

Car Policy

How to use 'green' as catalyst for a global car policy

The ultimate dream for an international fleet manager is to have one global car policy. Fleet Europe asked lease companies and other international service providers how to approach CO₂ in the car policy, what to keep local, how much savings this potentially could generate and what specific products or services they have developed in this area. There is a need to introduce the environmental performance in terms of CO₂-emissions into the car policy. But there is more...

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Many barriers have withheld most companies to be successful in the ultimate dream to implement a global car policy. Analysis of corporate

environment and to take care of the safety of the employees driving company vehicles. In the current economic environment most companies also have sensed that sustainability means optimizing the efficiency of the use of resources and therefore usually mean cost efficiency. So can green help companies to implement a global car policy?

mon global car policy framework, strategy and even some Key Performance Indicators at a global level. It's clear that the common global framework and strategy should include a reduction of global car fleet CO₂-emissions and global KPI' is this regard. All those that answered our questionnaire seemed to agree.

“Saving 20% on CO₂-emissions should reduce your car fleet cost by 5%.”

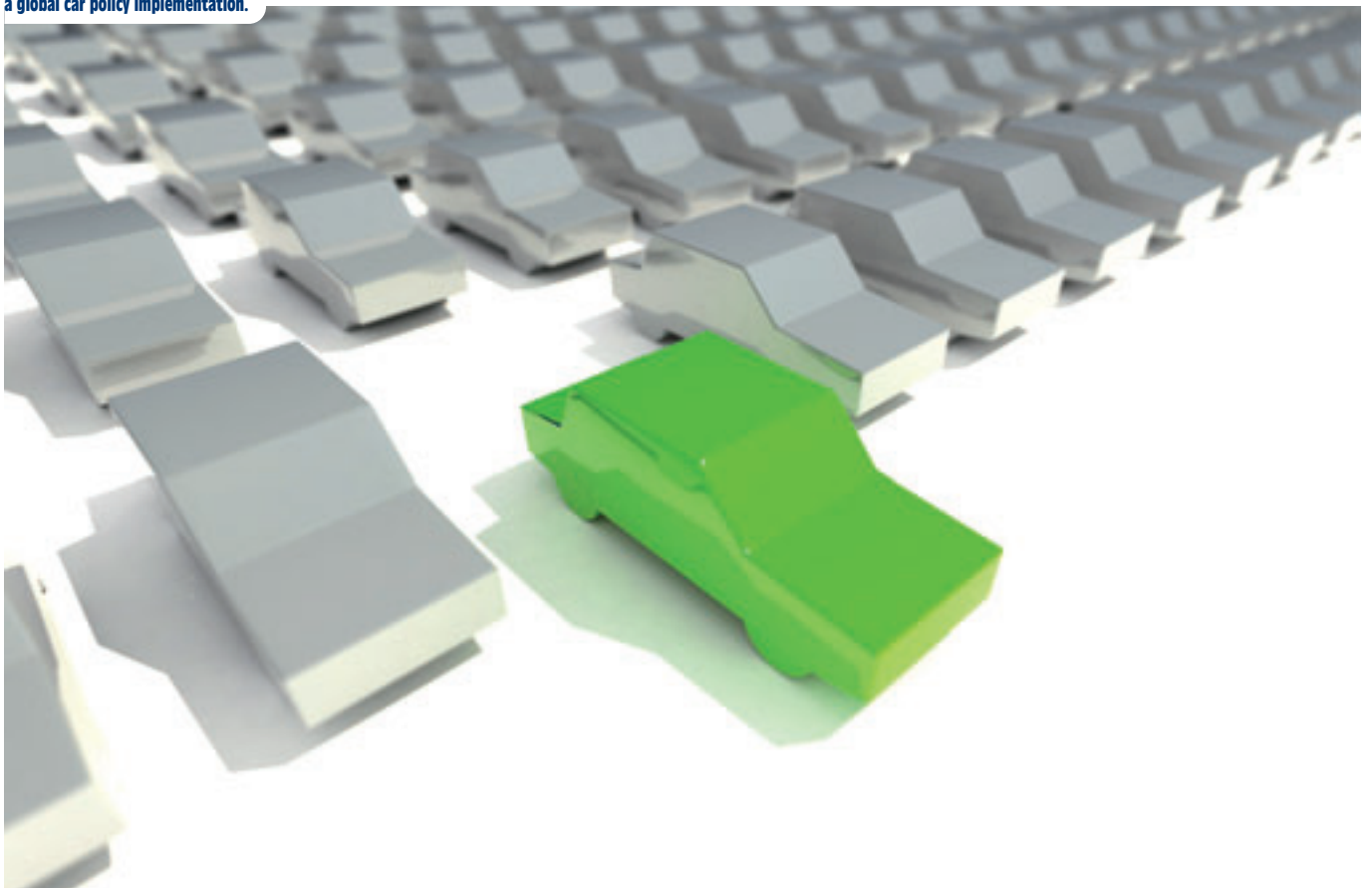
strategies learns that CSR is high on the agenda. In terms of fleet this translates in the obligation to take care of the

The global focus on sustainability offers Corporates an opportunity to have a com-

Local versus global

The actual measures to be taken to reduce the CO₂-

Going green can be a catalyst for a global car policy implementation.





emissions, the local CO₂-caps and categories, the communication to the drivers and the choice of cars to fit local culture and (CO₂-related) car taxation levels were most of the area's mentioned to keep local. To start reducing CO₂-emission levels of the global fleet, one should be able to measure the CO₂-emission levels of the current fleet. Corporates can start from the theoretical CO₂-emissions based on the reference fuel consumptions given by the car manufacturers or, when available, use the real fuel consumption to determine CO₂-emission levels, or a combination of the above.

