

# AUTOMATED MOTOR POOLS: FLEET MANAGEMENT INFORMATION SYSTEMS PAY OFF BIG



## SNAPSHOTS OF SUCCESSFUL SHARED VEHICLE FLEETS ACROSS THE U.S.

Organizations that need vehicles to achieve their missions are relying on technology more than ever before to reduce costs. Gone are the days when a FMIS focused solely on fleet maintenance. Managing preventive maintenance efficiently can reduce costs and improve safety, however, savings and efficiencies really ramp up when an FMIS facilitates the sharing of vehicles and managing keys. Sharing vehicles efficiently in a motor pool is one of the most significant ways to keep vehicle costs down while improving service to employees who need them. Let's take a closer look at how a FMIS can help fleet managers tackle the job of sharing vehicles and keep a tight rein on costs.



## FMIS and Vehicle Sharing: An essential pairing

Automating motor pool processes can lead to many improvements for organizations — enhanced efficiency, better customer service, and, most importantly, savings. Vehicles are some of the most costly assets for any organization to have on their books. Having too many can quickly decimate a budget, but a right-sized fleet can save tens to hundreds of thousands of dollars per year in reduced costs for maintenance and insurance, depreciation, replacement avoidance, parking spaces, staff time, and more.

Automating processes related to sharing vehicles must address the three essential components of running a motor pool. These three areas include: scheduling and coordinating use, dispatching vehicles, and reporting and billing. These functions are extremely time consuming and costly if they are tackled manually. Unfortunately, many organizations attempt to do just that by using paper request forms, email chains, spreadsheets, and other cumbersome manual tools to track vehicle sharing. But with a next-generation FMIS such as Agile Fleet's FleetCommander system, all three processes can be fully automated and streamlined.

### CASE STUDY:



Sacramento Municipal Utility District (SMUD), the nation's sixth largest public utility, automated its fleet management and reduced the size of its motor pool by 30% while greatly improving service to its fleet drivers. When SMUD started the process of searching for a FMIS, they said they sought a solution that "provides optimum vehicle utilization, scheduling, vehicle reassignments and peak demand statistical information for pool type vehicles." SMUD was also looking for a solution that offered secure and automated key pick-up and drop-off capabilities, as well as being able to accept online reservation requests, deliver reservation notices, and to maintain user and vehicle profiles. (See: <http://blog.agilefleet.com/company-feed/sacramentomunicipal-utility-district-smud-automates-fleet-using-fleetcommander>)

## Step 1: Switch to online reservations

Automating the vehicle reservation system improves both efficiency for fleet staff and improved customer service -- for a positive driver experience. Today's FMIS/motor pool system must be able to offer drivers the convenience of logging in to the system any time of day or night from any web browser and requesting a vehicle in less than 30 seconds. Since drivers already have a profile set up in the system (which should be a one-time only requirement) all of their essential information is prepopulated.

*THE COST SAVINGS FROM ELIMINATING STAFF TIME IT TAKES TO MANUALLY COORDINATE VEHICLE USE IS CONSIDERABLE.*

During the reservation process, an effective FMIS will notify drivers of new or existing fleet policies, and require them digitally sign driver acknowledgments before they're allowed to reserve a vehicle. Money-saving policies such as the requirement to check for (and document) the availability of a motor pool vehicle prior to authorizing personal vehicle use is just one way a next-generation FMIS can help automatically keep personal vehicle usage costs in check.

Automated communication through e-mail, including vehicle assignment notification and feedback, also keeps drivers accountable. Drivers are held accountable for their reservations — with notifications sent concerning late pickup/return, and cancellations of reservations for vehicles that aren't picked up on time.

The cost savings from eliminating staff time it takes to manually coordinate vehicle use is considerable. Agile Fleet estimates that manually managing motor pool vehicle scheduling takes 15 minutes per reservation. This can quickly add up into many hours of staff time even for a small motor pool. With online reservations, repetitive paper and manual tasks are eliminated.

