LeasePlan

What's next?

How to successfully onboard a new fleet & mobility provider

A six-step implementation plan

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Introduction

How to successfully onboard a new fleet & mobility provider

The COVID-19 outbreak has caused unprecedented disruption for many organisations over the past six months. Senior executives have been forced to adapt their supply chains, establish remote working practices, comply with additional health and safety rules in the workplace and make a seemingly endless series of business-critical decisions. Today, with no hard evidence of an effective COVID-19 vaccine, many people are still working from home and business uncertainty remains high. Organisations now face the challenge of safeguarding their operations for the longer term – and that includes building an agile and flexible fleet that's fit for future purposes. This may mean that your existing fleet provider no longer meets your needs, in which case it can be beneficial to switch to an alternative supplier. This paper examines the questions companies commonly face when implementing a new fleet & mobility provider, with a special focus on greater harmonisation and standardisation within larger international fleets. We also outline a six-step plan for implementing a new fleet & mobility provider, including three success factors.

In these constantly changing times, various situations can create a need to reassess your fleet operations and possibly implement a new provider to support your organisation more effectively. The COVID-19 crisis is just one example of disruption that may affect your fleet & mobility requirements. The ever-changing regulations aimed at supporting the transmission to emission-free mobility can be another cause of misalignment in the customer/supplier relationship and gaps in the company car policy.But bringing a new supplier on board can be a surprisingly complex series of tasks, especially for a large fleet organisation. That is why, based on our extensive experience of implementing countless international company car fleets across Europe and globally, we have prepared this six-step plan for successfully transitioning to a new fleet organisation.

Six-step plan for onboarding a new fleet & mobility provider

Switching to a new international fleet supplier can be a complicated, expensive and often stressful undertaking that can take up to six months or more. The primary objective is to ensure a seamless transition, including legacy fleet management[i]. Here are six steps for a smoother and more effective supplier onboarding process:

1. Initiation and planning

Ideally, the whole process should be coordinated by a dedicated implementation team working with robust project management/programme management methods. Start by getting a clear understanding of the current situation for all parties involved, so that everyone has full insight into the task at hand including any potential complications. It is important to have a clear understanding of the reason for the switch. In many cases, the key question revolves around how harmonisation and standardisation can enable the customer to leverage economies of scale and achieve cost reductions, transition to sustainable and safe fleet management and improve overall efficiency within the new fleet. At this stage, your project team members should meet with the new supplier's team to ensure they understand each other's objectives, main concerns and policies/procedures such as non-disclosure guidelines.
The following topics should be central in the exploratory discussions:

- Products and services scope
- Legal framework
- Data sources and quality assessment
- Data normalisation rules for consolidated international reporting
- Digital interfaces
- Invoicing practices
- Internal Service Level Agreements.

