



**Expense Reduction
Analysts**

Fleet review Covid-19

Has the COVID pandemic created an opportunity for fleet buyers? The low-interest-rate environment deals from OEM's and dealers along with tax write off for cash buyers are all great incentives to buy now.

Fleet management is a tough role, and the current environment with low fuel prices and a reduced ability to travel is putting pressure on the size and composition of most fleets.

Fleet managers need to be removing all the short-term inertia leases and rentals and getting long term leases in place or removing the vehicles from the fleet altogether. Now is a time that employees will cooperate in reallocating and reassigning and perhaps rethinking vehicle needs.

Questions to consider...

- 1. When was the last time you went to the market with the fleet to ensure that your business is keeping up with "best practice" technologies and market-related pricing?**

Hybrid vehicles have a higher residual value in many cases, and although fuel prices are very low at present, this may not last.

Hybrid vehicles are a strong proposition with providing a considerably lower TCO (Total Cost of Ownership).

The used car market is a little softer at auctions, but interest in lower-cost vehicles is high, so vehicles at the end of lease or useful life may have a sweet spot for a changeover.

- 2. Do you need help with defining business requirements and the writing of an RFP?**

Too often, tenders are sent out to suppliers with a focus being on Headline Rates only. It's important to note that the Total Cost of Ownership or cost per km is a key decider along with ensuring each vehicle is fit for purpose.

- 3. When was the last time you reviewed your fleet policy? Are all driver details and licenses are up to date?**

Many fleet policies do not consider "grey" fleet or staff-owned vehicles used for work and the Workplace regulations and safety issues this may bring.

- 4. How do you know you are getting a balanced, market-leading contract from your suppliers?**

ERA's extensive database can benchmark your rates against businesses of similar size and spend.

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