

[Fleet Science 101 Is Your Fleet Costing You Too Much?](#)

Finance executives in both the government and private sectors of our economy are faced with huge and daunting challenges to meet their annual budgets. Cost escalation in all arenas of government combined with decreasing tax revenues are placing almost impossible challenges on organizations to meet the numbers.

There are only so many areas to look for cost savings opportunities.

One area which has potential for aggressive cost savings may be your vehicle asset FLEET. And the good news is that the steps to achieving optimum efficiencies, with minimal costs are becoming a science in today's fleet community.

Your vehicle assets and all that surrounds their operations, maintenance, fuel and efficiencies are an area for examination.

- **Fleet Costs**
 - **Do you really know your entire actual fleet costs - across your entire government agency?**
 - **Do you have control of your largest costs – fuel, tires, parts and labor?**
- **Industry Best Practices**
 - **Does your fleet department incorporate industry best practices which are time proven, measurable and result in the lowest possible cost?**
- **Fleet Right-Sizing**
 - **Has your fleet increased, or remained constant in size as your service levels, employee base and functions have decreased?**
- **Fleet Replacement Plan**
 - **Does your fleet replacement plan yield the optimum maintenance cost? Is your fleet too old?**
- **Fleet Management Streamlining**
 - **Have you organized your asset management functions so that there is no redundancy and avoidable costs?**
 - **Is your fleet organization maintaining the vehicles with optimum structure – shops, shifts, vendors, customer relations, parts support**
- **Vendor Management**
 - **Do you have control of your largest vendor supplied costs – fuel, parts, tires and outside labor?**
 - **Are you working with 'strategically important' vendors in the spirit of partnership?**
- **Fuel Management**
 - **Are you working to improve your fuel consumption and how to optimize alternative fuels?**
 - **Do you know where you are on the 'carbon footprint' and where you are heading with 'green' initiatives?**
- **Asset Acquisition**
 - **Are you optimizing your asset dollars with planned life cycle replacements? Do you compare own vs rent vs lease?**

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The fleet management 'variable' is quickly becoming a science in today's climate for government organizations. Many efficiencies have been proven over the years by very smart and aggressively thinking fleet managers. There are existing approaches to saving money which are proven and measurable. And these approaches can be structured in such a way that the 'low hanging fruit' representing achievable, quick, returns on investment can be realized.

Based upon many, many years of fleet 'science' work.....years and years of trial and error there is an approach to this emerging science which works. Take a look below.....

The 12 Steps to Minimal Fleet Costs

- ✓ Step 1 – Evaluate your fleet management against time proven best practices; implement what is needed.
- ✓ Step 2 – Accurately know your fleet costs and look at your these costs and metrics as compared to other similar fleets. Determine where your fleet is out of balance and make drastic corrections if needed.
- ✓ Step 3 – Right-size your fleet against today's operational needs. Move toward shared resources, despite the resistance from the using departments.
- ✓ Step 4 – Evaluate your asset management organization across your agency – eliminate redundancies. Break down the 'fleet silo's if necessary.
- ✓ Step 5 - Consolidate your fleet maintenance and repair organization and set optimum shift and shop operations with flexibility.
- ✓ Step 6 - Orient your fleet management group to be a service provider and have a focus on its using department.
- ✓ Step 7 - Commit to policies and procedures inclusive of service level agreements between fleet management and customer management. Invoke a partnership of shared responsibility in keeping costs low.
- ✓ Step 8 – Review your key vendor provider contracts – parts, outside services and fuel.
- ✓ Step 9 – Make certain that your fuel consumption is optimized, efficient, as green as possible and that dispensing is locked down. Each gallon must be accounted for from the time it is dropped into your tanks until it is consumed.
- ✓ Step 10 – Implement a reasonable and accurate vehicle asset replacement policy and forecast capital which yields the lowest possible cost for the long term.
- ✓ Step 11 – Evaluate your operations against outside service providers and be competitive with your internal costs. Outsource selectively when deemed necessary
- ✓ Step 12 – Consider inter-governmental sharing of resources. Out-source and in-source to a local government agencies when it makes sense.

CST Fleet Services teaches this 'Fleet Science 101' and has the tools in place to help you move forward and save money on your budget.