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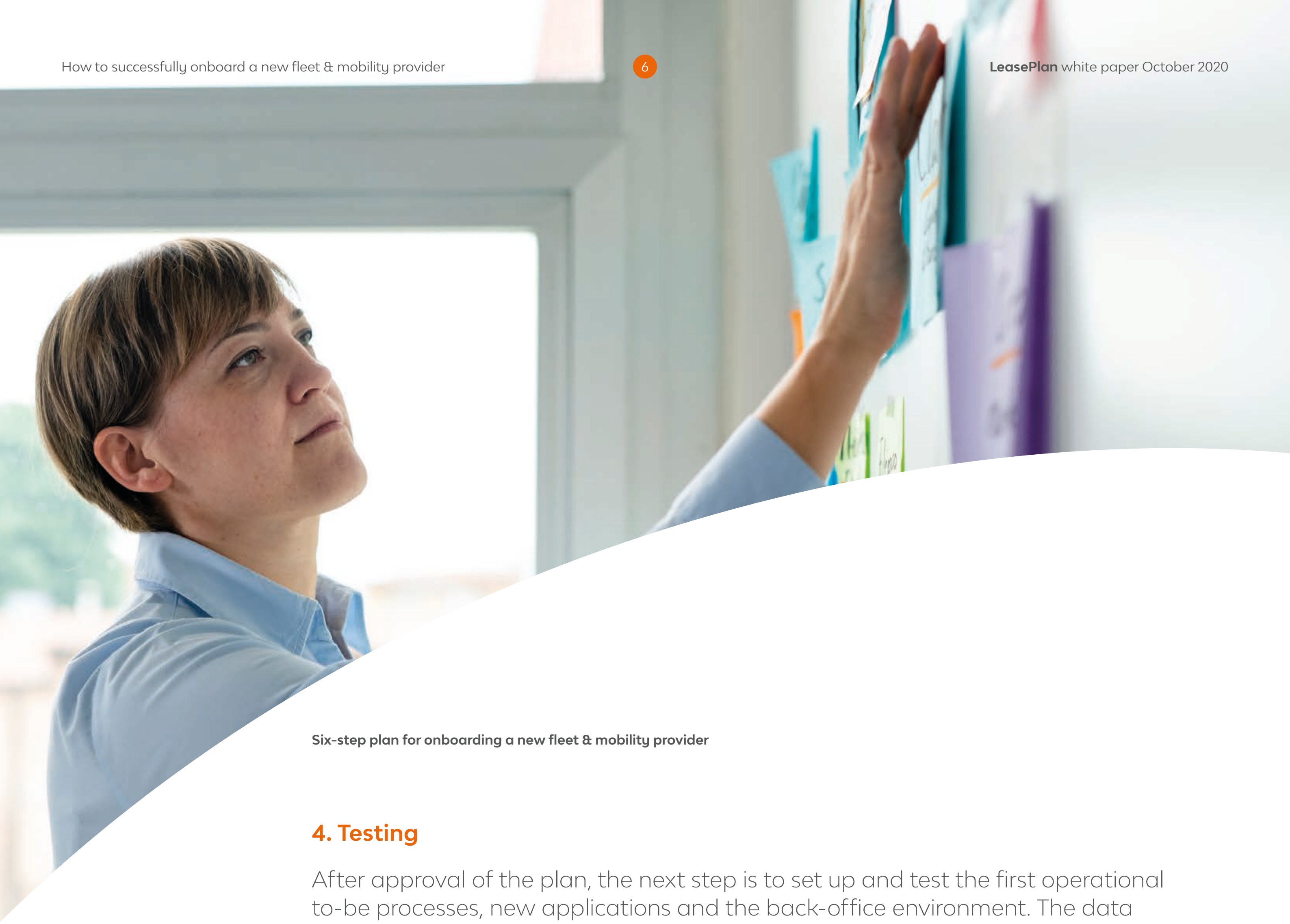
2. Data gathering and analysis

As part of the preparations for implementation, it is important to spend time on gaining a full overview of the existing fleet profile by executing a complete inventory analysis, including all vehicle details, methods of acquisition, contract terms (mileage and duration), costs and other relevant aspects such as fuel types and CO_2 emissions. Besides confirming basic information such as fleet size and which vehicles are up for renewal, analysis of the resulting data should also provide insights into things like share of fleet by vehicle manufacturer, emission values and safety. Further analysis and benchmarking of the data will reveal possible risks and gaps as well as best practices that can be shared within the organisation. All these insights should be used as the basis for determining the as-is situation, conducting a gap analysis and defining the to-be situation.

3. Building the programme

Using the insights gained in step 2, the actual transition plan can be created and actions can be determined for the current inventory (legacy fleet), the new vehicles, driver transition and policy adjustments. Creating a transition plan for all countries involved can be a complex exercise. Be mindful of the availability of specific resources that will be required to deliver the project and split the project in to waves. Ideally, wave 1, should start with the three or four 'most ready' markets that will receive the greatest and most immediate benefit from the change. The lessons learned during their transition can then be used as best practices for countries that may be more reluctant for change or are more difficult to incorporate into the new standardised and harmonised approach due to specific local regulations.

When the transition plan is almost ready, it is time to inform and seek approval from all stakeholders involved. At this stage, it is also important to draw up a benefits realisation plan[ii] detailing the future gains upon completion of the implementation – i.e. the monetary, operational, environmental and/or safety-related benefits, both at group level and segment level (e.g. for drivers in a specific country).



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4. Testing

After approval of the plan, the next step is to set up and test the first operational to-be processes, new applications and the back-office environment. The data should be uploaded to the new systems so that the initial reports can be customised and dashboards can be created. All procedures for the invoicing process should be set up, making sure that the systems are compliant.

Some of the new procedures will run correctly right from the start, while others will need adjustment and might delay further implementation. By including a testing phase in the onboarding process, you allow yourself extra time to adjust any processes that require further fine-tuning, without significantly delaying the entire implementation. And if your organisation has happened to get everything right first time, you have gained some extra leeway. Use this time for unforeseen events or for evaluation, communication of the initial results and sharing the lessons learned.

