

Fleet Vehicle Utilisation audits using a five week GPS hire service are finally available here in Australia.

Bishop Fleet Optimization (BFO) launched its Fleet Utilisation Audit service in Australia in July 2010 and is receiving strong orders, particularly from Government agencies with substantial car fleets.

BFO estimates that Australian Government fleets could save up to AU\$660M by cleaning out excess vehicles. The savings would allow Governments to focus on modernising or 'greening' their fleet to improve safety and reduce emissions.

BFO is the trusted world leader when it comes to identifying vehicles that are surplus to requirements. Successful launches in New Zealand and the US are saving customers millions and typically with a 20:1 return on the consulting investment. BFO audits have identified overall vehicle surpluses of 14-29 per cent with some individual site surpluses of up to 50 per cent

BFO managing director and founder, Derrick Bishop, says the GPS technology provides "surgical accuracy" in identifying savings.

"Across the board cuts only penalise your efficient Managers and their staff," Bishop says.

"Logbook audits are so inaccurate that findings are very difficult to implement."

Many organisations tend to avoid the fleet optimisation issue even though they are aware of the environmental and economic costs. Fortunately the new BFO service offers the definitive answer to this issue.

BFO introduced its purpose-built M-VOS GPS and analysis technology suite to the market in 2008. M-VOS automates the internationally accepted Fleet Utilisation Audit best practice model and finally makes GPS audits affordable, convenient with high implementation rates. Demand for this innovative, easy to use solution has grown rapidly.

BFO has completed audits of around 12 per cent of the entire NZ Government vehicle fleet and shown achievable reductions of between 5 and 29 per cent, with a 21.6 per cent average. This simply reduces vehicle availability to 100 per cent has been shown to have no impact on organisation service delivery. >



INTRODUCING BISHOP FLEET OPTIMIZATION



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What sets BFO apart from other GPS services?

BFO's uniqueness in the complex area of fleet utilisation originates in the design and implementation model of its GPS technology. BFO designs, builds and deploys its own GPS technology to support the consulting business. Appropriate off-the-shelf GPS technology is simply not available to support fleet utilisation work. All BFO equipment is manufactured and assembled by an Australian owned company to support local industry.

The traditional real time GPS model is not the answer for car fleet utilisation audits. The ROI is very often simply not there. This model is best suited to organisations that need to know where their vehicles are in real time. Emergency services, trucking companies that need to monitor the locations of their vehicles and valuable cargoes, trades companies that need to direct vehicles to jobs with optimal efficiency, are typical examples. But there are big costs to the traditional GPS model that make it prohibitive and completely unnecessary for many organisations with large fleets. There is always an upfront cost to purchase the GPS equipment, installation costs, ongoing monthly communications costs, and this is just for starters.

Global best practice suggests that a five-week fleet utilisation snapshot should occur about once every three years (or when a business changes its operational practice in a significant way). The five-week snapshot duration has been used for many years by the Big 4 consulting firms and BFO confirms its relevance for analysis purposes. Customers "hire" the GPS units for the five-week data collection period so there is no ongoing GPS monthly ownership cost burden you get with real-time systems. The marginal knowledge gain beyond five-weeks is almost zero. It's just same basic pattern repeated with seasonal magnitude differences that can be statistically adjusted. Audits can therefore be executed at any time of the year yet vehicle counts will still meet annual vehicle demand peaks.

This model has served the NZ Government very well. BFO has saved the tax payer more than AU\$10M to date after auditing just 12 per cent of the fleet – all with no loss of service quality or significant stakeholder resistance. BFO customers in NZ include Health Services, Department of Conservation and the Department of Housing, to name just a few.

What does BFO offer and what are the benefits?

BFO offers a full end-to-end fleet optimisation service from project set up, data collection and client training through to implementation.

The NZ Energy Efficiency and Conservation

CLIENT TESTIMONY

As a typical State Health provider, we are always looking for ways to better use the limited resources we have available. Fleet costs are a significant area that we have never been able to effectively deal with before using traditional utilisation analysis methods. We've used those methods in the past and they are time consuming, costly and you can rarely convince staff that the findings are valid. BFO's approach has turned all that around for us. We now have definitive results as well as a tool to tell us how many vehicles we need and where they should be sited. Staff may not be entirely happy, but they now accept findings and implementation plans for what they are."

**Sandy Russell, Operations Manager,
Nelson Marlborough District Health Board**

Authority [EECA] states that BFO is a whole generation ahead of the Fleet Optimisation market.

The company assists with full project management, scheduling, data template completion, staff communication, client coaching and change management to promote a smooth implementation.

A BFO vehicle utilisation audit will typically include the following analysis areas:

- Concurrent vehicle usage at each client site by department, cost centre and vehicle type down to the individual vehicle level.
- Recommendations of optimal vehicle counts for specific locations.
- Identification of vehicle pooling opportunities.
- Time of day/week vehicle use patterns including peak hour driving and opportunities to stagger usage.
- Identification of vehicles that come to work and return home without regular work use during the day.
- Note opportunities to implement short term vehicle hire (e.g. taxis) in order to reduce vehicle fleet numbers.
- Seasonal demand analysis and required vehicle count risk reserve levels.
- Detection of improper vehicle use including travel to non-business locations such as supermarkets, recreational areas or personal homes while on business time.

The BFO process is highly structured and change management focused. Successful change implementation requires good project structure, excellent communication, credible data, transparent decision-making and a compelling sales tool.

A BFO project covers all these bases.