## Step 2: Manage keys in an automated system

Dispatching vehicles out and in by manually approving reservations and handing out keys is also a laborious process that benefits from a fleet automation system. As for approving reservations, an effective FMIS will allow the fleet manager to

review each reservation online and approve them one by one, or be set up to let the system auto-approve reservations.

The management of keys within the dispatching process can also be very challenging. Some fleet operations keep a few cars in a small pool with keys on hooks in a trusted environment. Others manage hundreds of vehicles at different sites. A FMIS can streamline this process by holding keys in a secure, unstaffed key box with a kiosk for check out and in - similar to getting a boarding pass at an airport. A robust FMIS will also be flexible enough to accommodate a multitude of motor pool scenarios with multiple dispatching methods, including both indoor and outdoor settings.

With an FMIS, fully automated motor pools can become 24/7 operations that no longer require an employee onsite at all times to handle check in and check out of the vehicle, giving users more flexibility for when they are able pick up or return a vehicle. Gone are the days when a driver must pick up a vehicle



during office hours on a Friday and keep it all weekend to use for a before-hours appointment on Monday morning. A fully automated system can also allow the user to choose the type of vehicle that best fits the request, pick up keys from an unstaffed kiosk, and acknowledge fleet policies before driving a vehicle. Mileage data can be captured at the kiosk or automatically via telematics.

### **Step 3: Run reports and do billing automatically**

Your monthly billing shouldn't take you more than a few minutes to prepare when using a FMIS. The system should calculate charges for shared vehicles while also creating billing files for reservations, repairs, PMs, parts, and fuel charges. The files should be properly formatted so your financial system can immediately import them.

### **Fleet Metrics**

Fleet metrics collected for reports are the meat-and-potatoes of any good fleet management system. A robust FMIS will collect dozens of key metrics that clearly document the efficiency of the fleet.

Accurately measuring utilization is among the biggest benefits that an FMIS can deliver to an organization. Capturing, measuring, and analyzing this data helps organizations to right-size their fleets, eliminating underused vehicles and associated costs. Utilization experts at Agile Fleet estimate the cost of keeping a vehicle in a fleet at \$3,000 - \$6,000 per vehicle per year. Using those figures, reducing just five unneeded vehicles from a fleet can net an organization upwards of \$30,000 annually. Right-sizing isn't just about cutting vehicles; it's



## CASE STUDY:

The State of Colorado was spending about 30 hours a month of staff time handling the billing process alone for its fleet (in addition to staff hours dedicated to scheduling and other motor pool management processes.) By automating its processes, the State of Colorado has saved approximately 30 hours a month, cutting the number of personnel needed to manage the motor pool from three people to just one. By implementing automated scheduling and around-the-clock, self-service motor pool access, the fleet not only has continued to free up the staff to focus on its core functions, but has improved driver satisfaction. (See: <http://blog.agilefleet.com/state-of-colorado-fleet-success>)

often much more complex, requiring an understanding of not only whether an organization has too few or too many vehicles, but also whether or not they have the right types of vehicles to achieve their mission. Changing the vehicle mix to more accurately reflect the needs of the operation is a crucial, but sometimes misunderstood aspect of right sizing. A robust FMIS will provide deep utilization statistics to enable decision-makers to make money-saving decisions about both their vehicle count and the types of vehicles in their fleet.

While utilization studies often result in reducing the number of vehicles in the motor pool, they can also lead to the implementation of new, efficient ways to do more with fewer vehicles, such as what happened at the City of Stamford, Conn.

**CASE STUDY:**



The City of Stamford, Conn., slashed its motor pool fleet from 80 to 29 vehicles by automating its motor pool management system. The City projects a 5-year cost savings of more than \$1-million by establishing a shared vehicle program, reducing unneeded vehicles, and eliminating associated costs such as maintenance, insurance, and replacement costs. (See: <http://blog.agilefleet.com/company-feed/city-of-stamford-fleet-projects-5-year-cost-savings-of-more-than-1-million-via-car-sharing-and-cost-avoidance>)

