

Now and in the future

Between mobility and mobility



Martyn MOORE

As fleet focus zooms in on cost control, the tools that deliver that control need to be smarter than ever. This overview of ICT fleet reporting tools looks at the latest developments in the fleet sector and what the market hopes to offer you over the next ten years.

During the good times it was hard to sell the benefits of fleet reporting tools to companies that were doing well.

Senior managers probably knew that there were some inefficiencies in the system: inflated supplier costs and surprise bills, drivers not filling up with the cheapest fuel and “guesstimating” driving distances etc. They could easily dismiss

it as the cost of moving fast, getting on with the real business. And as long as that was showing growth, well, they would just pay up and move on.

Now times are hard, well it’s still difficult to sell the benefits of fleet reporting tools to companies desperate to reduce costs. Who’d be a fleet supplier, eh? Much more of this and you’ll start to feel sorry for them!

Thankfully, fleet operators who have signed up to ICT reporting are often able to show significant savings by using the data and analysis intelligently. Identify a car that’s set to exceed its contracted mileage early enough, and you can do something about it. Identify a driver who uses too much fuel and gets too many dents in his car, and you can do something about him. If fleet reporting tools aren’t saving the client money, they are a waste of time and effort.

The ‘next big thing’ in Telematics will be centred around the concept of mobility. Here you see an in-car iPad installation. ©Carscoop.



Overload data or exception reporting

Companies like Eurofleeting, CFC Solutions, Chevin and Bynx are independent fleet consultants developing the most innovative reporting software. Some of these companies work with leasing companies to provide IT solutions to leasing clients. Reporting tools can wear the leasing company’s branding, but may have been built by an independent developer.

It’s fair to say that early reporting tools from leasing companies were geared to the business of leasing. Metrics included fleet profiles (manufacturer/model), contract details, vehicles on order, mileage projections, invoices etc. Initial CO₂ reporting was based on manufacturers’ claims rather than actual fuel used or miles driven. In recent years, leasing companies have caught up with the IT developers, often by working with them, to provide much more extensive fleet reporting toolkits.

But it’s interesting to note that in a very small survey conducted in advance of this special edition of Fleet Europe, metrics quoted by leasing companies are dominated by leasing-type reports, while

responses from the consultants and IT developers are far more interested in analysing real-life data from the vehicle, actual fuel consumption, paid invoices and evidence of driver behaviour.

Some consultants are critical of leasing companies for holding back valuable data that could make their systems even more useful to clients.

An early criticism of fleet reporting tools was information overload. Data could be keyed into the system (often by a poor fleet manager with sore eyes and typing fingers) and then sliced, diced and spewed back out in a bewildering array of figures, graphs and dynamic phrases like 'drilling down'.

The information overload problem has been fixed by 'exception reporting'. ICT tools have stopped telling you EVERYTHING about your fleet, because they could, and now tell you about deviations from pre-agreed parameters. You don't want to know about the cars and drivers that are performing exactly as you expected them to; you want to know about the ones that aren't. This has been a huge step forwards and deals with operators' fears of drowning in data.

Export to Excel remains a key benefit, which seems a bit odd because Excel is the system most ICT reporting tools have been designed to replace. But before we dismiss Excel as old-fashioned and obsolete, it's worth remembering that it remains the system of choice for most



ICT reporting has been responsible for information overload until exception reporting was introduced. ©Brainloc

tools is that they spare managers the fate of working like accountants (apologies to our finance director readers).

Mobility becomes key

The 'next big thing' will be centred around the concept of mobility – the management of data coming in from the vehicle and end user and monitored through smartphones and iPads.

The moral objections to telematics are all but defeated. Monitoring the movements of vehicles brings tremendous safety

Jason Hiner is the editor-in-chief of the technology website, TechRepublic and he sees big changes on the horizon that affect all business ICT, not just fleet reporting.

"PCs still make sense on the desks of knowledge workers," says Hiner. "But for all of these other workers who regularly move around as part of their daily job, the stationary PC often changes the natural flow of their routine because they have to stop at a system to enter data or complete a task. That's about to change. "Mobile computers in the form of smartphones and touchscreen tablets (like the iPad) have taken a big leap forward in the past four years. They are instant-on, easy to learn because of the touchscreen, and they have a whole new ecosystem of applications designed for the touch experience. In the years ahead, we're going to see more and more development done on these mobile platforms, which will untether workers from their stationary PCs and allow them to interact with people and products in much more natural ways."

We like the sound of that.

