



CREATING VEHICLE SELECTOR STRATEGIES THAT ALIGN WITH OPERATIONAL NEEDS AND EMPLOYEE SATISFACTION

When selecting vehicles for business operations, there are many factors that should be considered such as the make and model and impact of total cost of ownership (TCO) considerations.

Creating Vehicle Selector Strategies that Align with Operational Needs and Employee Satisfaction

COMPANY VEHICLE POLICY

Prior to obtaining vehicles for your business, ensure your company has a well-researched vehicle policy. A strong company vehicle policy 1.) promotes the benefits of a company vehicle and 2.) clearly outlines the guidelines for employees' use of vehicles, addresses how the vehicle works to meet needs of the company or its clients; as well as the financial restrictions, and safety requirements. In addition, a solid company vehicle policy should balance the needs of your organization as well as driver's needs to fulfill their job and the driver's expectations, while maintaining the standards for both parties. With the appropriate policies in place, the impact or stress that can be associated with policy changes due to operational factors will be reduced — making changes more transparent and easier to implement.

Apart from being well-researched, a company vehicle policy that has been reviewed by your company's Human Resources and Legal departments is a best practice to ensure employees are being given a clear understanding of the benefits and obligations when it comes to their company-provided vehicle. It also helps employees see the overall benefit the policy provides to the operation of the fleet and company as a whole.

A well-written vehicle policy also helps employees gain insight into the selection process and learn how vehicles are assigned to staff at all levels, ultimately leading to greater employee satisfaction. Vehicle assignment should be clearly communicated in the policy, particularly if the vehicle model or class (compact sedan vs. full-size SUV) is tied to employee performance, job title or achievement. The qualifications for vehicle models must be clearly

identified for employees to understand what is required to be eligible for certain vehicles on the company's selector list. Assigning vehicles based on performance may not be applicable to every industry, but it's important to consider for organizations trying to enhance recruiting efforts and employee benefits.

Additional details to consider for a vehicle policy include: how long each vehicle will remain in service before it is cycled (sold and replaced), who is responsible for vehicle maintenance, personal-use rules, and other considerations related to the day-to-day operation of each vehicle in your fleet.

Best Practice Pro Tip



As a best practice, your company's vehicle policy should be reviewed annually. Adjust your policy to address any concerns or changes during the year and communicate what, why, and how the information or process has changed to any affected employees. This is also a good opportunity to reiterate the benefits of a company vehicle to employees.



Download a FREE Sample Company Car Policy.

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SELECTING THE RIGHT VEHICLES FOR YOUR BUSINESS

Once your vehicle policy is established, the next step is to consider which vehicles will be offered to employees.

Vehicle selection often depends on your industry, location, company sustainability efforts, and the specific requirements of an employee's job.



If you operate a large fleet with employees performing different jobs, consider creating a tier system that distinctly separates vehicles based on job function, position, department, responsibilities, and required duties. Using a tier system, the fleet's vehicle selector could include a range of base to high-end vehicles assigned to employees based on their position in the company. For example, an entry-level sales executive may be assigned a small sedan that can be traded in for an SUV when the employee is promoted to field manager, and then traded later for a luxury, full-size sedan when the field manager is promoted to an executive position. As a result, the vehicle serves as

both a reward and an indicator of the employee's rank as he or she progresses within the company.

It's also important to keep weather and geography in mind when selecting vehicles for your business. Will your vehicles be operating over gravel or partially paved roads at a job site? Will your fleet vehicles be driving in 100-plus degree heat or will the vehicle face elements in all four seasons? Will the vehicles be operating at higher elevations or at sea level? Will employees be driving on the highway or building up inner-city mileage? All these scenarios have an impact on replacement strategies and resale value that you'll want to consider. You'll also need to think about any aftermarket equipment or vehicle modifications that will need to be added to the vehicle to serve your business, clients and employees. Will ladder or utility racks need to be added? Will the driver require extra storage space or customized towing capabilities? These are all factors that contribute to the type of vehicle the employee will be assigned whether it's a cargo van, pickup truck, or SUV.

If your company is concerned about sustainability, integrating vehicles that have a lower environmental impact,

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such as electric vehicles (EV) or hybrids may be a solution to consider. Many fleet management companies offer voluntary Carbon Reporting and Offset programs to help determine the company's emissions impact. Access to fleet solutions like carbon offset reporting, maintenance programs, fuel efficiency and data analytics will help calculate the fleet's overall sustainability performance.

Finding the optimal vehicle to safely meet the operational needs of the business and balance the cost to operate is a challenge most organizations face. As part of identifying the types of vehicles to best meet the operational needs of the fleet, total cost of ownership (TCO) must be considered. Companies often struggle with calculating true total cost of ownership without knowing how long they are expected to or plan to keep a vehicle in service, knowing how often it will be used, future maintenance and fuel costs, and the vehicle resale value when it's sold.