## OTHER ESSENTIAL PROCESSES AN FMIS CAN STREAMLINE

### Maintenance

Although a good FMIS must do more than help manage preventive maintenance, maintenance is an essential and costly part of managing a fleet. As with scheduling, automated processes with the FMIS eliminates the need to manually track preventive maintenance schedules, which saves staff time. And of course it improves overall fleet efficiency by minimizing vehicle downtime and keeping vehicles in safe operating condition. Among the ways that automated processes help keep vehicles safe and reduce costs include:



- Tracking when preventive maintenance is needed, and alerting the fleet manager and/or responsible driver
- Scheduling regular preventive maintenance, extending the useful life of the vehicle
- Managing parts inventory for fleet vehicles
- Tracking technician direct and indirect time
- Tracking technician productivity and prioritizing work orders
- Categorizing work for accurate reporting and billing, and more

In addition to keeping the vehicles in good running order, automated maintenance processes generate orders, billing, and repair reports automatically, freeing up even more staff from time-consuming, paper-oriented administrative work.



### Driver and Vehicle Management

For Cornell University, keeping user profiles up to date was one of its biggest challenges prior to automating its system. Prior to automating its motor pool, Cornell relied on managing paper files that quickly became outdated. Now, Cornell uses the system to prompt users to update their profile themselves. The system has been so effective that university is now considering integrating the profile system into Cornell's HR database, which would automatically update profiles, delete users no longer at the university, and add those that are new. (See: <http://blog.agilefleet.com/cornell-university-insider-look-at-fleet-transformation>)

### Customer Service

Improving the customer experience is an important way to encourage the sharing of vehicles within an organization. Mike Hardesty, former motor pool manager for Indiana University, agrees. "Personally I don't purchase a product or service without the expectation of great customer service. If I have an issue and feel as though the organization or business doesn't really care about me as a customer, I will find an alternative. I brought that attitude to managing a motor pool. Even though the customers are internal to the organization, they have every right to expect great customer service. We never operated a monopoly. Our daily rental customers always had choices. I have found most universities like to encourage behavior instead of mandating behavior particularly with support services like the motor pool. Our customers could drive their own vehicle and receive a reimbursement (usually at a higher cost to the department) or rent from any of the commercial rental agencies in town."

Hardesty said he kept his customers coming back by providing similar or better-equipped vehicles, maintaining a cost advantage, and providing great customer service. Even when vehicles weren't similar, but close enough, costs were lower. Indiana University has excelled at customer service, making renting a vehicle at the motor pool an easy and a pleasurable experience.

A good FMIS should help to keep a pulse on customer service. Hardesty said his fleet used the feedback tool within Agile Fleet's FleetCommander

### CASE STUDY:



Indiana University operated a motor pool, then decided to outsource it. Service declined greatly and costs increased, so it was decided that the in-house motor pool would be reinstated. One of the ways the university made the new motor pool so successful was by delivering outstanding customer service. (See: <http://blog.agilefleet.com/insiders-look-at-indiana-university-fleetsuccess-part1>)

system to always allow customers to provide feedback, and then immediately responded to any negative feedback. Since it is in the best financial interests of the organization to share vehicles, customer service is a key way to make it a win-win for everyone in the organization.

## CASE STUDY:



Commonwealth of Kentucky: The Kentucky General Administration and Program Support (GAPS) sought to implement fleet management technology because it was looking for an efficient way to manage the approximately 1,400 vehicle assets used by the Kentucky Cabinets for Energy, Environment and Public Protection (EEC PPC). In the past, the organization used white boards and paper forms to keep track of fuel purchases, work orders, vehicle reservations, policy enforcement, and other information. Since implementing FleetCommander fleet and motor pool software in 2010, the EEC PPC has made significant strides in efficiency. (See: <http://blog.agilefleet.com/company-feed/commonwealth-of-kentucky-reduces-motor-pool-by-28percent-and-achieves-many-efficiencies-with-fleetcommander-solutions>)

### Data-driven decision-making

What all of these improved efficiencies have in common is that they provide a deeper understanding of overall fleet efficiency. Fleet data collected by a robust FMIS can drive sound fleet decisions that have a significant impact on the bottom line. Data collection and reporting is automated and instantaneous, allowing fleet managers to spend more time on analysis and other essential duties.