“ Monitoring the movements of vehicles brings safety benefits and efficiencies. ”

fleet operators. It is an incredible tool in the hands of a power user, able to generate excellent graphical representations, perfect for use in Word and PowerPoint, and is already installed on most of the world's business computers. Most IT developers dream about that kind of market penetration. However, most fleet operators are not Excel power users and the appeal of fleet reporting

benefits and efficiencies. If it means you might get caught doing something you shouldn't, well tough.

Phones, sat-nav devices, cars and vans are reporting their positions and condition now. It's here and it works. Not to use the technology to reduce costs and improve safety, that would be the crime.

Sometimes, when considering the future, it helps to look outside the sector.

Car manufacturers and ICT reporting

Follow the driver, understand the TCO

OEMs are taking the telematics route into fleet ICT reporting. This is where they can add real value to the information chain. By building the technology into the car during production, unit cost of devices falls dramatically. And a car that can tell us when it needs some attention before it gets expensive is an attractive proposition

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If an operator wants to know what's really going on with the company fleet, the most accurate and timely information will be provided by the asset itself – the car.

Drivers can't be trusted to read and type the right numbers every time; suppliers can't be trusted report the right metrics every time. This isn't through any kind of malicious intent. It's just that people forget, they misunderstand, they make little mistakes. Sometimes they make big mistakes.

Machines tend not to make mistakes. Sometimes they don't work, but when they do work, they get it right. All the time. Every time.

Car manufacturers have a lot of experience in making machines that work and most modern cars do work all the time, every time. They've had the cold start problem sorted for years, and the overheating in summer. Next they dealt with the problem of wheels locking under heavy braking and more recently they've perfected the on-board navigation system.

Now they've turned their attention to telematics.

To know the driver

On-board diagnostic systems have been around for years. System checks can tell you about everything from low tyre pres-

sure to a blown brake light bulb. Plugged into the service computer, a car's circuitry can tell the technician how heavy is the driver's right foot and, probably, what she had for breakfast.

The development of the emergency alert system with its SOS signal and location reporting has led to cars that are already networked. Phone and global positioning technology is commonplace. Hook the comms up to the diagnostics and you've got a car that will transmit the intimate details of its condition and driver's eating habits to all interested parties.

Hopefully, it will do this without mistakes, all the time, every time. As is the case with all new technology, the unit price drops

Citroën is one of the car manufacturers that is already offering advanced tracking on light commercials. Telematics and anti-theft tracking is coming to cars soon.



as soon as a manufacturer adopts it and installs it into large numbers of cars.

Building connections

Citroën has been offering its Active Fleet Data system to French customers since 2008 and this month (September 2010) the technology will be offered as standard production equipment on selected cars.

“On-board diagnostic systems have been around for years. System checks can tell you about everything from low tyre pressure to a blown brake light bulb.”

Citroën's Marie Guidolin, Communication Manager, elaborates: “This telematic service makes it possible to send a technical status of the vehicle, e.g. kilometres of the car, to the fleet manager twice a week. Moreover, mechanical and safety alerts (oil level, worn brake pads etc.) are reported immediately by email to the fleet manager.

“The fleet manager receives 100 per cent reliable data so they can plan scheduled services, prevent breakdowns, avoid unexpected expenses and optimize the use of the fleet. The system will prove itself in use. Our studies show that companies typically know only one-third of the total cost of ownership (TCO) of the fleet. Companies will have a better understanding of the TCO.”

Citroën will also launch localised emergency calls and localised breakdown calls in ten countries with the new system. Looking ahead, Marie Guidolin sees even better connected Citroëns: “The next step will be the arrival of internet-based services through a ‘car’dget’. Seeing the traffic jam update or receiving information on board from the vehicle display could be a source of productivity for companies.

“More and more customers will have the opportunity to exchange information or to use application data all the time with their smartphones. In the coming years, we can imagine that the user wants his

car to communicate. The next significant milestone will be the integration of internet when the car is being produced.

“A long-term evolution will be to have an outstanding internet connection in the car that's faster and will provide better transfer of data. In ten years we could expect a connection between the driver/car, to receive, for example, the appointment of the scheduled service;

the fleet manager who will monitor the costs of the fleet, and the Citroën dealer who will receive all information needed to maintain the performance of the car.”

Online community

Another European manufacturer pioneering the use of telematics is Fiat.

