

GREEN FLEET

Tips and strategies for sustainable fleet management

By Kara Kurylłowicz

Fuel-efficient vehicles have the greatest impact on fleet sustainability, but fleets are also using a variety of strategies and tools to incentivize and encourage employees' non-aggressive (fuel-efficient and safer) driving behaviours.

"Sustainability is always an agenda priority with many of our clients that want to take a leadership position—their fleet strategies are part of multiple commitments to being green," says Paul Wingate, strategic consulting, Element, Mississauga, Ont., which manages 229,898 units in Canada and approximately 457,000 in the US. "We see how much it matters to them day to day and we've noticed a particular client's pride in being named one of Canada's Greenest Employers."

Corporate interest in sustainable fleets, which tends to climb and fall with fuel prices, certainly rose with the high fuel prices from 2009 to 2011, however the various sustainability strategies implemented then remain effective today.

"It was less about saving the world and more about decreasing the fuel spend, but with today's low gas prices, sustainability goals are more corporate-image driven," says Scott Singsank, senior global account manager, Wheels, Des Plaines, Illinois, which manages over 12,000 vehicles in Canada and 300,000 in North America. "What works today are essentially the same strategies that have produced results over the last several years."

Invariably, a firm's ability to deliver on its sustainability targets is a result of everything from the corporate culture and employee engagement to its actions. A corporate culture that embraces sustainability starts with a top-down commitment from the most senior executives to managers and employees whether they're in corporate or private vehicles.

Sustainability can have as significant an impact on the company's bottom line as its corporate image. Fleets recognize they can't control the environmental impact of manufacturing or scrapping a vehicle, but can specify the number and type of vehicles required to accomplish the variety and volume of work while managing fuel consumption.

"Look at fleet utilization first because on

the rare occasions you can reduce fleet size, there will be a significant impact," says Brian Matuszewski, sustainability manager, ARI, who finds prospects are evaluating ARI's sustainability performance more than ever before. "If that vehicle is in the lot or garage 80 per cent of the time, can you do without it?"

FIT FOR PURPOSE

Right-sizing the type of fleet vehicle must be a priority, but fleet managers also need to look at fueling options and consumption within each category. While hybrids, plug-in hybrids and electric vehicles may be of interest, they still account for a fraction of production and are relatively rare on the road.

"Consider fit for purpose—what type of vehicle does your firm need to do the job, then look for the most fuel-efficient vehicle in that category while also taking the overall lifecycle cost evaluation into account," says Wingate.

"Fleets differ so much in terms of size, scope, geography, drive type, purpose, goals, vehicle type and much more that even within a fleet, you may need to employ multiple strategies," adds Singsank.

According to a Pew Research Centre survey of 40 nations, Canada has one of the world's highest per capita carbon emissions rates and 73 per cent of Canadians agree a major lifestyle change is warranted. Yet according to Polk and Statistics Canada data, in 2014, of the 23 million cars and light-duty vehicles on Canada's roads in 2014, just



SUSTAINABLE FLEET TIPS

- Embed sustainability in corporate culture
- Involve employees at all levels
- Right-size the fleet
- Select the most fuel-efficient vehicles for tasks
- Use high-, low- and no-tech tools to identify aggressive driving behaviours
- Mitigate and eliminate aggressive driving behaviour through training and education
 1. Focus on the safety benefits of non-aggressive driving rather than its impact on fuel consumption
 2. Use a reward- and recognition-based positive approach to encourage safe, fuel-efficient driving styles

160,000 were hybrid/plug-in, hybrid or electric. Meanwhile, of the 1.85 million vehicles sold in Canada in 2014, 18 per cent were registered to fleets (including government and rentals), but of those just 1.7 per cent were hybrid/plug-in, hybrid or electric vehicles.

“Some of it has to do with the viability of these alternative vehicles in terms of size, range, speed and charging requirements. Availability is also an issue as, depending on the vehicle, in Canada the allocation of some OEMs’ hybrid and electric vehicles goes to meet government fleet demand, then the general public or commercial fleets,” says Wingate.

Most companies offer employees a range of vehicles, which may include alternative, hybrid/plug-in, hybrid and electric vehicles in a “selector” level determined by job requirements or position. A hybrid sedan strategy will mean higher upfront costs with an unpredictable return in view of fluctuating fuel costs and the impact on depreciation, while a CNG or diesel truck will cost significantly more upfront with the pay-back or ROI dependent on its time with that fleet. On the other hand, a fleet dedicated exclusively to four-cylinder gasoline sedans and small SUVs is likely to produce surefire short- and long-term cost benefits.

“How anything but gasoline washes out in the long run is a gamble,” says Singsank.

Employees’ selector choices are influenced by the degree of personal and business use, regional requirements (e.g. the need for 4WD/4x4) and personal preferences. When suitable alternative, hybrid/plug-in, hybrid and electric vehicle options are offered, some employees, including senior executives, may go this route to demonstrate a corporate and/or personal commitment to sustainability.

Of course, fuel efficiency is a key up-front consideration when creating selectors but driver behaviour,

whether in a company or private vehicle, also has a dramatic effect on fuel consumption, driver safety and vehicle longevity.

“A driver reducing fuel consumption by half a per cent seems insignificant until you consider the cumulative effect across dozens, hundreds or thousands of drivers over the long term,” says Matuszewski, whose firm currently manages over 166,000 Canadian vehicles and over 1.2 million vehicles globally.

An aggressive driver who does 60 per cent highway versus city driving can consume up to 39 per cent more

fuel than a less aggressive counterpart at an average cost of \$1,500 annually. Cruise at 120km/hr versus the posted 100km/hr speed limit and the vehicle consumes up to 20 per cent more fuel.

“Driver behaviour affects fuel consumption and safety but focus on the safety first if you want the messaging to resonate with drivers,” says Wingate. “Let them know you’ve observed aggressive behaviour and remind them of the risks as well as the fact they’re representing their employer.”

How do fleets monitor and influence driver behaviour? High-tech solutions include telematics, which track everything from aggressive behaviours to idling and off-route excursions, and low-tech solutions such as fuel cards, coupled with exception management reporting and no-tech, for example, speeding tickets and driver abstracts.

“Telematics can provide almost too much information and the challenge is to identify and interpret it, then take the most appropriate action,” says Wingate. “Ideally, you identify

drivers and recognize them for doing the right things.” Training and education, whether it’s in-vehicle, in-class, online or through communications like digital or print newsletters and bulletins, can inform and remind drivers that their driving habits affect both safety and fuel consumption. Ideally, over time, consistent training and education can mitigate and even eliminate aggressive driver behaviour.

“Driver training is great because it doesn’t cost that much to do and can really affect fuel economy and consumption,” says Matuszewski, who has seen fleets continue to rank driv-

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ers’ fuel consumption and reward the top three because the program delivers results.

Reward safe, fuel-efficient driving with one-on-one or public recognition as well as bonuses that can also foster a healthy, competitive spirit. For instance, after sharing information on how driving style affects fuel consumption, a company could recognize drivers who used the least fuel or who most reduced their fuel use over a certain time period.

Wheels has actually created a social gaming system called Change-Driver that pits drivers against each other in quizzes tackling topics like fuel efficiency. Real-life results, based on a snapshot of their vehicles’ fuel consumption pre- and post-competition, are published weekly and at the end of the competition. Rewards are at the clients’ discretion but the winners generally receive gift cards.

“It is a great way of changing behaviour in a fun, non-threatening environment and their fuel economy typically improves by three per cent during the competition,” says Singsank.