This means that the management of the fleet is no longer a question of "gut" feeling or pulling together dozens of disparate, separate reports. With automated systems, such as Agile Fleet's FleetCommander, the fleet manager can make decisions based on information rather than instinct.



Reacting to the data is only part of the story. Having data at your fingertips allows a fleet to look ahead and more accurately set goals and measure benchmarks. For instance, if the goal is to reduce fleet size, but there's no data available about utilization (such as utilization by number of trips, vehicle class, etc.) then the goal can't be met. Ultimately, automation's biggest benefit is providing fleet managers the data needed to understand how the motor pool is running, so they can identify areas to make improvements for a more cost-effective and efficient operation.

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## AUTOMATION'S BOTTOM LINE BENEFITS

While automation makes motor pool operations more efficient and effective, fleet managers need to clearly articulate a solid focus on the significant return on investment when making the case to purchase a FMIS.

The following real-world examples illustrate some of the various ways automating a motor pool operation reduces costs and rapidly exceeds the cost for implementing a new system:

- **Forsyth County, N.C.**, had a goal of saving \$300,000 through right-sizing its fleet by automating its operations with Agile Fleet's FleetCommander. These savings were realized almost immediately. The motor pool realized a capital expenditure savings of over \$800,000 from eliminating the need to replace vehicles and has also cut its personal vehicle reimbursement costs from \$125,000 to \$57,000. (See: <http://blog.agilefleet.com/forsyth-county-ncfleet-success-part1> and <http://blog.agilefleet.com/forsyth-county-nc-fleet-success-part2>)
- **Vassar College** has been able to increase the amount it is billing to its internal customers by 30% thanks to the ability to better measure vehicle mileage, by implementing FleetCommander. (See: <http://blog.agilefleet.com/company-feed/vassar-college-increases-billing-by-nearly-30-percentby-using-the-fleetcommander-automated-fleet-and-motor-pool-solution>)
- **Prince George's County, Md.**, has added a second motor pool, and thanks to implementing FleetCommander and automating its systems, it is now more sustainable and effective — eliminating 12 gasoline vehicles and adding more efficient plug-in hybrids in their place. Even though the motor pool fleet has been reduced, it hasn't impacted its ability to serve its customers. (See: <http://blog.agilefleet.com/company-feed/prince-georges-county-md-fleet-expandsright-sizing-initiatives>)
- **Cornell University**, after implementing FleetCommander and right-sizing its fleet, the University strategically uses other resources such as rentals — to fill gaps in vehicle classes during high demand instead of investing and maintaining a vehicle that is used in a very limited capacity. (See: <http://blog.agilefleet.com/part2-cornell-university-insider-look-at-fleet-transformation>)
- **The City of Norfolk, Va.**, after launching its FMIS, was able to recommend eliminating five of 12 vehicles and reassign the rest to departments that needed vehicles. Eliminating underused vehicles has enabled the city fleet to purchase six new alternative-fuel vehicles for the motor pool, and greatly reducing fuel consumption and costs. (See: <http://blog.agilefleet.com/company-feed/city-of-norfolk-launches-new-car-sharing-program-to-reduce-costs-improve-fleetutilization-save-fuel>)

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## OVERWHELMED BY THE THOUGHT OF LAUNCHING AN FMIS?

If you are overwhelmed at the thought of launching a fleet management information system (FMIS), don't be. Implementing a new FMIS is easier than ever due to the nature of the web-based technology and the refined implementation processes offered by fleet technology vendors.

All FMIS vendors are not alike. Select a vendor that you are comfortable with — one that can describe their approach in a way that you clearly understand. A good vendor will help you understand — and better yet, they'll help you communicate the upcoming changes to your fleet staff and fleet drivers before the system is put in place. A vendor should not have a one-solution-fits-all approach to your implementation processes.