Fiat's fleet marketing director Ranieri Honorati told us what's available now from the Italian manufacturer: “At Fiat Group Automobiles we offer a free electronic reporting tool for the fleet business called eco:Drive Fleet. This is an

innovative, easy-to-use solution that measures – through a telematic index – the quality of driving. It helps to use less fuel, to reduce CO₂ emissions and to save money up to 15 per cent.

“It is mainly dedicated to our company clients and uses the Fiat Blue&Me multimedia and infotainment system to provide a tutorial program that helps drivers to improve their driving style. There is also a web-based dashboard that gives the client a complete overview of the fleet, to be analyzed and managed.”

Eco:Drive Fleet will even report its own money- and CO₂-saving performance and the feedback from pilot groups across Europe is very positive.

Ranieri Honorati believes that the users will shape the evolution of the technology and Fiat is encouraging them to feedback suggestions through eco:Ville, the online user community.

“We see sort of diagnostic provider and a vehicle administrator, with road tax, insurance and parking permit reminders, a timeline and a mileage line. The reporting cycle will involve the ICT team to provide and use information, the car-park management to get increasing effectiveness and the drivers to optimize the general mobility.” ■

This Fiat will soon know if it's parked illegally and if the shopping has maxxed the credit cards.



Lease companies and ICT reporting

A different approach to obtain the same

The reporting tools from leasing companies have now grown beyond the role of providing leasing-related information, to delivering a much broader range of metrics related to the operation of the fleet and the management of the driver. Most are based on a standard online interface providing day-to-day fleet information, supported by bespoke reporting at the client's request.

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Lease companies developed software to streamline their business processes. After all, leasing is the management of finances around a group of assets – in the case of fleet, the car park. The monitoring of those assets and their costs, together with the prediction of their end-of-cycle value is part of a leaseco's core proposition. The more tools can help with this analysis, the more efficient and profitable the leasing company will be. Of course, the metrics used in these calculations are also valuable to the customer and as leasing companies strove to provide better value and services, they made their tools available to customers. Common tools include car ordering,

which allows drivers to configure a vehicle and then checks it against the parameters set in the client's contract. Car ordering and contract administration are probably the most fundamental functions of the leasing companies reporting tools. Through relationships with other suppliers, such as service and repair centres, fuel card providers and breakdown companies, a virtually endless list of additional metrics can be added to the reporting. It's this list, the many permutations of suppliers and the leasing company's ability to tailor its reporting to the specific needs of a client, that makes it difficult to compare the reporting tools offered by the leaseco's.

Harmonization problems

Jörg Essig, head of corporate sales at Daimler Financial Services, explains how his company operates: "One of our feature systems is xFleet, which is mainly used to guide drivers through their company car programme and therefore ease the daily work for fleet operators. xFleet 'knows' the exact details of the driver's car policy and covers all options each driver has. It considers all aspects regarding the company cars, including taxation, and supports the fleet operator as it also works as order processing tool. "Additional electronic formats and tools are made-to-measure in co-operation with our customers. As part of our consultative approach, we help them define the right set of reports including the formats and interfaces. At Daimler Fleet Management, we believe that reports alone hardly ever create real transparency. Tools are only the first step, it's the joint evaluation of these reports that ensures a fleet's long-term efficiency." Alphabet sees some clients using its reporting tools very intensely whereas others are using them in only a very limited way. Again, the company provides a

standard online system, which is used by many fleet decision makers on a daily basis. In addition, Alphabet generates offline ad-hoc reports as requested by the client.

All the leasing companies we spoke to conduct business across Europe with clients that operate in several member states are concentrating on reporting and ICT tools. Pan-European reporting is a challenge for all software developers as



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le result



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"One of the main obstacles in international electronic fleet reporting is the poor level of European harmonization," says Dr Nancy Storp of Alphabet.

Dr Nancy Storp, Alphabet's head of international sales and marketing explains. "One of the main obstacles in international electronic fleet reporting is the poor level of European harmonization," says Dr Storp. "Local market parameters are unfortunately still quite diverse, e.g. taxes in different countries. Consequently, one integrated reporting system for all European countries is still one of the big challenges the leasing

challenges we faced included translating currency and metric unit data based on differing business rules. We were able to overcome these by setting standardized corporate data business rules and definitions. We make use of a state of the art business objects system and our corporate data warehouse uses many advanced technical features." Michael Goodbody at GE Capital has identified client training as key to helping

tivity of information available, GE Capital provides training guides available to customers the day that they obtain their login and password to the system." ALD Automotive was the first leasing company in Britain to fit telematics to all its cars as standard. The company had its own reasons for doing this, but the benefits are passed on to customers who choose to take up the service. The company sees the integration of real-time, two-way communications between vehicles and leasing companies as the next significant milestone in electronic fleet reporting. Shane Dowling, ALD's head of international sales, cites exception reporting as one of the company's most effective tools. "The main benefit of a performing reporting tool is to enable a management-by-exception, instead of going through every vehicle individually and checking for the different key criteria. On a day-to-day basis, reports on upcoming maintenance, fuel exception reports and accident reports, allow fleet managers to guide and monitor their drivers for improved safety and reduced costs."

