THE FUTURE OF DRIVING – GETTING TO WHERE YOU WANT TO BE

New technologies are changing the landscape of company cars and business-use vehicles. Telematics systems can track cars and vans while monitoring the drivers, smart safety features can prevent accidents before they happen, and the technology to support self-driving cars is approaching reality. Fleet managers should assess whether the current fleet matches the existing needs of the organisation and what concrete benefits any new systems will bring. It is essential to work out where the organisation is now and its future strategy before considering where the fleet should be in the future.

STAGE 1: ASSESS THE APPROPRIATENESS OF THE CURRENT FLEET

In the years since the organisation leased or bought its vehicle fleet, its needs may have changed. The demands placed on vehicles may have changed so much that they no longer fully meet the operational requirements of the organisation.

For example, extra pieces of equipment, such as power tools, may be being run regularly from a commercial vehicle today. A different vehicle with a more powerful engine and battery could be more appropriate.

Previous reviews of vehicle demands become outdated quickly, due to the quick evolution of technologies following their release. It means electric vehicles that were previously overlooked may now be much more viable, as the distance they cover on a single charge continues to improve and the range of models increases.

It is vital that whoever sources the vehicles is aware of the organisation's current and future requirements, as these may have changed substantially since the last round of vehicle procurement.

STAGE 2: PINPOINT TECHNOLOGIES THAT MATCH THE ORGANISATION'S NEEDS

The range of available vehicle technologies may have changed substantially in the years since the organisation last renewed its fleet. These technologies have the potential to dramatically reduce fuel, maintenance and insurance costs, as well as improve driver safety and prevent accidents.

Installing telematics could lead to significant savings, as driving behaviours and vehicle use can be monitored and journeys adjusted to save fuel. The data may reveal that drivers leave their engines running while making delivery stops, or are regularly stuck in traffic jams, flagging the need for vehicles with stop/start technology to drive down fuel costs. The data could also reveal potentially dangerous driving practices, with the need to intervene and provide driver training before an accident occurs.

Safety technology such as lane departure warning systems, fatigue-monitoring cameras and automatic braking all have the potential to prevent accidents and save drivers' lives. Simply ensuring that vehicles chosen by drivers include these technologies could also reduce insurance premiums.

STAGE 3: ASSESS THE COST EFFECTIVENESS OF THESE TECHNOLOGIES

With so many state-of-the-art technologies available, there is a temptation to incorporate as many of them as possible. There is a need to balance excitement with caution: each piece of equipment must be judged on the benefits and savings it provides versus the installation, maintenance and replacement costs.

For example, telematics could save money by highlighting out-of-hours usage and inefficient routes, but some packages may provide expensive, unnecessary features that are of little use to the organisation.

In extreme circumstances, the potential benefits of installing a piece of technology are so high that it could be cheaper to replace a current vehicle early; the fuel and efficiency savings are greater than the amount it would cost for the organisation to buy itself out of an agreement. For example, would switching to electric cars or vehicles with stop/start technology save more money on fuel than it would cost to cancel the lease?

STAGE 4: **CHECK UPCOMING LEGISLATION**

Organisations need to be aware of any changes to the law that might make seemingly sensible vehicle decisions uneconomical in the near future. For example, buying diesel vehicles might make sense from a fuel economy point of view at the moment, but such vehicles will be taxed more heavily in future owing to their higher emission levels. Also in 2020 Clean Air Zones are being introduced and if vehicles cannot meet the required emission standards they may need to pay on a daily basis to enter the appointed city or in some cases may not be allowed access. Decisions like this by Local Authorities or Central Government could mean a review of fuel types and technologies used by your fleet.

Current optional safety features could also become standardised or even required on future vehicles. For instance, ABS brakes were once an optional extra, but are now required on all new cars – the same thing could happen with automatic braking. Organisations should consider the impact on insurance premiums if their fleet lags behind in terms of safety standard changes.

STAGE 5: **PREPARE FOR THE FUTURE**

After assessing their current vehicles and technologies and planning ahead for upcoming legislation, an organisation must look forward to see how their needs may or will change – and what differences the vehicle fleets of the future might bring.

Smart pool cars are likely to be more of a feature in these future fleets. These require the driver to log in when the vehicle is started, and comes with GPS software to track the location and log the mileage of the individual driver.

With an efficient pooling system, these pool cars could remain in use all day, rather than being sat idle in between the morning and evening commute. Employees would have to adjust to no longer having their 'own' car, and this would need to be prepared for well in advance of a change.

As self-driving technology improves, the coming decade should witness semi and even fully-autonomous vehicles becoming more commonplace. This will require changes to driver policies to incorporate the use of self-driving cars. Organisations need to consider what can be done now to prepare the ground for this technology, and should keep an eye on the progress of self-driving systems.

Additionally, the experience of mobile phones shows that technologies are regularly being updated or replaced completely. When procuring vehicles for the future, technologies may become obsolete before the end of the vehicle's replacement cycle, so it is worth analysing how easy the technology is to replace or update.

Any attempts to take advantage of new technologies will be subject to pre-existing constraints, such as the years left to run on current vehicle contracts and the ability to sell older vehicles, especially if they have been modified. When signing a new contract, it is essential to consider how the driving landscape may change before the contract expires.

IMPORTANT CONSIDERATIONS FOR DECISION-MAKERS ABOUT THEIR FLEET VEHICLES

41%

SUPPLIED BY AN AUTOMOTIVE BRAND

26%

SUPPLIED BY A CONSUMER BRAND

23%

SUPPLIED BY A NEW BRAND

OF BUSINESSES SEE NEW ENTRANTS AS A SERIOUS CONSIDERATION FOR BUSINESSES IN THE FUTURE

THINK IT IS POSSIBLE THE NEW ENTRANTS MAY BE SUITABLE FOR BUSINESS VEHICLES

THINK NEW ENTRANTS WILL HAVE LITTLE IMPACT ON BUSINESS VEHICLES

THINK NEW ENTRANTS WILL NEVER COMPETE AGAINST THE ESTABLISHED VEHICLE MANUFACTURERS

DON'T HAVE AN OPINION