5. Execution

After testing and once everything is ready for the go-live, the operational team members from both organisations can now set to work for real. They will need training in the new policies, dashboards and other digital tools that will be used going forward, including help with further customisation. 'How-to' guides and other resources will support easy implementation. In terms of finance, it is now time to create a cost centre structure and implement the invoicing procedures.

After making the necessary adjustments to the company car policy, it must be distributed to all drivers. Other driver communication material such as a driver app, driver handbooks and vehicle maintenance/accident management guides should be customised. System demonstrations should be provided as necessary. Once that is all set, the first vehicles can be ordered and the first deliveries will be on their way.

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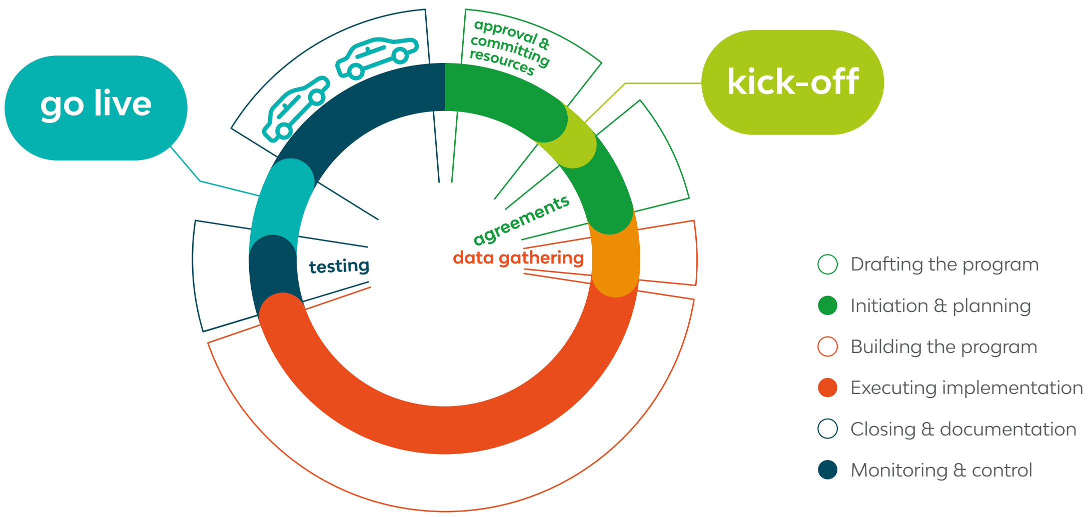
6. Monitoring and control

After the go-live, it remains important for key team members to meet regularly to discuss progress and project performance or changing needs which call for further adjustments to the programme. Pressing issues should be addressed immediately and all stakeholders should be kept informed of the progress. The new operational processes will increasingly become the norm, regular reporting has been established, and the utilisation of the digital applications should be monitored. After the first invoices have been issued, they should be audited so that any possible concerns or issues can be addressed. Consider conducting an initial driver-experience survey and evaluate the results. Keep a close eye on performance according the agreed service level agreements[iii] as the basis for the supplier relationship management process[iv].

Once everything is running smoothly, the two organisations can formally mark the end of the implementation phase. A post-implementation audit is a useful tool for evaluating the actual benefits against the key aspects and objectives of the original implementation plan. This should involve the daily operational teams from both organisations and can include the sharing of lessons learned, discussion of suggestions for improvements and plans for the next steps.

Figure 1: The six stages of onboarding a new fleet & mobility provider



Three key success factors of any implementation plan

Three key success factors of any implementation plan

None of us is as smart as all of us[v]

The implementation process is fundamental in the long-term success of the partnership between your own organisation and your fleet & mobility provider. It is vital that the processes, approaches and methodologies employed are efficient, well-structured and well-planned, with all those affected by the transition supporting the business case for change.

Every implementation will have the same objective in principle, but the priorities for achieving that objective will vary greatly from one fleet to another. Experience and understanding are key to the success of any implementation. Knowledge can be built by working together, defining the priorities at a detailed level and sharing insights into how priorities may be influenced or impacted by other factors so that obstacles can be overcome quickly or even avoided.

In these dynamic times of constantly evolving needs and expectations, switching to a different fleet & mobility provider at European or even global level can help to improve your efficiency through harmonisation and standardisation. To ensure a successful implementation process, it is important to provide a flexible structure and to incorporate the following key elements:

1. Implementation plan and schedule

A full implementation plan detailing key tasks and dependencies (e.g. using the RASCI matrix[vi]) will provide clear definition for the project.