Rightsizing and driver behaviour

Reducing CO₂-emissions can be achieved globally working on the vehicle selection, i.e. "rightsizing" vehicles and taking into account the environmental performance of the car in the vehicle selection. The impact of rightsizing and how to include the environmental performance of the car

should be determined according to local culture, operational needs and car taxation levels, therefore at local level. A further reduction of CO₂-emission levels can be achieved by managing driver behavior. Again how to manage this behavior, by eco training, telematics, or other means, should be mapped locally.

The "achievements" should be measured by implementing KPI's. Simple KPI's like the reduction in CO₂-emissions and hence in fuel consumption could/should be measured globally. More sophisticated KPI's including accident rates, driver behavior, driver satisfaction, mileage, refurbishment, etc.... have a more local touch.

Telematics seems to surface in order to assist lease companies and fleet owners to measure parameters in this regard. Especially in terms of measuring driver behavior, telematics seem to give accurate and individual alerts on driver behavior enabling to monitor and steer unsafe behavior, e.g.

by providing eco-training. Apart from measuring and optimizing, off-setting the remainder of the CO₂-emissions is provided as an opportunity by most international lease companies.

Savings potential?

The savings potential for including CO₂-emissions as focus area in your global car policy does depend on your starting position and mainly on the local CO₂-emission related car taxation regimes. Globally, reducing the CO₂-footprint of the car fleet should result in savings on the fuel cost. Since the fuel cost represents around 25% of the total car fleet cost, saving 20% on CO₂-emissions should reduce your car fleet cost by 5%. The period in which it is feasible to reduce 20% on CO₂-emissions does depend highly on the starting position but is achievable for most fleets within 2 to 3 years. For countries where CO₂-emissions already do determine to a bigger extent the amount of car taxes due,

reducing car taxes logically means lesser taxes. How much does depend on the country involved. For Belgium, reducing 20% on CO₂-emissions may represent a saving of around 14% of total fleet cost (calculation moving from 154gr CO₂/km to 123 gr CO₂/km with yearly cost/car of 8000 EUR).

Savings on CO₂-related taxes are only depending on the theoretical emissions. Savings on car selection and the related fuel consumption does also depend on driver behavior. Therefore, focusing on driver behavior is not only necessary to sustain the estimated fuel cost savings, they also do open potential for additional savings: further reduced fuel consumption, reduced tire wear, less severe accidents, less end of lease charges... All these could add up to another 5% of the total fleet cost, again highly depending on the starting position.

Since the savings potential is highly linked to the starting position, certainly in terms of CO₂-emissions of the car fleet, the initiatives taken to improve driver behavior, and linked to the car taxation regime of the country involved, the international lease companies did not comment in clear uniform terms on this regard. However, everyone agreed that setting targets is only valuable if you can measure results, which is a challenge as such. Going green therefore means a win for the environment, a win for the employee certainly on safety and a win for the company since this should result in savings. ■

Products and services

Most of the service suppliers have a clear estimation of potential savings of the specific tools that are used to assist their clients.

- ✓ ALD has launched ALD map in 2009, the latest generation navigation system that could result in a reduction of 9% mileage driven and a 12% reduction in fuel consumption.
- ✓ GE offers iQuote, including the possibility to set CO₂-emission caps, and iManage, a reporting tool that allows monitoring progress made and the respect of CO₂ capped car policies.
- ✓ LeasePlan already introduced some time ago it's GreenPlan, officially certified by TÜV Rheinland, that will help clients to assess their fleet's impact on the environment and put in place actions to reduce them over time.
- ✓ Arval has developed Arval Analytics, an international reporting tool with KPI's on fuel consumption, CO₂-emissions, mileage, accident rate, refurbishment, etc... Together with the consulting team this helps international clients to implement best practices in terms of CSR & environment.
- ✓ Alphabet uses AlphaTact (Sustainability Consulting) and AlphaCare (Ecological and Safety Training Programmes - to be launched soon), two products specifically designed to support fleet responsables in managing their fleets in environmentally sound, economical and sustainable ways.
- ✓ Daimler Financial Services is using various tools to ensure transparency regarding the CO₂ legislation across Europe to define the CO₂-optimum fleet solution for its customers.
- ✓ FleetVision and Fleet&DriverCare have developed an international calculations tool for international companies to measure, in a real time "what if" analysis, the savings potential (or after implementation the realization) based on CO₂-emission improvements including fuel cost reductions, reductions in terms of CO₂-related car taxes and the CO₂-footprint of the car fleet.