"The main benefit of a performing reporting tool is to enable a management-by-exception."

industry is facing. Since European back-office systems are often quite different from country to country, they mostly do not provide harmonized datafields and standard interfaces with electronic reporting systems across countries."

Two-way communication

LeasePlan International believes its wealth of knowledge and international experience have helped it to crack this nut. John Houtsma, global co-ordination director, says: "While developing International FleetReporting, the main

them get the best out of GE's iManage pan-European reporting tools. "Fleet managers need to fully understand the capabilities of the reporting tools in order to select and prepare the critical dashboards that will allow them to drive fleet efficiencies," says Goodbody. "GE Capital and its key solutions team offer support and training to the fleet managers in helping them selecting appropriate information, reporting format and frequency. On top of our team of dedicated consultants helping fleet managers to navigate through the quan-

Consultancy and software developers on ICT To save time and money

These are the go-betweens who would like to see all players in the fleet game reporting to clients, and each other, through their software. Some will argue that they are in the best position to integrate with all the suppliers' systems and act in the best interest of the end users. It's an interesting relationship, and not without its tensions...

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Independent fleet software developers and consultants have to interface with everybody and they do it very well. Most suppliers understand that it's in their best interest to make their data available in whatever format their customers need it, and co-operate in the integration process. Fleet software needs to interface with a client's other systems, too. So, purchasing, payroll and HR systems need to move data in and out of the fleet system. NorthgateArinso is a supplier of business systems and a fleet component, mycompanyfleet, is a logical addition to its portfolio.

Interfaces with a client's other business systems are already built-in and the company can be quite influential when it comes to helping clients choose other fleet suppliers. "We recommend fleet operators make a web service feed a condition of supply in any tender process. This means our systems talk to lease companies' systems in real time with no user intervention to ensure data is always accurate," says Andrew Leech, NorthgateArinso's

mycompanyfleet business manager. "One of our customers has over 1,000,000 vehicles on their system with feeds to 62 leasing companies so we're getting there!"

Single source of truth

Bynx puts a similar emphasis on creating reporting tools that integrate seamlessly with clients' back office systems. Gary Jefferies is sales and marketing director at Bynx.



Various screenshots from a number of NorthgateArinso dashboards.

He told Fleet Europe: “bynxFLEET offers a ‘reporting layer’, providing open access to the customer so they can interact with the most popular end user reporting tools such as Oracle Business Intelligence Reporting and Hyperion, Business Objects and Crystal. Basic ODBC drivers allow direct connection to applications such as MS Excel.”

Gary Jefferies would like to see data coming into fleet management systems to have similar levels of compatibility. “By enabling the data from all sources to be of a service-orientated architecture (open architecture), and by the use of web services, the industry will be able to provide a real-time and robust single source. This is an area Bynx is investing in heavily – the single source of truth.”

Sometimes it’s not easy for consultants to get access to the data. Peter Hennion is the general manager of EuroFleeting, a company that specialises in providing pan-European reporting across multiple suppliers using supplier invoices to give an accurate view of total cost of ownership (TCO). EuroFleeting would like to see more openness from leasing companies.

“Sometimes it’s not easy for consultants to get access to the data.”

“Leasing companies are not interested in showing real cost reporting,” claims Hennion. “Competition between leasing companies is driven by the price of the contract. Extra charges are often hidden and I have the impression leasing companies are not interested in making these costs really transparent. If a customer could see the different refurbishment costs charged by the different leasing companies, this would be taken into consideration when selecting a new provider. “I think that the next milestone will be the possibility to have ‘real cost reporting’ instead of ‘contract reporting’. This will only be possible if across Europe all sup-

pliers provide electronic billing in a more or less standardized format.”