A schedule of the required local, regional and international meetings, details of deadlines for local and international agreements, targeted tasks, go-live dates, key milestones and any other priorities or specific requirements provides a clear visual overview of the responsibilities and timeframes. This schedule must be reviewed, updated and circulated regularly, acting as a valuable working tool for both parties.

Ongoing monitoring and progress reports from within both organisations are key in both of these activities.

Three key success factors of any implementation plan

2. Communication

Effective communication of the international agreement, fleet strategy and project priorities is critical in achieving a smooth and successful transition. You can utilise various different resources to ensure clear communications that are actioned in a timely manner. In today's increasingly digitalised world, online meetings and teleconferencing are both excellent tools for ensuring that important and time-critical messages are conveyed and understood. Effective communication will also improve the quality of the relationship between both organisations and collaborative working principles, ensuring that team members on both sides are committed to working with each other to achieve common goals.

3. Governance structure and ongoing stakeholder management

A clear governance structure, both locally and internationally, is required to manage the transition to a centralised structure. Whereas each local organisation may previously have been able to make company car-related decisions, the new situation is often coordinated centrally by an international fleet manager with a procurement background who is responsible for optimising fleet management across multiple countries and business units. This can be a complex task, possibly involving a legacy situation as well as pressure from the board to drive change in support of business continuity. A clear business case for change, clearly defined roles and responsibilities as well as senior sponsorship both locally and centrally will be crucial to success. International implementation programmes typically make use of a supervisory board structure so that members of the senior management are updated and consulted at regular intervals.

Three key success factors of any implementation plan

Remember to share best practices and celebrate success

As mentioned above, due to differences in priorities and local situations, an international fleet implementation is usually done in phases, starting with the frontrunning countries. Remember to share the lessons learned and best practices with the countries that will be implemented later on in the roadmap. One best practice is to bring the local project leads together so that they can discuss new insights. Great things are usually achieved by a group of people rather than by a single individual. When everyone is committed to the overall goal, teams move faster and are more innovative and more successful. Therefore, take a moment to celebrate the achievements to foster teamwork and strengthen the foundation for success.

Frequent asked questions

Key questions answered

What resources will be required during the implementation period?

In our experience, the resource requirement can vary greatly depending on the specific project priorities. Implementation of a new fleet & mobility provider will typically require a project owner, preferably either a fleet manager or a procurement professional. Your project team should also include other key disciplines such as Human Resources for company car policy input and employee data provision, Accounts Payable to ensure that invoicing procedures are set up correctly and compliantly, and IT to consider data transfer security protocols. Active engagement of these disciplines in the planning and preparation phase often reduces problems and queries after the go-live.