COMPARE AVAILABLE METHODOLOGIES FOR YOUR NEXT FLEET UTILISATION STUDY

Functions – Fleet Utilisation Audit	Bishop Fleet M-VOS	Typical Real-time GPS Service	Non-GPS Fleet Consultants	Fleet Leasing Companies
GPS-based	✓	✓	✗	✗
Short term GPS hire option	✓	✗	N/A	N/A
Fleet optimisation focused reporting	✓	✗	✗	✗
Rapid deploy, 1 minute installation	✓	✗	N/A	N/A
Tamper resistant technology	✓	✓	N/A	N/A
Template driven methodology for easy project implementation	✓	✗	✗	✗
Change management based approach	✓	sometimes	✓	✓
Instant re-query of base utilisation data available	✓	sometimes	✗	✗
Analysis includes critical simultaneous off site vehicle use	✓	✓	✗	✗
Mandatory GPS equipment purchase	✗	✓	N/A	N/A
Ongoing monthly fees	✗	✓	N/A	N/A
Ongoing contract obligation	✗	✓	✗	✗
Mileage standards or Log book approaches used	✗	✗	✓	✓
Additional new IT server or application costs	✗	often	N/A	N/A
GPS re-install required at vehicle replacement time	✗	✓	N/A	N/A

“REMOVING EXCESS VEHICLES IS THE NUMBER ONE WAY TO REDUCE FLEET COSTS.” Derrick Bishop, BFO Founder

The BFO utilisation audit process

PHASE 1 – PROJECT START UP

- BFO uses a series of templates to assist with project management, staff communication and data collection to make the project run smoothly from start to finish.
- The standard structure means BFO can deliver initial results within 3-5 days after loggers are returned.

PHASES 2/3 – DATA COLLECTION

- Our in-house designed GPS technology is used to collect data for every vehicle in a fleet.
- A staff member needs just 15 minutes of training to be able to install the loggers.
- Loggers lock into the cigarette lighter socket of any vehicle regardless of voltage or vehicle type. Utilisation data is collected every time a vehicle moves over a 5-week period.
- Utilisation levels can be determined once the loggers are permanently removed.
- Data credibility is the cornerstone of our business. The in-house designed GPS technology can ‘see’ through 16-story buildings ensuring no data loss if a vehicle is in an “urban canyon” with no line-of-sight signal with a satellite.

- BFO has also added special sensors into the design so the GPS only records when the vehicle moves.

PHASE 4 – DATA ANALYSIS

- Downloaded logger data is reviewed using the BFO QueryBuilder internet based analysis tool.
- BFO QueryBuilder is the most advanced visualisation tool available for Fleet Optimisation work. QueryBuilder was well researched before its design to ensure it could answer most Fleet Optimisation questions.
- QueryBuilder only requires basic web skills and 60 minutes onsite training with a BFO trainer.
- No database or spreadsheet skills are needed.
- Users can view vehicle utilisation levels by selecting date range, report type, department, cost centre, site and individual vehicle combinations.
- QueryBuilder report outputs come in a variety of formats. View a snapshot on a Google Earth map to see where thousands of vehicles travelled to detect destination outliers.
- QueryBuilder can tour on top of individual vehicles to validate that staff behaviour aligns with expected work routines. >

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- Colour coded dots help differentiate morning, afternoon, evening stops or overnight offsite parking. Each dot can be clicked to display vehicle information, its allocated department, how long it took to drive to the location and how long it parked.
- Individual sites can be interrogated to determine what vehicles visited even if the site was outside a fixed client geofence.
- Horizontal street view analysis is available to identify site features like signage or buildings.
- Vehicle running sheets can also be generated.
- Traffic volume analysis between sites is also available.
- Concurrent vehicle utilisation reports make it easy to detect inequitable vehicle deployment, pooling opportunities and peak vehicle use times and volumes.
- Line manager concerns can easily be examined with QueryBuilder on-hand to determine if a valid case exists to retain a vehicle.

“MOST ORGANISATIONS ACHIEVE A 20:1 ROI WITHOUT ANY IMPACT ON SERVICE DELIVERY.”

Thinking of using mileage standards or a Log Book approach for your next utilisation audit? You might want to think again.

Fleet optimisation using mileage standard and log book audit approaches fail organisations with large fleets. It was for this reason that Derrick Bishop founded BFO in 2000.

“Most fleet management suppliers say they can optimise your vehicle levels,” Bishop says.

“Before signing the contract, ask how they will do it. If the answer excludes using some form of GPS study, you will quickly understand the type of company you are dealing with.”

Mileage Standards assume that a vehicle that travels 'x' kilometres per month is fully utilised. But where does it go? When is it used? BFO has numerous examples where vehicles meet Mileage Standard 'hurdles' yet the vehicle only went between work and home. One recent BFO audit followed on the back of a study completed by a Fleet Management company using mileage standards. BFO found a further 22 per cent of the vehicles in this fleet still to be surplus to requirements.

Fleet leasing companies will tell you they can optimise using this approach “based on best practice” but the world has changed. Mileage Standards totally ignore where the vehicle went, how long it parked, time of day/week use and many other critical facets required to make an assessment on vehicle numbers. Importantly, Mileage Standards ignore the most critical factor - how many vehicles were simultaneously away from the same home base at one time?

Vehicle log book audits have similar difficulties. Log book audits are cumbersome with extremely poor implementation rates. BFO has completed analysis work on logbook accuracy in 2009 to find some benchmark comparisons.

“We were surprised to find that log book data is around 40 per cent inaccurate largely due to illegible, missing or incorrect records,” Bishop says.

Vehicle log book analysis methodologies simply lack the credibility to support change and most Fleet Managers agree given their experience with these types of initiative.



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