Multitude of interfaces

The epyx 1link Service Network has established itself as a link between leasing companies and their service, maintenance and repair providers. Its e-commerce system speeds up the authorisation and administration of jobs and gives greater accuracy of data. Ken Trinder, head of business development at epyx, says it offers cost savings, too. “1link Service Network is all about reducing cost through an improved process. Without the platform, nearly all fleet service and maintenance has to be booked and authorised by phone and fax. In contrast, with 1 link Service Network a large portion is approved by the platform automatically in line with standard parameters put in place by fleet managers. Studies show that a single 1link online transaction replaces seven pieces of paper to be processed.”

Automated data feeds and avoiding information overload are important to CFC Solutions, too. Managing director Neville Briggs is proud of his products’

adaptability for international clients. “Our international systems can be configured on a whole fleet or country-by-country basis. Data from fuel card companies, insurers, IT systems and many more are drawn automatically into the core fleet manager system. Some of our fleet users run systems with up to 20 such external interfaces, completely avoiding the errors associated with manually keying information.

“The most important principle within our software is exception reporting. The fleet manager sets up a range of parameters covering all kinds of aspects of fleet operations and a notification is gene-



Peter Hennion, general manager of EuroFleeting :
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rated when these are exceeded. This makes reporting proactive rather than reactive and automatically brings issues which need tackling to the attention of the fleet manager.”

Ashley Sowerby, managing director of Chevin Fleet Solutions claims similar successes. “An example of this is a FleetWave client who on average purchases Euro 30 million of diesel per annum from a number of fuel providers. Previously this data was manually downloaded by the client and updated into FleetWave. However, by working with the client and their suppliers, this data is now ‘pushed’ by the supplier to an SFTP site and FleetWave continually ‘polls’ and looks for the data before importing it automatically. This allows the client to manage any transactions by exception, saving time and money and putting the onus on the supplier to provide the data to the client, rather than the client having to search for the data they have already paid for.”

ICT and the IFMI

Brave new single-platform world

An influential group of fleet managers from across Europe wants to know why ICT reporting systems can't adopt a single set of standards for reporting fleet data. One visionary thinks such a system could offer opportunities for supplier revenue as well as client cost-saving. Suppliers believe it's possible, one thinks we can do it now. If only we could access all the data...

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The International Fleet Managers Institute recently called for an integrated reporting system to help international fleet performance reporting across multiple suppliers.

One of its main champions is Bruce MacLaren, global auto program manager at Microsoft, who is based in Germany. We asked him why he is so keen to see an integrated reporting system.

"One cannot manage what one cannot see," he says. "The strategic benefits are lower cost, consistency, control, more

Change of attitude

Bruce MacLaren says that to create such a system will require a complete change of attitude among suppliers and believes that there are companies out there today that could harness their enormous know-how in the industry to create an entirely new ecosystem of revenue flow.

"Suppliers must shift the paradigm," he says. "Embrace innovation not as a point of sale, but put it at the core of what they do. Suppliers must clearly define what 'international fleet management' means

Leasing companies claim to be in support of the initiative, although some admit it's not a priority for them. Peter Hennon of EuroFleeting thinks he knows why this is. "Every leasing company wants to become sole supplier for a customer, local or international," he says. "Why would they be interested in participating in a platform that allows customers to work in a multi-vendor environment and change supplier structure easily?"

Leasing companies claim that some of the client information they would be required to share is confidential, but Northgate Arinso's Andrew Leech isn't buying that.

"We already have the tools and technology," he claims. "We just need lease companies to allow us to integrate to their solutions via a web service or xml. They often claim data privacy issues prevent this, but this would point to a flaw in their security model. Many government agencies allow this type of integration so why not lease companies with your data?"

"Bruce MacLaren, global auto program manager at Microsoft, is one of the international fleet managers that is hoping to see an integrated reporting system one day."

informed decision-making, increased scope of management with few resources, better relationships with suppliers and less local resistance as the system allows for international management independent of local supply structure."

He offers a practical example: "Imagine being able to push a single button and receive every single VIN number of every unit globally that you purchased/leased in a given period. Imagine being able to claim your volume-related-bonus from the manufacturer with that kind of ease. Yet, such a system must go beyond inventory data; it must contain elements of control, best practice sharing, surveys, libraries, contracts, push-pull communication, savings, cost and have multiple views for the various people and organizations that need to access it. It is not a single application, it is a platform of various applications that are interoperable."

He's even drawn us a picture. A very good picture (see illustration).

or else the clients will define it in their own disparate ways. Fleet suppliers should realize that developing software today is not about understanding the code. It is about understanding what the software should accomplish."