Keeping up to date with all of the changes in the automotive industry from available makes and models, to emerging safety features and purchase incentives is a challenge, but important when acquiring fleet vehicles. Even when

an organization has spent considerable time selecting vehicles that they feel best meets the needs of their business, a regular schedule to re-evaluate that choice is necessary to stay current as those factors are continually changing. Every year vehicle manufacturers are either adding or removing standard features and increasing or decreasing a model's size and payload capacity in efforts to gain market share. Additionally, governmental regulations drive additions regarding safety equipment and miles-per-gallon requirements. Collectively and individually, all of these changes have an impact on driver satisfaction, the costs to operate a vehicle, as well as the vehicle's price and ultimately its resale value.

The process of selecting a vehicle and determining its TCO is not a one-size-fits-all formula. Every fleet, even those in the same industry, is different, meaning vehicle options should be based on the individual business. This is where a professional fleet management company, like Enterprise Fleet Management, can help an organization make an informed decision. Enterprise Fleet Management has the resources to assist in decision making — by considering all the individual factors each

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organization faces; such as new vehicle make and model options and pricing, remarketing history and projections, as well as the experience and knowledge gained from managing the largest fleet in the world. These strategies and know-how are applied to help determine the vehicles clients select for their business needs and employees.

Enterprise Fleet Management's Account Managers are experienced in fleet management, as many began their careers managing Enterprise Rent-A-Car branch fleets. As a result, each Account Manager has extensive experience strategically managing a fleet of vehicles.

Enterprise Fleet Management, together with its affiliate Enterprise Holdings Inc., operates the largest privately-owned fleet of vehicles in the world and has a wealth of data and industry expertise that each Enterprise Fleet Management Account Manager has access to.

INVOLVING EMPLOYEES IN THE PROCESS

When developing a vehicle selector list, the most successful organizations involve all the stakeholders throughout the process, including drivers. Since employees will be operating the vehicles each day, you'll want to ensure they feel safe, secure, and proud. Most importantly, the vehicle should be upfitted properly to get the job done.

Gathering input can be as simple as having employees fill out a brief survey. An online survey will allow you to gather input anonymously, capturing employees' honest opinions. The survey should focus on what's important to them and functionally required for them to do their jobs (e.g., having ladder racks, 4WD, or towing capabilities). Online survey tools, such as Survey Monkey or Google Forms are affordable and easy to use and will help you give your employees a voice in the selection process.

While employee input is crucial to get a day-to-day perspective, you also need to weigh this against issues of TCO, functionality, and safety. For instance, an employee may *want* a crew cab pickup truck with leather seats and the best infotainment system, but when weighed against the day-to-day reality of the employee's job (high miles and the need for specialized equipment) and the operational goals of the company, it's likely not a practical option based on all the components of TCO, including depreciation.

BEYOND A MEANS OF TRANSPORTATION

Employees driving your company vehicles will represent your brand and image to the public across the region you operate. When employees are driving, they serve as mobile advertisements for your business. Therefore, vehicle condition can influence your company's



By understanding the company's objectives and supplying the proper vehicles based on the job requirements, employee needs, and budget, Enterprise Fleet Management can order the best vehicles for employee use and minimize acquisition and overall fleet costs for the business.

reputation. As a business owner, you should consider the following with regards to vehicle condition:

- *Are your vehicles in good condition, do they reflect the quality of services you offer?*
- *Will they be in an office park, a rugged jobsite, or in neighborhoods?*
- *Are these areas where other prospects or competitors also operate?*

If a customer has a good experience with your company, from booking an appointment and interacting with your employee to scheduling any follow-up appointments, they will be more likely to recommend your services to a friend. Additionally, having a dependable and well-kept vehicle arrive at the sales call or service appointment will positively impact the experience.

Vehicles can also serve as highly-valued recruitment tools. Operating a well-maintained fleet demonstrates

that you appreciate your employees and take their safety seriously.

STRIKING A BALANCE

A professional fleet management company can help companies strike the right balance when acquiring fleet vehicles — matching operational needs with employee-motivating options and, most importantly, considering resale value from the beginning.

With the help of Enterprise Fleet Management, companies typically reduce vehicle costs and/or improve efficiency immediately. By understanding the company's objectives and supplying the proper vehicles based on the job requirements, company initiatives, employee needs, and budget, Enterprise Fleet Management can order the best vehicles for employee use and minimize acquisition and overall fleet costs for the business.

About Enterprise Fleet Management

Owned by the Taylor family of St. Louis, Missouri, Enterprise Fleet Management operates a network of more than 50 fully-staffed offices and manages a fleet of more than 520,000 vehicles in the U.S. and Canada. The business provides full-service fleet management for companies, government agencies and organizations operating medium-sized fleets of 20 or more vehicles, as well as those seeking an alternative to employee reimbursement programs. Enterprise Fleet Management supplies most makes and models of cars, light- and medium-duty trucks and service vehicles across North America. As one of the largest buyers and sellers of vehicles, Enterprise is the undisputed expert in remarketing.

For more information about Enterprise Fleet Management, visit www.efleets.com.