If you've never had any fleet technology before, certainly the approach would be far different than if you are simply upgrading to a better system. And, if you are making changes such as centralizing your fleet management activities after years of being decentralized, your implementation would need to be handled differently still. Regardless of your starting point, get in synch with your FMIS vendor. Your comfort level with your vendor and their staff should be an important part of the vendor selection process.

Once you've selected an FMIS, do not feel like you will launch this system all at once and gain all the benefits on Day One. It is wise to take the "crawl, then walk, then run" approach. What do we mean by that? We've broken it down into three simple components.

### Phase 1: Getting Started

- Believe it or not, getting the technology in place is the easy part. It no longer takes months or years to get a system in place if you have a good vendor to work with. In fact Cedarville University told us: "It took us no time at all to get started and we saw immediate advantages. We now use one system instead of three." So, now that it's in place, what's next?
- It's never too early to start talking about the upcoming benefits to your staff and drivers. Start communicating with stakeholders and let them know what's in it for them. Remember, there are many benefits to automating fleet processes. The key is communicating the benefits that will turn skeptics into believers. For drivers, be sure to frame the idea of sharing vehicles as a positive. Some of the benefits of sharing vehicles, include access to more types and newer vehicles, easy online reservations, around-the-clock access to vehicles, and more.
- With the new system now in place, and drivers directly interacting with the system, start communicating rules and policies that will help to lower costs and risks for your fleet. Good fleet policy is the most critical factor that will ensure the success of your fleet technology initiative. Don't try to establish all your policies at once, you should continue the process in Phases 2 and 3. Consider creating a committee made up of stakeholders and others so that everyone has a say and they buy-in to what your rules and policies will be.
- Start collecting fleet metrics. Even one metric is a good start. If you are not sure what metrics you can collect at this phase, call us. We can help.
- Get at least one time-saving function in place, perhaps a preventative maintenance program, for a segment of your fleet. Once you start using the system effectively you can prove the concept, and move on to the next time or money-saving function and prove the concept again.

*Continued* ►



### Phase 2: Tackle the “Low-Hanging Fruit”

- In Phase 2, you’ll want to continue collecting data to get a handle on what your fleet data is telling you. Do you have too many vehicles, or not enough? Do you have the right types of vehicles? Which vehicles can be earmarked for disposal? Our fleet experts can help interpret your data for free. Just call us.
- Also, take the time to survey drivers. Find out what is going well, and what may not be and make appropriate changes.
- Initiate monthly odometer collection and reporting.
- Take a look at any permanently-assigned vehicles in your fleet. Are they being used to their fullest potential or can they be reassigned to the shared fleet?

### Phase 3: Optimize

- Once things are running like a fine-tuned machine, it’s time to start optimizing.
- Create your five-year plan for vehicle replacement.
- Identify policies that are working and others that may be needed.
- If you need to implement other technology such as GPS, now’s a good time to introduce something new.
- Launch more motor pool sites or mini-pools to get the vehicles closer to your customers.
- Quantify your achievements and communicate and celebrate your successes.

## ABOUT AGILE FLEET AND FLEETCOMMANDER

Headquartered in the Washington, D.C. area, Agile Fleet is a fleet management solutions company that serves the government, university, utility, non-profit, and commercial sectors. Agile Fleet’s software, hardware and services enable organizations to efficiently manage all aspects of drivers and vehicles to reduce costs, save time, and improve service. The industry’s best value in fleet management, Agile Fleet solutions delivers extensive

functionality at an affordable price. Agile Fleet’s flagship product, FleetCommander, delivers the automated management of fleet maintenance, motor pools, vehicle keys, GPS & telematics, fuel, and risk management. Additional services provided by Agile Fleet include seamless integration with other systems, fleet efficiency analysis, in-depth technical support, fleet consulting, and much more.

Via the Sourcewell (formerly called National Joint Powers Alliance, NJPA) cooperative purchasing contract and GSA Schedule, Agile Fleet solutions are available for direct purchase by states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities, and non-profit organizations without the need to solicit competitive bids.

*For more information visit [www.agilefleet.com](http://www.agilefleet.com)*