

How to save money for a growing fleet

Fleet managers don't need to be reminded of the importance of increasing fleet efficiency as they are constantly under pressure to bring down costs, even as their operations grow. Because fleet efficiency is the product of countless tweaks to all aspects of the operation, it is a good time to add this to the arsenal of cost-saving methods. Dr David Molapo, head of Standard Bank Fleet Management, says the following are sure ways to improve fleet efficiency:



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Exception reporting

Information technology and telematics have revolutionised fleet efficiency, resulting in a wealth of information that becomes available. Without filtering, millions of bytes of data can flow by the fleet manager's desk unused, simply because it will take too much time to go through it all, and the technology ends up to a large degree wasted, says Dr Molapo.

Some of the most productive hours that a fleet manager can spend are on thinking how to structure reports so that they flag the exceptions rather than merely listing all the events and sometimes it requires getting to know the systems of service providers better. For example, a GPS tracking service could allow you to draw a virtual border around a region and capture alerts when your vehicles cross the line, or could automatically create a report that lists stops longer than a certain period. Set up in this way, a clear pattern emerges from the ocean of information produced by a GPS tracking system.

Following the same principle, even something as basic as a vehicle log book can be structured in a way that it requires staff to highlight exceptions.

Route optimisation software

Algorithms that figure out the shortest route between a series of stops or delivery points are now available to any fleet through various websites that provide the service.

The effectiveness of a route optimisation service can be proven when comparing the estimated distance and time that the algorithm comes up with, and the real distance travelled and time taken by your driver using your usual route-planning methods. The difference between the two would tell you whether the monthly subscription to the route optimisation service is worthwhile.

Transaction authorisation

A service that has exception reporting built into it is Standard Bank Fleet Management's Transaction Authorisation system, which is available to any user of Standard Bank's fleet cards. Essentially, the system reports every transaction done with a fleet card to fleet managers, even on their mobile phones if they prefer. But rather than swamp the fleet manager with a list of transactions, it reports intelligently.

Working in the background, the system assesses each transaction against a set of rules, some of which can be determined upfront by the fleet manager. For example, use of the card may be limited to specific time frames. If the driver tries to use it more frequently, the transaction is declined automatically and the fleet manager notified. The fleet manager can then decide whether to approve the transaction due to special circumstances.

Transaction authorisation, which can decline a transaction automatically based on as many as thirty different rules, has saved millions of Rands for fleet managers by helping to cut down on fuel card fraud.

Preventative vehicle maintenance

For fleet operators whose vehicles are used exclusively to generate revenue for their business, any vehicle downtime means that no money is coming into the business. The fleet operator may be tempted to skip vehicle services or to postpone repairs on a vehicle. This could prove more expensive over time as mechanical breakdowns and even accidents may occur as a result. Vehicles must, therefore, be kept in good running condition at all times and services and even repairs can be planned for quiet times.

Always understand the running costs of your vehicle fleet. This includes the cost of fuel, oil, tolls, services and repairs, tyres and accident repairs. In tough economic times, this becomes even more important, but it must become a habit to monitor these costs on a daily basis. Find a service provider that can supply a means to pay for these expenses, but more importantly offers an easily accessible reporting system that shows you as and when expenses occur. In addition, make use of expert services supplied by such service providers that will help you to for instance minimise maintenance expenses.

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