’s corporate social responsibility credentials – going green has become a prominent trend, one that is sure to continue for many decades to come.

4) How much?!

There’s only one thing I could be referring to here, right? The price per barrel of fuel has skyrocketed in the last decade, leaving many fleets struggling to maintain any type of control over their operating budget. Introducing methods of reducing fuel usage has never been more important! Taking control of fuel spend through reassessing the types of vehicles purchased or implementing driver awareness training to promote more fuel-friendly driving behaviors are now required steps in an attempt to minimize fuel spend. Harnessing technology to encourage such fuel saving schemes is crucial as the tide shows no sign of changing for the better.

5) Promoting safety at work

Driver safety has always been a priority for fleet operators, but due to the increasingly litigious society that we all live and operate within today; employers have to be ever vigilant of their legal responsibilities regarding employees’ welfare if they’re driving a vehicle for business purposes. This in turn has facilitated a move towards process automation as a risk mitigation tactic, resulting in technology that can provide a safety net for thousands of fleets across the country. From in-vehicle safety devices to technology that enables automated oversight of driving practices, maintenance schedules to ensure vehicles are roadworthy and detailed intuitive exception reporting to warn of potential hazards or “out of compliance” situations, such as missed or overdue driver medicals, certifications or renewals.
6) Cutting the cost

It isn’t just fuel that’s increased in price over the last ten years. As the economic Armageddon of 2008 continues to impact companies the world over, revenues decline and customers demand more for less; weeding out the waste in every business function has been high on boardroom agendas in recent years.

Identifying waste in fleet operations requires close scrutiny of seemingly endless data relating to performance and expense and can be time consuming if approached manually. Yet through the use of modern technology and information systems, under-utilized vehicles or excessive costs can be quickly identified and measures put in place to monitor and remedy these situations.

7) The headache of taxation and regulations

Whether operating a fleet in the US, Canada or in any other country around the world, the ever changing tax and regulatory rules are sure to keep many fleet managers up at night. Whether it’s the pending changes to lease accounting practices, the inevitable increase to fuel taxes (or some other method of generating income to pay for infrastructure maintenance) or the substantial increase to the acquisition costs of new vehicles due to swelling CAFE standards, the responsibilities of the fleet manager to continually find offsetting cost reductions or deal with ever increasing compliance and legislative mandates is only going to get more difficult.

8) Are you connected?

With the proliferation of “connected vehicle” technology that didn’t even exist when Chevin opened its North American offices 10 years’ ago, whether GPS based telematics devices, workforce management/dispatch and routing software, driver mentoring devices, video surveillance or the ubiquitous smart phone; the explosion of technology is here to stay whether we like it or not. Of course some of this “empowering” technology brings with it new found efficiencies and streamlined process, yet the real world risks associated with distracted driving and in-cab information overload have yet to be fully understood. As I work in the technology sector I’m no Luddite, but clearly there’s a limit as to how much information or how many tasks a driver can focus on while behind the wheel. The trend of in-vehicle connectivity is clearly going to be legislated at some point, and of course, will add just one more responsibility to the already full plate of the fleet manager.
Strategic approach to acquiring fleet vehicles

With the ringing in of the new millennium, strategic sourcing had been all the rage in corporate boardrooms for more than ten years and its ability to consolidate purchasing volume to leverage pricing from key suppliers was a proven success story. However, this strategy, when blindly applied to the fleet arena, in many cases resulted in less than optimal results, whether in higher costs or in intangible ways resulting in significant service and quality issues. Though the strategy of sole sourcing will never go completely out of style, many corporate and municipal fleets have adopted the tactic of competitive bidding and awards to multiple suppliers based upon a specific class or type of vehicle to insure that the organization’s precise business and functional needs are maintained all the while achieving the best value for money. We’ve seen this approach dramatically impact our business as prospective fleets search for software that can adapt to meet the organization’s unique strategic and tactical needs; consolidating countless streams of data from multiple suppliers, while providing industry best practices for managing fleet information and oversight.

The role of the fleet manager

From my perspective, especially with the current economic conditions we’re all forced to operate in today, one of the most significant changes over the past decade has been the importance of the role of fleet manager in an organization’s ability to accomplish its mission. In many organizations, with the exception of senior management, there are few roles that have as much influence over the day-to-day operations as the fleet manager.

Financial – Fleet is one of the larger capital costs and certainly a major operational expense in all municipal governments as well as sales & service companies. Fleet managers directly influence a significant piece of this capital/operational expense pie. From accounting, finance to treasury, there’s few financial areas that fleet managers don’t influence.

Operations – In a commercial organization, fleet directly supports warehousing, distribution, sales and service. In a public sector organization, fleet management directly supports the daily mission of providing municipal and public safety services to the taxpayer.
Recruitment – In a commercial organization, the company vehicle is a critical component of compensation to be sure, but of equal importance these days is maintaining a positive company image and providing a safe, reliable and efficient means of accessing and interacting with customers.

With so many changes influencing the role of fleet managers over the last ten years, accompanied by developments in technology, legislation to mandate safer operations; thoughts turn to what the future may bring for the fleet sector over the next ten years. Will the cost of fuel force the uptake of electric or autonomous vehicles where possible? Will the popularity of connected vehicle technology be legislated against on a national scale? And will our economy see a return to the glory days of yesteryear? Whatever happens, one certainty remains, Chevin Fleet Solutions and its range of cutting edge software products will continue to be there, providing fleet organization’s with a technological foundation for more effectively managing their fleet using information rather than instinct for many decades to come.

Ron Katz