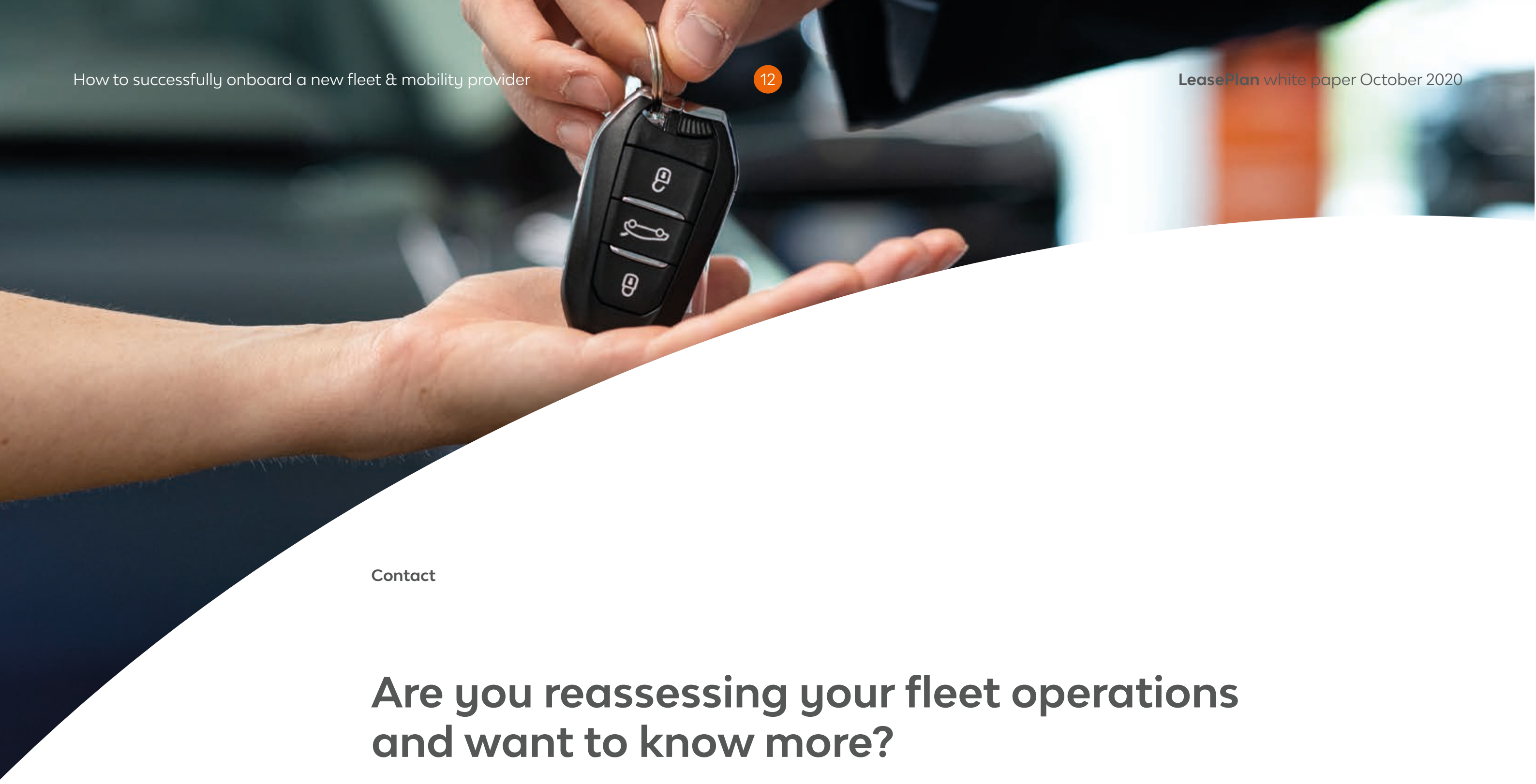
How should outgoing suppliers be managed?

An international implementation will often pose administrative challenges, especially when it involves moving from existing local suppliers to a new international provider. The new fleet & mobility provider has a responsibility to collaborate with all outgoing suppliers to minimise the potential impact on drivers. During the implementation process, meetings and calls with all relevant suppliers can help to ensure that everybody is working to achieve the project objectives and priorities in line with the agreed roles and responsibilities.

One important element in the transition process is proactively phasing out the existing fleet. This involves both supplier management and driver communication activities, such as:

- Establishing a team that drivers can contact directly if they are still driving a vehicle from a previous lease company
- Managing renewals through direct driver contact
- Consolidating the entire fleet (from multiple suppliers and in multiple countries) into one international reporting tool
- Supporting and directing drivers to the correct fleet & mobility provider.

Generally speaking, fleets in Europe transition over time as and when the vehicles are renewed. However, fleet-support services can often be transferred to a new fleet & mobility provider before vehicles reach the end of their lease contract. It is best practice to create local manuals for each country detailing guidelines for all the operational aspects of the fleet and clearly defining the roles and responsibilities of each party involved.



Contact

Are you reassessing your fleet operations and want to know more?

LeasePlan International has dedicated implementation teams whose sole responsibility it is to guide our new customers through the transition period. They work in conjunction with the local country teams to ensure that each country's implementation objectives and priorities are achieved first time, on time. They are happy to advise you on the best transition strategy in all your markets and answer any questions you might have.

Our expert

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References
i 'Legacy fleet' means the vehicles leased from a previous leasing company and managed by the newly chosen fleet & mobility provider.
[ii] A benefits realisation plan is a document outlining the activities necessary for achieving the planned benefits. It identifies a timeline and the tools and resources necessary to ensure the benefits are fully realised over time. It defines the benefits and associated assumptions, and how each benefit will be achieved.
[iii] A service-level agreement (SLA) defines the level of service you expect from a fleet & mobility provider and lays out the metrics by which service is measured, as well as the agreed remedies or penalties should the expected service levels not be achieved.
[iv] Supplier relationship management (SRM) is the discipline of strategically planning for, and managing, all interactions with the fleet & mobility provider that supplies the services in order to maximise the value of those interactions.
[v] Quote from Ken Blanchard, author and business consultant known for ground-breaking work on leadership, customer service, empowerment and change.
[vi] RASCI matrix is used for the allocation and assignment of responsibilities to the team members in projects, processes or parts thereof.