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Mobility changes present new challenges, says Sofico

Changes to the mobility requirements of major corporate customers present new challenges and opportunities for major European leasing companies, says leading global software solutions provider, Sofico.

Sofico analysis and tracking of market trends shows that corporate mobility requirements are changing for a variety of reasons. Increased regulation and higher taxation, plus the need to reduce fleet costs, is increasing the corporate focus on the total cost of mobility (TCM) rather than the total cost of ownership (TCO).

There are also company concerns over growing congestion and a lack of parking caused by overcrowding in urban areas and environmental issues related to fuel emissions. These are typically linked to a programme of corporate social responsibility and a desire for a sustainable business model.

As a result, many companies are evaluating different modes of mobility and an increased use of flexible working, while considering the mobility impact of all employees rather than just calculating the cost of company cars.

At the same time, a new generation coming through attaches less value to a car in terms of ownership and status and considers it more as a utilitarian means of transport. They are also looking for more flexibility than a single car can offer and would consider another vehicle for weekends, holidays or commuting.

From leasing company to mobility package provider

Jan Bouckaert, Head of Business Development at Belgium-based Sofico, said: "We believe these factors change the mobility dynamic significantly for suppliers, such as contract hire and leasing companies, who need to reconsider and extend their product offering to meet all their customers' requirements. This way they remain the preferred partner when talking about mobility services, above and beyond the traditional provision of company cars."

The analysis by Sofico, whose systems help manage around 700,000 vehicles worldwide, reveals that major corporations are looking increasingly at the use of car sharing, particularly in urban areas and different types of mobility packages, incorporating rail or bus travel or the use of bikes and scooters, for wider company use.



They are also assessing the benefits of using zero emission electric vehicles which, with lower operating costs but higher capital costs, are more likely to appear within urban car sharing programmes than on traditional car fleets.

“While the mobility shift certainly represents an opportunity for a leasing company to reach more customers, as all employees come into the picture not just company car drivers, it also presents a threat to their business model as new mobility providers may enter the market” said Jan Bouckaert.

“The main risk for the traditional leasing company is to become just a part of a broader mobility chain rather than being in the driving seat and managing the complete mobility program of their customers,” he added.

Mobility powered by Miles

Sofico believes it can help leasing companies make the transition to mobility package providers through new features within its web-delivered Miles software solution specifically designed to help leasing and fleet management companies manage customer fleets more effectively.

Through its flexible definition of product offering and powerful calculation engine, Miles can manage mobility contracts with a mix of different types of mobility, including company cars, train or bus travel, bikes or scooters, daily and holiday rental, taxi services and car sharing, with the capacity for many more. Miles also manages pay-per-use pricing schemes.

Since a company car, in many cases, will still be part of the package, Miles’ strong asset funding and fleet management capabilities remain important. These are complemented by flexible integration of new mobility services in contracts that are increasingly driver-centric.

With Miles, Sofico plays a crucial role in the back-end integration for mobility package providers, consolidating the increasing number of financial flows related to different mobility services into service packages and budgets tailored to the companies’ and employees’ needs.

Vehicle pool management is another key development area within Miles. This functionality makes it possible to manage pool vehicles that are either owned or externally leased by the fleet customer and which may have several different users in a day, as well as being used in a variety of different locations.



As car sharing increases in popularity and enters the corporate mobility mix, the efficient and effective management of corporate vehicle and driver pools becomes a key service for a leasing company to offer its customers. Miles manages this degree of complexity for different customer sites and locations, handling driver reservations, assignments and related aspects.

Areas highlighted for future development work include the identification and recording of individual employee trips, more interfaces with local mobility providers, enhanced support for electric vehicles and integration within the payroll departments of client back offices.

In addition, Sofico anticipates more Miles Mobile smartphone and tablet self-service functionality for drivers on the move. Through dashboards, drivers can then keep track of their mobility budget and use.

“We are seeing growing numbers of enquiries from major leasing companies who are keen to take the first steps to becoming a mobility package provider in response to customer demand,” said Jan Bouckaert.

“Some are providing mobility consulting by helping customers to calculate the total cost of mobility, and incorporating additional means of mobility, such as rail or bike, into their product offering. Others are looking at organizing company car sharing or experimenting with more flexible car rental schemes, such as offering a smaller company car plus credits for the rental of a larger holiday car.

“As such, leasing companies are starting to consider a shift away from the traditional business model in which revenues come from asset funding and the supply of associated services in a search for new revenue streams.

“The provision of mobility services will bring a new source of revenue, since not only company car drivers but all company's employees can be included. This will need careful management, utilising software systems that are designed specifically to handle these new multi-modal mobility challenges,” he said.

“We see a growing trend in corporate mobility away from conventional models to a new multi-modal mobility approach, and we are ready to help our customers make that transition,” he concluded.



Jan Bouckaert, Head of Business Development at Sofico

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Notes to Editors

About Sofico

Sofico is the world's leading supplier of mission critical software solutions for leasing and fleet management companies and its software is used by a broad range of renowned leasing companies all over the world.

Sofico was founded in 1988 in Ghent, Belgium and has 24 years' experience and business expertise in the leasing and fleet management industry. It is privately owned, independent and currently employs 120 people.

The company has installed its systems in 15 countries worldwide and is currently managing more than 700,000 vehicles globally.

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